IMPLEMENTING AGREEMENT NO. NYD-217

BETWEEN

SOUTHERN PACIFIC TRANSPORTATION COMPANY
UNION PACIFIC RAILROAD COMPANY

AND

ALLIED SERVICES DIVISION/TCU
TRANSPORTATION COMMUNICATIONS UNION

WHEREAS, Union Pacific Railroad Company (UP) petitioned the Interstate Commerce Commission (now the Surface Transportation Board [STB]) to merge with Southern Pacific Transportation Company (SP) and consolidate operations, and

WHEREAS, the STB granted merger of the UP and SP pursuant to decision rendered under Finance Docket No. 32760, and

WHEREAS, the STB imposed the New York Dock Ry. - Control - Brooklyn Eastern District Terminal, 360 ICC 60 (1979) employee labor protective conditions (hereinafter referred to as "New York Dock Conditions"); and

WHEREAS, pursuant to Article I, Section 4 of the New York Dock Conditions, the following Agreement is made to cover the general rearrangement and selection of forces in connection with the consolidation and rearrangement of functions throughout the UP and the SP, and this rearrangement is made to effect the merger of the UP and SP properties. It is expected that the completion of this rearrangement will involve all areas of the merged railroad’s organizational structure.

UP and SP expect that the rearrangement will be implemented in several stages. The Company anticipates that at least 1,800 clerical employees will be affected. These employees are now positioned at various locations across the UP and SP.

The rearrangement of employees and/or work will commence after the effective date of this Agreement.
IT IS AGREED:

ARTICLE I - ELECTION OF BENEFITS

The labor Protective Conditions as set forth in the New York Dock Conditions which, by reference hereto, are incorporated herein and made a part of this Agreement shall be applicable to this transaction.

Employees affected as a result of the transaction pursuant to this Agreement will be provided an election of available employee protective benefits as set forth in Article I, Section 2 of New York Dock Conditions.

There shall be no duplication of benefits receivable by an employee under this Agreement and any other agreement or protective arrangement. In the event an employee is eligible for protection under the New York Dock Conditions and other agreements or protective arrangements, such employee shall be furnished their New York Dock Conditions test period earnings and shall within thirty (30) days thereafter with copy to the General Chairman, make an election in writing as to whether they desire to retain the protective benefits available under any other agreements or protective arrangements or receive the protective benefits provided under the provisions of this Agreement. In the event the employee fails to make such election within the said thirty (30) day period, the employee shall be deemed to have elected the protection benefits provided under this Agreement to the exclusion of protective benefits under any other agreement or arrangement.

Employees affected as a result of the transaction covered by this Agreement and who elect to accept work at another location, will be provided with protective benefits as set forth in Article I, Sections 2, 9 and 12 of New York Dock Conditions, or the moving benefits outlined in Attachment "B".

An affected employee's test period average (TPA) shall be determined pursuant to Article I, Section 5 of the New York Dock Conditions. (See Side Letter No. 14)

Employees referred to in this Article who elect the New York Dock Conditions protection and benefits prescribed under this Agreement shall, at the expiration of their New York Dock Conditions protective period, be entitled to such protective benefits under applicable protective agreements provided they thereafter continue to maintain their responsibilities and obligations under applicable protective agreements and arrangements.
ARTICLE II - TRANSACTIONS

After the effective date of this Agreement, the Company will commence rearrangement and consolidation of work and positions from locations throughout SP and UP.

The Company will provide the Organization with a detailed plan by location of transactions to take place and distribution of remaining work. The plan will include a listing of the jobs to be abolished and the incumbents; the jobs to be created; the approximate date(s) of transfer; a description of the work to be transferred and the disposition of work to remain, if any. If the transfer of employees or the abolishment of jobs is involved, the plan for each location may be implemented sixty (60) days or later after issuance. It is understood that the sixty (60) days contemplates five (5) days or more notice to the Organization, twenty (20) days for employees to make election, five (5) days for the Carrier to award employee options, and thirty (30) days to prepare for and complete the move. If the plan involves only the transfer of work, such transfer may occur thirty (30) days or later after issuance.

After notifying the Organization of the plan to transfer work and/or employees, the General Chairman may request a meeting to discuss the Carrier's plan. A request for a meeting from the involved General Chairman must be made within five (5) days after the Carrier's plan notice is received by the Union, and said meeting must be held within ten (10) days after the Union's request is received by the Carrier.

ARTICLE III - SELECTION OF FORCES AND ALLOCATION OF SENIORITY

Section 1. Employees transferring under this Agreement will relinquish seniority on their former seniority district(s) or zone(s) on the effective date their assignment is relocated and will have their earliest clerical seniority date dovetailed into the seniority district or zone (including Master Roster 250) to which transferred. If a transferring employee has the same date as an employee on the seniority district or zone (including Master Roster 250) to which transferring, his/her ranking on that district or zone will be determined by date of birth, the oldest being ranked first, and, if this fails, by alphabetical order of last names.

Section 2. Employees transferring under this Agreement shall retain a protected status under this Agreement for a period of six (6) years or length of service, whichever is less, and be credited with prior service for vacation, personal leave, sick leave, entry rates,
and all of the benefits which are granted on the basis of qualifying years of service in the same manner as though all such time spent had been in the service of the railroad to which transferred.

Section 3. The Carrier will determine the number of positions to be relocated or abolished at a given location as the result of the implementation of a transaction. Advertised positions to be established at the new location will be awarded in accordance with Letter of Understanding No. 5.

Employees on the affected roster/zone will be given the simultaneous options of:

A. Receiving severance under the separation program (Attachment "A").
B. Exercising seniority.
C. Relocating to accept a clerical position at a new location.
D. Entering voluntary furlough status (benefits suspended).

Employees will be asked to rank each option in order of preference. The option of each employee will be honored in seniority order until all the relocated positions have been filled or there are no surplus employees on the roster/zone available to fill the relocated positions. Employees receiving options must select said options within twenty (20) days from the date notice of the transaction is posted. Failure to make an election will be considered as electing voluntary furlough status (benefits suspended). Election or assignment of benefits shall be irrevocable.

Section 4. Assignments will be made thirty (30) days prior to the effective date of the transaction. After assignment is made, the employee will not be subject to displacement from the new position. Said protection from displacement extends only from date assigned until position is occupied, after which time normal seniority rules shall prevail.

On the effective date of the assignment, employees will forfeit all seniority on their current district(s) or zone and establish a dovetailed date on the new district or zone. Accordingly, employees assigned positions on said bulletin will have no seniority right to continue to hold positions on the old district or zone after the effective date of the new assignment.
Employees occupying positions scheduled to be affected by a transaction as defined in Article II of this Agreement as of the date of the notice, shall be considered the incumbents of the affected positions for purposes of receiving the benefits of this Agreement.

Employees are required to report to the new location on the effective date unless other arrangements are made in writing with the new supervisor. If granted, subject to the requirements of service, the employee may use any vacation due or time off without pay prior to reporting for duty.

In connection with the transfer of work and employees, the Carrier will, to the best of its ability, preserve vacation schedules for employees who relocate.

Section 5. An employee required to change place of residence as a result of election to follow a position will be entitled to the moving benefits set forth in Attachment "B".

A "change in residence" as used in this Agreement shall only be considered "required" if the reporting point of the affected employee would be more than thirty (30) normal route miles from the employee point of employment at the time affected.

If an employee receives a monetary relocation allowance and does not report to his/her newly assigned work point on the assigned date, he/she shall forfeit his/her accumulated seniority and be treated as though he/she had submitted a voluntary resignation, except in case of illness or other physical disability or unless prior arrangements have been made in writing with the new supervisor.

**ARTICLE IV - FILING CLAIMS FOR PROTECTIVE BENEFITS, DISPUTES RESOLUTION AND ARBITRATION**

Clerical employees electing benefits under this Agreement as a result of this transaction, may file a claim therefore at any time, however, no monetary claim shall be allowed unless the claim is filed in writing within sixty (60) days following the end of the month for which a claim is based. All claims for monthly displacement or dismissal allowance, relocation allowance, or severance shall be submitted to:

Mr. B. S. Feld  
Senior Manager-Labor Relations  
Union Pacific Railroad  
1416 Dodge Street  
Omaha, NE 68179
The Carrier shall, within sixty (60) days from the date such claim is submitted, so notify the individual submitting the claim whether the claim is allowed or denied, giving a statement of reason therefor. If a decision is not made within the time period, the claim will be allowed as presented, but this shall not be considered as a precedent or waiver of the contentions of the Carrier as to other similar cases.

The parties will meet on a regular basis to review the implementation of this Agreement. In the event there is a dispute pursuant to the Agreement, facts will be reviewed with the intent of reaching a resolution or submission to an Arbitrator appointed by the parties to preside over a standing Board. The parties will meet within thirty (30) days from the date the Agreement is signed to select an Arbitrator.

In order to facilitate quick resolution to disputes, the dispute may be presented to the Arbitrator within ninety (90) days from the date of the occurrence on which the dispute is based. The Arbitrator has the authority and is encouraged by the parties to render “bench” decisions at the Hearing; however, the Arbitrator must render a decision within thirty (30) days from the date of Hearing.

The salary and expenses of the Arbitrator shall be borne equally by the parties. The Arbitrator shall have the right to receive detailed descriptions of the dispute and make on-site inspections, if he deems necessary.

ARTICLE V - GENERAL

Section 1. If the employee is not permitted to relocate on the appointed date, the Company will provide suitable lodging and reasonable expenses for individual employees and their dependents who have vacated their home or commenced moving. Expenses shall continue on a day-to-day basis until the employee is released to proceed to the new location.

It is understood that the transfer date may be subject to change or may be different for each individual and may be extended without penalty, provided the employee has not formalized arrangements to vacate his/ her home or commenced moving.

Section 2. In order to receive a full displacement allowance, an employee must exercise seniority rights to secure an available position to which entitled under the working
Agreement and which carries a rate of pay and compensation equal to or exceeding the employee's protected rate, or shall thereafter be treated for the purposes of this Section as occupying the position elected to decline until a position of equal or higher rate is acquired.

Section 3. If an employee is absent from service on the effective date of this Agreement, such employee will be entitled to the benefits as provided in Article I when available for service, if eligible.

Section 4. If an employee who has been notified that his/her position will be affected desires to accept severance and resigns or relocates prior to the expiration of the 30-day notice, he/she may do so dependent upon the requirements of the service and without penalty to the employee or the Carrier.

Section 5. In connection with the application of this Agreement, the parties have agreed without prejudice to either party's position in any other case that positions established will not be counted as TOPS overbase credits, nor will positions abolished or individuals accepting separation allowances as a result of this transaction be counted as TOPS attrition credits.

Where there is sufficient work in a department to require supplementing the assigned work force on a regular basis, a position will be properly bulletined and established.

Section 6. In order for employees who transfer under the terms of this Agreement to acquire training and gain necessary experience, the Carrier agrees to provide paid job-related training for up to eight (8) weeks. The training will begin upon an employee's assignment and may include on-the-job training, classroom instruction, and testing. Typing courses as well as other job-related fundamentals, may be offered in order to develop necessary skill levels. The length of the training period may vary based upon the previous experience, training, skills of each employee as well as the prerequisites of the job and department. An employee afforded training as provided herein will be given full cooperation during the training period. Failure to make satisfactory progress in training will be sufficient grounds for disqualification. Any employee so disqualified will be required to exercise his seniority rights at the location to which transferred in accordance with the applicable rule(s) of the Agreement.

The training period will not exceed eight (8) hours per day, forty (40) hours per work week (Monday through Sunday). However, if training is required in excess of the hours specified, such training will be compensated at the overtime rate.
ARTICLE VI - EFFECTIVE DATE

This Agreement shall become effective on the date signed, and constitutes an Implementing Agreement fulfilling the requirements of Article I, Section 4, stipulated in the New York Dock Dock Conditions imposed by the STB in FD 32760.

Signed this 18th day of December, 1996.

FOR THE ORGANIZATION:

R. F. Davis
President, ASD/TCU

J. L. Quilty
General Chairman, TCU

M. L. Scroggins
General Chairman, TCU

FOR THE COMPANY:

D. D. Matter
Sr. Director Labor Relations/Non-Ops

R. L. Camp
Manager Labor Relations

APPROVED:

J. P. Condo
International Vice President, TCU

J. L. Gobel
International Vice President, TCU
SEPARATION/DISMISSAL PAY

In recognition of the anticipated number of changes associated with the merger of the railroads and in an effort to provide alternatives to the clerical employees represented by the Allied Services Division/TCU and the Transportation Communications Union, the Carrier agrees to offer the following options to Southern Pacific Lines and Union Pacific Railroad employees.

Section 1.

Upon the effective date of the Implementing Agreement, the Carriers will be permitted to post a twenty (20) day advance notice at specific locations offering the following separation amounts on a seniority basis:

<table>
<thead>
<tr>
<th>YEARS OF SERVICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 and Over</td>
<td>$95,000</td>
</tr>
<tr>
<td>25, Less than 30</td>
<td>$85,000</td>
</tr>
<tr>
<td>20, Less than 25</td>
<td>$75,000</td>
</tr>
<tr>
<td>15, Less than 20</td>
<td>$65,000</td>
</tr>
<tr>
<td>6, Less than 15</td>
<td>$60,000</td>
</tr>
<tr>
<td>Less than 6</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

In calculating an employee's seniority, the earliest continuous seniority date shall apply. The employee's years of service shall be calculated as of the date the notice of separation is posted.

Section 2.

(a) In lieu of the lump sum payments indicated above, employees may elect to accept a dismissal allowance payable in equal monthly installments. Employees electing this option will be entitled to the amount indicated, given their number of years seniority less $500 for every month which the payments are extended for continuation of health and welfare benefits. Payments may be extended for a period not to exceed three (3) years (36 months from date monthly dismissal payments are initiated).
ATTACHMENT "A"

(b) Employees electing Option contained in Section 2(a) above shall be relieved from duty, but considered in active service until the expiration of the last monthly installment at which time their service and seniority shall be terminated. Compensation paid in these monthly installments will be considered the same as regular compensation insofar as taxation and hospital dues deductions are concerned. However, this compensation will not be considered as qualifying payments for the purpose of applying the National Vacation Agreement nor will this extended time allow such employees any other compensation benefits under the Basic or National Agreement. It is understood that all health and welfare benefits as well as all contributions toward Railroad Retirement Tax shall be continued during the period that the monthly installments are in effect.

Section 3.

(a) In lieu of the lump sum payments indicated above, employees may elect to accept a dismissal allowance payable in equal monthly installments. Employees electing this option will be entitled to the amount indicated, given their number of years seniority. Payment may be extended for a period not to exceed three (3) years (36 months from date monthly separation payments are initiated).

(b) Employees electing Option contained in Section 3(a) above shall be relieved from duty, but considered in active service until the expiration of the last monthly installment at which time their service and seniority shall be terminated. Compensation paid in these monthly installments will be considered the same as regular compensation insofar as taxation is concerned. However, this compensation will not be considered as qualifying payments for the purpose of applying the National Vacation Agreement nor will this extended time allow such employees any other compensation benefits under the Basic or National Agreement. Additionally, employees will not be eligible for any health and welfare benefits. It is understood that all contributions toward Railroad Retirement Tax shall be continued during the period that the monthly installments are in effect.

Section 4.

(a) Except as otherwise provided, employees submitting requests for the options contained herein must, on the date notice is posted, be actively employed and/or receiving compensation from the Carrier either on a regular assigned clerical position, extra board or as a furloughed protected employee.

(b) A clerical employee who is on a leave of absence at the time the notice is posted at a location will be considered an eligible employee upon returning to active service at such location if such employee returns within six (6) months of the date of the notice.

(c) Employees entitled to the lump sum separation will be paid within one week of the last day worked. Employees entitled to the dismissal allowance will be paid monthly beginning within thirty (30) days of the last day worked.
Furthermore, this one-time deduction as set forth in the extended payments will be applied on the initial payment or installment.

(i) It is understood that an employee who accepts the separation/dismissal amounts set forth herein will also be compensated at the time of separation/dismissal (lump sum or first monthly installment), any other compensation that may also be applicable to an eligible employee under the National Vacation or the Sick Leave Allowance of the Basic Agreement.

(j) Employees awarded lump sum separations set forth herein will be considered to have resigned from service, terminating all seniority rights with the Southern Pacific/Union Pacific Railroad Company except where the separation date is extended due to operation requirements.
(d) Deductions for income tax, railroad retirement tax, and union dues and assessments will be made.

(e) The Company reserves the right, dependent upon the needs of the service, to limit the number of clerical employees receiving separation or dismissal allowances. Furthermore, employees electing these options need not be immediately released and the separation or dismissal options elected may be deferred up to three (3) months from date the employee is notified of acceptance. Any deferment beyond three (3) months must be by mutual agreement between the parties.

(f) Only the prescribed Request Form may be used. Any other methods of requesting options received from employees other than this prescribed form will not be considered as a valid request. In addition to forwarding the Request Form to the designated Carrier official, interested applicants must also submit completed copies to the individuals listed on the form. In the case of a dispute as to whether the form was submitted on time, etc., the deciding factor will be receipt of the Request Forms to all concerned and absent such receipt may result in having the Request Form considered as invalid.

(g) Each applicant applying for options provided in this Agreement will be notified in writing of their acceptance or rejection no later than thirty-five (35) days after the posting of the notice. A copy of the results will be forwarded to the General Chairman. It is understood the release date of an employee awarded a separation or dismissal allowance pursuant to this Attachment "A" shall be determined by the Company. However, no employee will have their election option deferred beyond three (3) months from the date notified of acceptance.

(h) The applicable union dues and assessment deduction will be at the prevailing rate in effect at the time election of such option is made. This deduction will be made on the following basis:

<table>
<thead>
<tr>
<th>Eligible Amount</th>
<th>Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>$95,000.00</td>
<td>46 months</td>
</tr>
<tr>
<td>$85,000.00</td>
<td>41 months</td>
</tr>
<tr>
<td>$75,000.00</td>
<td>36 months</td>
</tr>
<tr>
<td>$65,000.00</td>
<td>31 months</td>
</tr>
<tr>
<td>$60,000.00</td>
<td>28 months</td>
</tr>
<tr>
<td>$25,000.00</td>
<td>0</td>
</tr>
</tbody>
</table>
MOVING EXPENSES AND RELATED BENEFITS

Section 1.

(a) An employee who is required to change place of residence, as defined below, in the exercise of seniority as a result of a transaction under this Agreement who, on the date notice of transaction is issued, owns their home or is under a contract to purchase a home, shall be afforded one of the following options which must be exercised within fifteen (15) days from the date affected or assigned to a position at the new work location:

Option 1: Accept the moving expense and protection from loss in sale of home benefits provided by the terms of the New York Dock Conditions and Section 2 or, in lieu thereof, any property protection agreement or arrangement.

Option 2: Accept a lump sum transfer allowance of $20,000.00 in lieu of any and all other moving expense benefits and allowances provided under terms of the New York Dock Conditions and this Attachment "B".

NOTE: A "change in residence" as used in this Agreement shall only be considered "required" if the reporting point of the affected employee would be more than thirty (30) normal route miles from the employee point of employment at the time affected.

(b) An employee referred to above who does not own a home or is not obligated under contract to purchase a home shall be afforded one of the following options which must be exercised within fifteen (15) days from date affected or assigned to a position at the new work location:

Option 1: Accept the moving expense benefits provided by the terms of the New York Dock Conditions and Section 2 or, in lieu thereof, any property protection agreement or arrangement.

Option 2: Accept a lump sum transfer allowance of $10,000.00 in lieu of any and all other moving expense benefits and allowances provided under terms of the New York Dock Conditions and this Attachment "B".

(c) If an employee holds an unexpired lease of a dwelling occupied as his/her home, the Carrier shall protect such employee for all loss and cost of securing the cancellation of said lease as provided in Sections 10 and 11 of Washington Job Protection Agreement in addition to the benefits provided under this Section.
Section 2.

An employee electing the moving expense benefits under the New York Dock Conditions shall receive a transfer allowance of Two Thousand Five Hundred Dollars ($2,500.00). In addition, the provisions of Section 9, Moving Expenses, of the New York Dock Conditions which provides "not to exceed 3 working days" will be increased to "not to exceed 5 working days."

Section 3.

An employee who voluntarily transfers under terms of this Agreement, and who is required to change place of residence and elects the lump sum transfer allowance in lieu of any and all other moving expense benefits and allowances, shall be accorded on assignment a special transfer allowance of $5,000.00 in consideration of travel and temporary living expenses while undergoing the relocation. However, such employee will not be permitted to voluntarily exercise seniority on a position which again will require a change of residence outside the new point of employment for a period of twelve (12) months from date of assignment, except in cases of documented hardship and then only by written agreement between Labor Relations and the respective General Chairman/President.
March 10, 1994

Mr. R. F. Davis, President
Allied Services Division/TCU
3113 W. Old Higgins Road
Elk Grove Village, IL 60007

Dear Mr. Davis:

Reference is made to the letter of understanding dated July 20, 1993 regarding the establishment of National Account Customer Service Representative (NACSR) positions in the Customer Service Center, Denver, Colorado, for a 120-day period, as part of a "pilot program".

The individualized customer service provided to the large national accounts by the National Account Representatives has greatly improved customer satisfaction. This was the desired result when we entered into the pilot program. Since the program is working well, it is our desire to implement this program on a permanent basis, and, therefore, IT IS AGREED:

The Company may establish up to twenty (20) National Account Representatives in the Customer Service Center, Denver, Colorado if the account meets one of the following criteria:

1. Customer provides $8 million in revenue annually.
2. Customer is projected to provide $8 million annually within the next 12 months.
3. NACSR contact is a contractual condition of doing business.

The NACSR positions will be used to handle calls concerning the national accounts for which they are responsible; however, they may be required to handle general service calls in case of emergency or severe peaks in customer calls.

The positions shall be within the scope of the Clerks’ Agreement and covered by all rules, except Rules 6(a), 16 and 17.

In order for the Company to establish an NACSR position, the position must have a national account (that meets one of the three criteria) identified with the position.
The NACSR position will generally be responsible for one account; however, depending upon workload and based on agreement between the Company and the Organization, the position may be required to handle additional accounts.

Additional NACSR positions may be established with the concurrence of the Organization.

The daily rate of pay for a National Account Representative will be $128.00.

Subsequent vacancies or new positions will be bulletined under Rule 9 of the Clerks' Agreement. Successful applicants for new positions must have a minimum of two years seniority with the Company, ability and fitness being equal among the candidates.

This agreement may be cancelled by 60 days written notice given by one party to the other.

If the foregoing meets with your concurrence, please sign in the space provided below.

Sincerely,

D. A. Porter
Director - Labor Relations

CONCUR:

R. F. Davis, President
Allied Services Division/TCU
MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
UNION PACIFIC RAILROAD
AND THEIR EMPLOYEES REPRESENTED BY
ALLIED SERVICES DIVISION/TCU
TRANSPORTATION COMMUNICATIONS UNION

WHEREAS, the Carriers have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

WHEREAS, the affected employees employed by the Southern Pacific Transportation Company who may be required to move to the geographic location of the Denver and Rio Grande Western Railroad or the Union Pacific Railroad are covered by Travelers GA-23000, while the employees on the Denver and Rio Grande Western Railroad and the Union Pacific Railroad belong to a hospital association;

It is therefore agreed that SPTCo employees who have transferred or are transferring to the D&RGW or the UPRR will be granted an option to (1) retain coverage under GA-23000, or (2) elect to become covered by the hospital association, it being understood, however, that once an employee elects coverage of the hospital association, he/she may not elect at a later date to return to GA-23000.

It is further agreed that the employees will be provided an election form and must advise the designated Carrier Officer of their intent to retain GA-23000 or become members of the hospital association in writing within thirty (30) days. Failure to complete and submit the form to the designated Carrier Officer will be construed to be an election for coverage that the employee previously had at the location from which transferred.

This Agreement is signed this 18th day of December, 1996.

AGREED:
FOR THE ORGANIZATION:

R. F. Davis
President, ASD/TCU

J. L. Quilty
General Chairman, TCU

M. L. Scroggins
General Chairman, SB #51

FOR THE COMPANY:

D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations
MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
UNION PACIFIC RAILROAD
AND THEIR EMPLOYEES REPRESENTED BY
TRANSPORTATION COMMUNICATIONS UNION

WHEREAS, the Carriers have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

WHEREAS, the affected employees employed by the SPCSL will eventually have their jobs abolished as a result of the diminution of work on SPCSL;

These employees will be covered under all the provisions of Implementing Agreement No. NYD-217 as well as the Attachments, Memorandums and Letters of Understanding which are a part of that Agreement on the date the Agreement becomes effective.

Effective with the abolishment of these position(s) the work of these positions will be transferred to UP. Employees unable to hold a position within a thirty (30) mile radius of their former work location on the SPCSL will have their name and seniority date placed on UP Zone 226, Master Roster 250, in accordance with Implementing Agreement No. NYD-217; and will become subject to the TCU/UP Collective Bargaining Agreement; and will be placed in furlough protected status subject to recall in accordance with the UP Job Stabilization Agreement, as amended.

Employees transferring to the UP pursuant to this Memorandum of Agreement will establish a UP Job Stabilization Agreement protected rate at the rate of the position to which assigned as of the date of the Agreement (including all COLA and general rate increases).

This Agreement is signed this 16th day of December, 1996.

AGREED:
FOR THE ORGANIZATION:

M. L. Scroggins
General Chairman, TCU

J. L. Quilty
General Chairman, TCU

FOR THE COMPANY:

D. D. Matter
Sr. Director Labor Relations/Non-Ops

R. L. Camp
Manager Labor Relations
Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Dear Sir:

This will confirm our discussion in conference relating to the merger of the UP and SP railroads.

Because of the extensive changes planned by the Carrier in the San Francisco General Offices Seniority District, it was agreed that the "surplus" arrangement, provided for in the Agreement of August 11, 1961, and all subsequent Agreements, Understandings and Interpretations covering the use and placement of "surplus" employees, would only serve to restrict an employee's seniority. For this reason, it was agreed that the Surplus Agreement and all subsequent Interpretations and Understandings of that Agreement would be suspended effective on the date Implementing Agreement No. NYD-217 becomes effective.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided.

Yours truly,

Robert F. Davis, President/ ASD

D. D. Matter
Sr. Director Labor Relations/ Non- Ops

R. L. Camp
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 2

Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Mr. M. L. Scroggins  
General Chairman, TCU  
P. O. Box 2128  
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads regarding health and welfare coverage under GA-46000, hospital associations, retiree life insurance and supplemental health and welfare insurance for those who elect a separation allowance payable in equal monthly installments.

It is agreed and understood that an employee who elects a separation allowance payable in equal monthly installments will be entitled to health and welfare coverage under GA-46000 or hospital association the same as though the employee resigned from active service and retired, provided such employee meets the eligibility requirements for entitlement under GA-46000 or hospital association at the time payment of the benefits under the program elected terminate.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

\[Signature\]

Robert F. Davis, President/ ASD

James L. Quilty  
General Chairman, SB #106

M. L. Scroggins  
General Chairman, SB #51

D. D. Matter  
Sr. Director Labor Relations/ Non-Ops

R. L. Camp  
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 3

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.

An employee not covered by any protective agreement or arrangement on his/her respective property, may be offered employment anywhere on the combined (railroads) system and must accept such transfer or resign from service. Such employee will receive a thirty (30) calendar day notice and will advise the Carrier within twenty (20) days from the date of the notice of decision to accept or reject said offer. If an employee transfers, he/she will receive the moving and real estate benefits of Attachment "B" of this Agreement and his/her seniority will be dovetailed. If an employee elects to resign from service, the employee will receive a $25,000 separation allowance.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

I CONCUR:

Robert F. Davis, President/ ASD

James L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

Yours truly,

D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations
Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Mr. M. L. Scroggins  
General Chairman, TCU  
P. O. Box 2128  
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of the UP and SP railroads.

In regards to District/Local Chairmen who are affected as a result of this Agreement and who represent employees covered thereby,

It is agreed that each employee who served as an agent or representative of the employees in the twelve (12) months immediately preceding the representative being affected, and who lost time from the Carrier, such representative and/or employee's monthly dismissal/displacement allowance shall include the total hours the employee was absent while serving as agent or representative of the employees and the total straight time wages lost while serving in that capacity during the test period.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

Robert F. Davis, President/ASD  
James L. Quilty, General Chairman, SB #106  
M. L. Scroggins, General Chairman, SB #51

D. D. Matter  
Sr. Director Labor Relations/Non-Ops  
R. L. Camp  
Manager Labor Relations
Gentlemen:

The positions established as a result of the transfer of work contemplated in the Implementing Agreement will bebulletined for twenty (20) days concurrently on all districts or zones on the proper (UP or SP) form from which the work is being transferred. Such bulletins will be closed thirty (30) days in advance of the date the positions are to be established and will be assigned in the following preferential order:

1. To the incumbents on the affected positions.

2. To other employees within the same seniority district as the affected Department, or, in the case of the UP, to other employees at the affected location (30 mile radius).

2(a). In the case of the UP, to other employees on the zone from which the work is being transferred.

3. To other employees on the property (UP or SP) from which the work is being transferred.

Any positions that remain unfilled will be bulletined in accordance with the working Agreement on the property (UP or SP) to which the work is being transferred.

The incumbents on the positions to be abolished will have preferential rights to follow their positions to the location where the positions are transferred, if they so desire.

Yours truly,

[Signatures]

Robert F. Davis, President/ ASD
James L. Quilty, General Chairman, SB #106
M. L. Scroggins, General Chairman, SB #51

D. D. Mattef, Sr. Director Labor Relations/ Non-Ops
R. L. Caruf, Manager Labor Relations
LETTER OF UNDERSTANDING NO. 6

Mr. R. F. Davis
President, ASD/TCU
53 W. Seege's Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Harris, IL 62948

Gentlemen:

In recognition of the anticipated changes wherein the Company will be rearranging, eliminating and/or transferring clerical work throughout its lines, the parties have committed to minimizing the disputes arising therefrom.

Since the Agreement is based upon cooperation of the parties with most problems resolved at the local level, it is agreed that with the concurrence of management, the Local/District Chairmen may be absent from work with pay for up to thirty (32) hours per month for the purpose of administering this Agreement. During this paid absence, the decision to fill the position will rest with the Carrier.

Yours truly,

I CONCUR:

Robert F. Davis, President/ASD

James L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

D. D. Matter
Sr. Director Labor Relations/Non-Ops

R. L. Camp
Manager Labor Relations
Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Dear Sir:

This will have reference to Article III of Implementing Agreement No. NYD-217. In the event the Carrier is unable to fill a position as a result of work transferred from the SP to the UP after exhausting the provisions of Article III and Side Letter No. 5, the position shall be advertised and filled by UP employees as follows:

1. At locations where a five (5) day bulleting process is in place, the position(s) will be bulletined under the five (5) day bulleting procedures in effect at the location to which the position(s) has been transferred.

2. At locations where a five (5) day bulleting process is not in effect, or if a vacancy still exists after completing Step 1 above, the positions shall be bulletined in accordance with Rule 11 of the TCU Agreement to all employees on Master Seniority Roster No. 250.

3. Concurrent with bulletining the positions under the provisions of Rule 11, the bulletins will be sent to all furloughed protected employees offering the opportunity to bid on such positions.

4. At the close of the bulleting period, the position(s) will be awarded to applicants in order of their seniority date on Master Seniority Roster No. 250.

5. Furloughed protected employees and employees transferring from locations where qualified furloughed protected employees are available to fill the transferring employee's vacancy or any vacancy resulting from the transfer, will be allowed the moving expenses and related benefits of Attachment "B" of Implementing Agreement No. NYD-217, including the special transfer allowance and incentive allowance.

6. Any vacancies that exist after following the procedures outlined above will be immediately filled by hiring a new employee.

This Understanding on filling vacancies is designed solely in connection with Implementing Agreement No. NYD-217 and will not apply to any other condition.

I CONCUR:

James L. Quilty  
General Chairman, SB #106

Yours truly,

D. D. Matter  
Sr. Director Labor Relations/Non-Ops
LETTER OF UNDERSTANDING NO. 8

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.

It is agreed and understood that wherever the terms Southern Pacific Transportation Company, Southern Pacific Lines or SP are used in the Merger Agreement and/or any attachments or side letters they include:

- Southern Pacific Transportation Company (Western Lines)
- Southern Pacific Transportation Company (Eastern Lines)
- St. Louis Southwestern Railroad Company
- Denver And Rio Grande Western Railroad Company
- Southern Pacific Chicago St. Louis Corporation

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

[I CONCUR:]

Robert F. Davis, President/ ASD

J. L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

Yours truly,

D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 9

Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Mr. M. L. Scroggins  
General Chairman, TCU  
P. O. Box 2128  
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.

It is agreed service performed as a full-time "duly authorized representative" while on leave of absence shall be computed for continuous service purposes under the National Vacation Agreement in the same manner as if the employee had been working on a job covered by the TCU Agreement. Moreover, should such representative return to active service with the Carrier, within six years from the effective date of Implementing Agreement NYD-217, the number of days spent performing service as a full-time duly authorized representative will be counted as qualifying days for purposes of vacation entitlement in the year following such individuals' return to service.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

I CONCUR:

Robert F. Davis, President/ASD

James L. Quilty  
General Chairman, SB #106

M. L. Scroggins  
General Chairman, SB #51

Yours truly,

D. D. Matter  
Sr. Director Labor Relations/Non-Ops

R. L. Camp  
Manager Labor Relations
Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Dear Sir:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.

Concern has been expressed over confusion created when the Carriers conduct simultaneous transactions under the TOPS Agreement and the New York Dock Implementing Agreement.

It is agreed that during the operative period of the Implementing Agreement, the Carrier will not issue notices or make changes under TOPS.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

[Signatures]

Robert F. Davis, President/ASD  
Sr. Director Labor Relations/Non-Ops  
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 11

Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegeers Road  
Arlington Heights, IL 60005

Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Mr. M. L. Scroggins  
General Chairman, TCU  
P. O. Box 2128  
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads. Concern was expressed as to the possibility that those employees who own a home and are required to change their place of residence in order to maintain a position with the Carrier and who purchase a home at the new work location may have to make two (2) house payments.

It is agreed that in addition to the moving benefits contained in the New York Dock Conditions (Section 1(a) - Option 1 of Attachment "B"), the Carrier will also pay, for a period not to exceed six (6) months, the lesser of the employee's house payment for his previous home or the house payment for a house at the new work location to any employee who may be required to make two (2) house payments due to not being able to sell the previous home.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

Robert F. Davis, President/ ASD

James L. Quilty  
General Chairman, SB #106

M. L. Scroggins  
General Chairman, SB #51

D. D. Matter  
Sr. Director Labor Relations/ Non-Ops

R. L. Camp  
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 12

Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Mr. M. L. Scroggins  
General Chairman, TCU  
P. O. Box 2128  
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.

In the past, affected employees have experienced problems that fell outside the technical applications of the Implementing Agreement and were unable to get answers required to facilitate their transition to new duties, work locations, or lifestyles.

The Carrier will establish an ombudsman who will be available to hear the concerns of affected employees and develop answers to problems. The ombudsman will have sufficient authority to resolve problems.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

I CONCUR:

Robert F. Davis, President/ASD

James L. Quilty  
General Chairman, SB #106

M. L. Scroggins  
General Chairman, SB #51

D. D. Matter  
Sr. Director Labor Relations/Non-Ops

R. L. Camp  
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 13

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of the UP and SP railroads.

It was agreed that should the number of Southern Pacific employees making application for positions bulletined on the Union Pacific exceed the number of positions bulletined, the Carrier will offer, in a like number to the Union Pacific employees in the Zone at the location to which the work is being transferred, the separation allowance benefits of Attachment "A" to the Implementing Agreement.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

Robert F. Davis, President/ ASD

J. L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations
Gentlemen:

This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

During our discussions, it was agreed that an employee assigned to a new position established pursuant to Implementing Agreement No. 217 would have their test period averages calculated from the date the assignment becomes effective irrespective of the employee's release date from the old position.

If you agree with this method of calculating the TPA's, please sign in the space indicated below.

Yours truly,

Robert F. Davis, President/ASD

James L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

D. D. Matter
Sr. Director Labor Relations/Non-Ops

R. L. Camp
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 15

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

In our discussions it was agreed that all Customer Service Representative positions established pursuant to Implementing Agreement No. 217 would be bulletined as "CSR training positions". Once the training is completed, Customer Service Representative positions will be bulletined and assigned in accordance with the past practice of permitting all employees in the Customer Service Center at St. Louis to bid on the regular CSR positions.

If the above adequately reflects our understanding, please sign in the space indicated below.

Yours truly,

Robert F. Davis, President/ ASD

J. L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations
Mr. M. L. Scroggins  
General Chairman, TCU  
P. O. Box 2128  
Herrin, IL 62948  

Dear Sir:

This has reference to Implementing Agreement No. 217 providing for the consolidation and rearrangement of functions throughout the UP and SP.

During our discussions it was agreed that SPCSL clerical employees with six (6) or more years seniority will be considered protected employees under the application of Implementing Agreement No. 217. Non-protected SPCSL clerical employees will receive any coverage as provided for in the Implementing Agreement or attachments thereto.

If the above adequately records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

I CONCUR:

M. L. Scroggins  
General Chairman, SB #51

D. D. Matter  
Sr. Director Labor Relations/ Non-Ops

R. L. Camp  
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 17

Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Mr. M. L. Scroggins  
General Chairman, TCU  
P. O. Box 2128  
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP railroads.

The TCU/SP October 27, 1992 Implementing Agreement provides that in certain circumstances employees are to receive a transfer allowance to be paid over a period of time providing the employee fulfills certain obligations. It is understood that if an employee is transferred under this Agreement and thus not able to fulfill his prior obligations, the employee will nevertheless receive the prior transfer allowance providing the employee continues in the employ of the Carrier.

If the above adequately records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

Robert F. Davis, President/ ASD  
D. D. Matter  
Sr. Director Labor Relations/ Non-Ops

M. L. Scroggins  
General Chairman, SB #51  
R. L. Camp  
Manager Labor Relations
LETTER OF UNDERSTANDING NO. 18

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP.

It was agreed that SP employees transferring to the UP would be permitted to retain their TOPS protected rate, DRGW Job Stabilization rate, SPCSL “grandfather” rate or establish the rate of the position to which transferring on the UP, whichever is greater, as their protected rate under the UP Job Stabilization Agreement, as amended. It is understood that allowing transferring SP employees the higher of the two (2) rates described above is in lieu of establishing an EMR for those employees.

It was further agreed that UP employees transferring to the SP will establish a protected rate on the SP (TOPS or DRGW Job Stabilization, whichever is applicable) at the higher of their UP Job Stabilization protected rate, their employee maintenance rate or the rate of the position to which transferring on the SP.

If the above correctly records our understanding and agreement please so indicate by placing your signature on the space provided below.

Yours truly,

/\,
Robert F. Davis, President/ ASD

D. D. Matter
Sr. Director Labor Relations/ Non-Ops

James L. Quilty
General Chairman, SB #106

R. L. Camp
Manager Labor Relations

M. L. Scroggins
General Chairman, SB #51
Gentlemen:

This will confirm our discussion in conference relating to the merger of UP and SP.

Employees now holding clerical seniority and who have been granted leave of absence to perform full time union service may exercise seniority as provided in the respective Bargaining Agreement or elect from the options contained in Implementing Agreement No. 217 provided such election is made within thirty (30) days after returning to service. In the event such employee elects a separation allowance, the amount of the separation will be determined by the employee's seniority date as of the effective date of this Agreement.

Yours truly,

[Signatures]

Robert F. Davis, President/ ASD

James L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

D. D. Matter
Sr. Director Labor Relations/ Non-Ops

R. L. Camp
Manager Labor Relations
Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Dear Sir:

The parties recognize a controversy currently exists over the Rule 1(e) positions which have recently been established in the NCSC at St. Louis. Both parties wish to resolve this dispute.

As a result of the UP/SP merger, approximately 600 clerical positions are to be transferred from the SP to the UP between April 1997 and July 1998. Under the current UP Rule providing for 19% Rule 1(e) positions, this could result in an additional 114 Rule 1(e) jobs being created in the NCSC.

In order to minimize the initial impact of employees transferring from the SP to the UP on the ratio of Rule 1(e) positions to fully covered positions, the Carrier agrees to limit the number of Rule 1(e) positions created as a result of clerical positions being transferred. It is agreed that, except for the 19 NACSR positions covered by the March 10, 1994 Letter Agreement, (copy attached), the number of Rule 1(e) positions as of the date of this Agreement will not be increased as work and positions are transferred to the UP until such time as the issue has been resolved in accordance with Article VII of the September 9, 1936 National Agreement.

We anticipate this issue will be resolved nationally in the second or third quarter of 1997. However, in no event will this freeze of Rule 1(e) positions extend beyond January 1, 1998.

During this interim period the parties will continue to meet and attempt to resolve the issue outside the National Agreement.

It is understood that any understanding we may reach will have to be approved by TCU International President Scardelletti.

If you concur, please sign in the space indicated.

Yours truly,

AGREED:  

J. L. Quilty

cc: Mr. J. L. Gobel  
International Vice President, TCU  
4189 North Road  
Moose Lake, MN 55767
MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
AND THEIR EMPLOYEES REPRESENTED BY
ALLIED SERVICES DIVISION/TCU

WHEREAS, the Carrier's have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

WHEREAS, many of the affected employees employed by the Southern Pacific Transportation Company at Denver, Colorado and Houston, Texas, maintain their seniority on separate seniority districts;

It is therefore agreed that Seniority Districts 1 and 3 in Houston, Texas, are hereby consolidated into one seniority district.

Additionally, employees on Seniority Districts 1, 2 and 3 at Denver will be considered as being on the same Seniority District for purposes of applying for positions being transferred to other locations as a result of a transaction made pursuant to Implementing Agreement No. 217. In the application of this understanding, the employee's earliest seniority date on Roster 1, 2 or 3 shall be used.

This Agreement is signed this 16th day of December, 1996.

FOR THE ORGANIZATION:

R. F. Davis
President, ASD/TCU

FOR THE COMPANY:

R. L. Camp
Manager Labor Relations

D. D. Matter
Sr. Director Labor Relations/Non-ops
December 18, 1996

Mr. R. F. Davis
President, ASD/TCU
53 W. Seegers Road
Arlington Heights, IL 60005

Mr. J. L. Quilty
General Chairman, TCU
2820 South 87th Avenue
Omaha, NE 68124

Mr. M. L. Scroggins
General Chairman, TCU
P. O. Box 2128
Herrin, IL 62948

Gentlemen:

This has reference to UP/SP Implementing Agreement No. NYD-217.

Attached is a copy of "Questions and Answers" concerning the Agreement, which have been developed and discussed by the parties. Please review the attachment and, if you concur with the responses to the questions, please so indicate by signing in the spaces provided.

It is understood this list of "Q and A's" may be expanded by mutual agreement among the parties.

Yours truly,

[Signatures]

Robert F. Davis, President/ASD

James L. Quilty
General Chairman, SB #106

M. L. Scroggins
General Chairman, SB #51

D. D. Matter
Sr. Director Labor Relations/Non-Ops

R. L. Camp
Manager Labor Relations
MERGER IMPLEMENTING AGREEMENT NYD-217

QUESTIONS AND ANSWERS

Q. An SP employee bids and is assigned to a position being moved to the Union Pacific in accordance with this agreement. While waiting for the effective date of the position on the Union Pacific, may this employee bid on or displace to SP positions on his or her SP seniority list? 

A. Yes, until such time as their relocation to their new Union Pacific assignment occurs, this SP employee may exercise their SP seniority in accordance with applicable SP Agreement rules.

Q. May the above-described SP employee bid on other Union Pacific positions which are subsequently bulletined in accordance with this agreement? 

A. No.

Q. May an SP employee bid on more than one position bulletined in accordance with this Agreement? 

A. Yes, until such time as they are assigned to a position bulletined in accordance with this Agreement, an SP employee can continue to bid on any and all positions bulletined in accordance with this Agreement. However, once assigned to a position bulletined under this Agreement, all subsequent bids placed by an SP employee on positions bulletined under this Agreement become void.

Q. How will employees be notified of their assignment to a position bulletined in accordance with this Agreement? 

A. An assignment notice will be issued by the Union Pacific Railroad’s TCU Assignment Center.

Q. What is the UP TCU Assignment Center? 

A. On the UP, all job bulletins, assignments, job abolishments and displacements, as well as all other seniority moves such as furloughs and recalls, are handled by a "centralized" group, under the Labor Relations Department referred to as the TCU Assignment Center.
Q. If the Carrier receives more requests to relocate to positions established pursuant to this Agreement than there are positions bulletined, will employees still have the opportunity to transfer to the new location?

A. Yes, to the extent that the Carrier can create vacancies at the new location by offering separation allowances pursuant to Letter of Understanding No. 13 to Union Pacific employees.

Q. Are furloughed/protected SP employees subject to recall to Union Pacific positions which have been bulletined in accordance with this Agreement and remain unfilled?

A. Yes.

Q. How will a vacancy created as a result of Union Pacific employee accepting a separation allowance offered pursuant to Letter of Understanding No. 13 of this Agreement be filled?

A. The vacancy will be awarded in seniority order to those SP employees who make application for transfer and UP applicants based on their SP/UP seniority.

Q. If an employee doesn’t apply for the voluntary separation allowance when posted and that employee is subsequently affected due to displacements or otherwise, what options are available to him/her?

A. The options listed in Article III, Section 3, are available to that employee.

Q. Does the employee described above have a second chance at the separation allowance?

A. Yes.
Q. If an employee chooses not to bid in a position at the new work location and instead displaces in accordance with the Agreement but later finds himself/herself displaced with no other position he/she can occupy, what benefits or options are available to this employee?

A. The options listed in Article III, Section 3, are available to this employee if the dismissal is the result of a transaction made pursuant to this Agreement. A choice between a new set of NYD test period averages and the previously selected protection (NYD or the protection arrangement on the property) will be offered such employee.

Q. An employee does not accept a position to follow work to a new location and decides to exercise a displacement, however, the only position left requires a change of residence. Is the employee entitled to the same benefits outlined in the UP-SP Implementing Agreement No. NYD-217 as if he/she had followed the work to a new location, i.e., benefits of Attachment "B"?

A. Yes.

Q. If an employee exercises seniority onto a position on his/her seniority district and receives moving allowance under the Agreement and is later displaced and is required to move again, will that employee receive moving benefits again under the UP-SP Implementing Agreement No. NYD-217?

A. Yes, if the required move is the result of a transaction under NYD-217.

Q. If an employee owns a house trailer will the Carrier treat this house trailer as a home and will he/she be entitled to the benefits under the Agreement No. NYD-217 as if he/she owned a home?

A. Yes.
MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
UNION PACIFIC RAILROAD
AND THEIR EMPLOYEES REPRESENTED BY
TRANSPORTATION COMMUNICATIONS UNION

WHEREAS, the Carriers have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

WHEREAS, the affected employees employed by the SPCSL will eventually have their jobs abolished as a result of the diminution of work on SPCSL;

These employees will be covered under all the provisions of Implementing Agreement No. NYD-217 as well as the Attachments, Memorandums and Letters of Understanding which are a part of that Agreement on the date the Agreement becomes effective.

Effective with the abolishment of these position(s) the work of these positions will be transferred to UP. Employees unable to hold a position within a thirty (30) mile radius of their former work location on the SPCSL will have their name and seniority date placed on UP Zone 226, Master Roster 250, in accordance with Implementing Agreement No. NYD-217; and will become subject to the TCU/UP Collective Bargaining Agreement; and will be placed in furlough protected status subject to recall in accordance with the UP Job Stabilization Agreement, as amended.

Employees transferring to the UP pursuant to this Memorandum of Agreement will establish a UP Job Stabilization Agreement protected rate at the rate of the position to which assigned as of the date of the Agreement (including all COLA and general rate increases).

This Agreement is signed this ___ day of December, 1996.

AGREED:
FOR THE ORGANIZATION:

[Signature]
M. L. Scroggins
General Chairman, TCU

[Signature]
J. L. Quilty
General Chairman, TCU

FOR THE COMPANY:

[Signature]
D. D. Matter
Sr. Director Labor Relations/ Non-Ops

[Signature]
R. L. Camp
Manager Labor Relations
MEMORANDUM OF AGREEMENT
BY AND BETWEEN
SOUTHERN PACIFIC TRANSPORTATION COMPANY
UNION PACIFIC RAILROAD

AND THEIR EMPLOYEES REPRESENTED BY

ALLIED SERVICES DIVISION/TCU
TRANSPORTATION COMMUNICATIONS UNION

WHEREAS, the Carriers have served various notices on the Organization in accordance with Finance Docket No. 32760; and

WHEREAS, the affected employees are entitled to all rights and benefits as contained in the New York Dock protective conditions; and

WHEREAS, the affected employees employed by the Southern Pacific Transportation Company who may be required to move to the geographic location of the Denver and Rio Grande Western Railroad or the Union Pacific Railroad are covered by Travelers GA-23000, while the employees on the Denver and Rio Grande Western Railroad and the Union Pacific Railroad belong to a hospital association;

It is therefore agreed that SPTCo employees who have transferred or are transferring to the D&RGW or the UPRR will be granted an option to (1) retain coverage under GA-23000, or (2) elect to become covered by the hospital association, it being understood, however, that once an employee elects coverage of the hospital association, he/she may not elect at a later date to return to GA-23000.

It is further agreed that the employees will be provided an election form and must advise the designated Carrier Officer of their intent to retain GA-23000 or become members of the hospital association in writing within thirty (30) days. Failure to complete and submit the form to the designated Carrier Officer will be construed to be an election for coverage that the employee previously had at the location from which transferred.

This Agreement is signed this 18th day of December, 1996.

AGREED:
FOR THE ORGANIZATION:

R. F. Davis
President, ASD/TCU

J. J. Quilty
General Chairman, TCU

M. L. Scroggins
General Chairman, SB #51

FOR THE COMPANY:

D. D. Matter
Sr. Director Labor Relations/Non-Ops

R. C. Carbo
Manager Labor Relations
Q. If an employee does not follow work to a new location but exercises seniority rights to another position under the Collective Bargaining Agreement, will he/she be trained in accordance with the Collective Bargaining Agreement on the respective property?

A. Yes.

Q. An employee at an unaffected location, on an unaffected roster bids on and is awarded a position being transferred to the UP under Item "3" of Letter of Understanding No. 5 of NYD-217. (Example - an SP employee at El Paso bids on and is awarded a Crew Dispatcher's job being moved from Denver to Omaha.) Can that employee be held on his/her current job (El Paso) after the affected job (Crew Dispatcher) has been moved to Omaha?

A. Yes.

Q. How long can the Carrier hold an employee at his present location if that employee's work has been transferred to the new location? Can that employee work on other positions while waiting to be transferred and/or can that employee work overtime while waiting to be transferred if the position has been abolished?

A. The Carrier cannot hold an employee at his/her present location if the employee's work has been transferred.

Q. Under the Agreement an eligible employee electing New York Dock protection retains his/her protective status for a period of up to six (6) years; what happens to that employee's protection after the NYD protective period?

A. At the expiration of the NYD protective period, the employee's protection reverts to the applicable protective arrangement/agreement in effect on the property (see Article I, paragraph 6).
Q. If an employee is on a leave of absence and returns to service to find his/her position was affected or an employee affected has exercised displacement rights thereon, to what benefits is the employee entitled?

A. Article V, Section 3 states, "If an employee is absent from service on the effective date of this Agreement, such employee will be entitled to the benefits as provided in Article I when available for service, if eligible."

Q. If an employee is not offered a position and goes into dismissed status and is drawing a dismissal allowance and the Carrier recalls the employee from dismissed status to a position that requires a change in place of residence, what are the employee's options? Is the employee entitled to the separation under the terms of the UP-SP Implementing Agreement No. NYD-217?

A. If recalled pursuant to NYD-217, the employee will be offered the options under Article III, Section 3 which includes Option "A. Receiving severance under the separation program (Attachment "A")."

Q. If an employee's work is transferred to two locations and the Carrier creates a position at each location, will the employee have the first option for a position at either location? Will the employee have a choice of where he wants to go?

A. "Yes" to both questions.

Q. If two or more employees occupy the same household, what benefits pertaining to relocation and home sale allowance will be made?

A. If the "couple" are homeowners, one employee will receive the "homeowner" allowance and the other employee will be eligible for the "renter" allowance. If the "couple" are renters, both employees will be entitled to the renters allowance.
Dear Surface Transportation Board:

I am currently employed by the Union Pacific Railroad at La Porte (Strang Yard) Texas as a Clerk, and as a member of the Transportation Communications Union, Allied Services Division. We are currently subject to Implementing Agreement No. NYD-217 between the Carrier and the Transportation Communications Union, pursuant to Finance Docket No. 32760, such Agreement being signed December 18, 1998, fulfilling the requirements of Article I, Section 4, stipulated in the New York Dock Conditions imposed by the STB in FD 32760.

As outlined in attached copies of various items of correspondence with both the Carrier, UPRR, myself, and the Transportation Communications Union, wherein I am challenging the enforceability of above mentioned Implementing Agreement as it relates to the manner of exercise of options to be exercised under the prescribed conditions. As I have set forth to both the Carrier and the Union, I feel that there is a valid point of contention as to whether I should be afforded the right to change my Option Sheet under the circumstances. The full exercise of these options are contingent upon the Carrier fulfilling its' obligations under the Implementing Agreement as relates to payment of moving expenses required under same. Our members in general, and myself in particular, have had to make decisions based on conditions extraneous to the Implementing Agreement. I have requested the right to change my Option, based on the Carrier challenging the validity of moving expense payments, and based on being displaced by another Clerk, E.M. Abbs, under another Abolishment Notice issued by the Carrier. I have in fact been accorded a change of option under the exact same set of circumstances, as documented in the attached set of documents.

Due to the inconsistency of the Carrier in applying this Agreement, I formerly request the the Surface Transportation Board require the Carrier to afford me another Option under NYD-217.

I have sought the assistance of my Union, and have up this point been denied their assistance, pending an emergency appeal to Mr. Robert A. Scardellitti, International President of the Transportation Communications Union. I have been verbally by an assistant of Mr. Scardellitti that
the chances of Mr. Davis' position being overruled were slight. I was told today, November 24, 1998, that a letter setting out the position of the Grand Lodge was forthcoming, though he declined to indicate the nature of the decision. Should the response be negative, appeal to the STB seems to be my only option.

Therefore, I request that the STB rule on request to be afforded another option, and the STB enjoin the UPRR from requiring me to accept the buyout until a ruling can be reached.

In appreciation of your attention to this matter, I am,

Sincerely,

Marvin P. Schmidt

cc: Mr. James A. Prejean II, DC TCU 901
Mr. P.T. Trittel, ATP, ASD/TCU
Mr. Robert A. Davis, President, ASD/TCU
Mr. Robert A. Scardelletti, Intl Pres., TCU
Mr. Kenneth E. Bentsen, Jr., Congressional Member,
25th District, Texas, ATTN: Mr. J.J. Slater
November 18, 1998

Brother R.A. Scardelletti:
International President
Transportation-Communications International Union
3 Research Place
Rockville, Md 20850

Dear Brother Scardelletti:

This is to further amplify upon my letter that I had enclosed with the documents I Fedexed to you.

I spoke with an assistant to Mr. Davis in the Allied Services Division office, and was told that Mr. Davis would not further pursue my case. Though I certainly respect Brother Davis and Brother Trittel, I am very disappointed with their unwillingness to further appeal the issue.

As you will note in the documents I submitted to you, I feel that the Union Pacific Railroad has made a mockery of our Implementing Agreement applying NYD-217. They engaged in a strategy of intimidation based on the "deep pocket" philosophy. As you are aware, the concepts of offering options which can be exercised in a numerical and priority manner are designed to give full credence to the sanctity of our seniority system. UP's recent practice of delaying dismissed status payments to eligible clerks, and stonewalling payments of moving expenses has imposed severe hardships on our clerks. Therein lies the catch-22 that I found myself in when I indicated on my option form "buyout only", as I don't have "deep pockets" relied upon by the UP to meet their goals, regardless of agreement provisions. It is my firm conviction that the fact that the UP has varied it's application of the implementing agreement to suit their fancy on a given day. Therein lies my contention that I filled out this form under severe duress, and also that the implementing agreement is not enforceable at least to the extent that they have allowed change of options one day, and one day not. I feel that for this reason, additional talks need to be made with UP to rectify the various inequities that they have created.

Brother Scardelletti, I fervently appeal to you to pursue this matter with UP not only for myself, but for the rest of members who have had hardships inflicted upon them. I have served in various Brotherhood activities during the 28 plus years that I have been a member of BRAC and TCU. I have reached the end of my resources as to assistance from the Brotherhood in this matter.

Marvin P. Schmidt
P.O. Box 2013
La Porte, Texas 77572
and hope that you will assist me in this matter.

I have no problem with having to exercise my final option of receiving a buyout once I have availed of my full exercise of seniority, unfettered by the bullying tactics used by the UP.

I am currently on vacation, and am scheduled to return to work December 14, 1998, at which time I presume that the carrier will try to force me to take the buyout. I simply do not feel that any of members should have to leave on this basis.

Please advise me as soon as possible of your plans in regard to this matter.

Fraternally yours,

Marvin P. Schmidt

(281) 837-0513
Marvin P. Schmidt  
P.O. Box 2013  
La porte, Texas 77572

November 18, 1998

Mr. Robert A. Scardelletti:  
International President  
TCU Grand Lodge  
3 Rearsh Place  
Rockville, Md.

Dear Brother Scardelletti:

I am writing this as an urgent appeal of decisions made by the officers of TCU/ASD to further pursue with the Union Pacific the issues I have raised as illustrated in the attached correspondence. Since time is of the essence, I am making this appeal directly to you. I feel that since the UPRR has administered the implementing agreement in a totally inconsistent manner, that such agreement is unenforcible as to those sections devoted to the rendering of options. The carrier has allowed option changes based upon merely being in the line 6 of abolishment, or even on no particular basis at all. The UP has behaved in a very predatory manner by declining to pay moving expense claims as provided for by the implementing agreement, and as you read in the enclosed documents, I feel that my options were severely restricted.

I am in deep appreciation that you can render in this matter.

Fraternally yours,

Marvin P. Schmidt  
phone# (281) 837-0513
November 18, 1998

Robert Davis
President - ASD/TCU
Fax # 1-847-981-1890

Dear Mr. Davis:

It has been conveyed to me that Mr. P.T. Tittel would be unable to assist me in securing a new option form; therefore, I am making an urgent appeal for assistance in this matter. As I have been unable to elicit a response from you by phone, I must assume that lack of response means that you will not assist me further. I will then seek assistance from Brother Scardelliti tomorrow or whatever action becomes necessary.

Fraternally,

M.P. Schmidt
November 21, 1998

Mr. Robert F. Davis
53 W. Seegers Rd.
Arlington Heights, Ill 60005

Dear Brother Davis:

I am in receipt of your letter of November 18, 1998, and appreciate your prompt response. However, I feel that I need to again clarify my position. I do not dispute that the language of the implementing agreement is very clear. I don't feel that you would dispute that the sections of the Implementing Agreement covering eligibility for moving expenses are also very clear, just as I am sure that you agree that there has been a rather large degree of confusion on the Carrier's part as to whether being displaced in a chain of abolishments constitutes entitlement for a new option. As I have in fact pointed out previously, I myself was accorded a change of option in December of 1997, based upon being displaced by Clerk Steve Harrison, who in turn was displaced by Clerk J.D. Spencer, whose position was abolished. Therefore, by their own actions, the Carrier acknowledged that the irrevocable nature of the Agreement was subject to several major distinctions of language. I have been told the fact that Clerks C.A. Mengo were unilaterally afforded buyouts, without the requisite full exercise of seniority being met. An agreement of this nature can only be considered as good as the extent to which affected parties can justifiably rely upon ALL conditions of the agreement being met. When I received another option sheet based upon abolishment notice of September, 17, 1998 (position 11), I was acutely aware that the Carrier was attempting by every means available to the to stonewall the payment of monies to Clerks being forced to exercise seniority to Hearne, Texas, and to delay payments to Clerks in dismissed status. At that point, being unable to rely on the enforcement of the Agreement in every respect, not merely those that suited the vagaries of the Carrier's fancy, I had to exercise an option that was done under the severe duress of having to exercise seniority to Hearne without the benefit of moving expense. The various parts of the Implementing Agreement are interwoven to the extent to which the word 'irrevocable' is meaningless.

Again, I humbly request that you assist me in this matter. As you know, I have tried to enlist the assistance of Brother Scardellitti because of the limited time available to me to correct the situation.
I would that you will approach the Carrier with the fact that they have in fact ignored the concept of "irrevocable" whenever it suited their fancy.

Again, I strongly solicit your assistance, as I will certainly be at a severe disadvantage trying to carry forth this battle on my own.

Fraternally yours,

Marvin P. Schmidt

cc: P.T. Trittel
R.A. Scardellitti
J.A. Prejean II.
Mr. Marvin P. Schmidt  
P.O. Box 2013  
La Porte, TX 77572

Dear Sir and Brother:

This will have reference to your several letters concerning being allowed to change your election of your option under NYD-217.

Please be advised that I have had a conversation with the Carrier on this and the Carrier is unwilling to allow you to make a change in your option.

The Implementing Agreement is very clear in stating that once an election has been made it is irrevocable. This language was negotiated for the expressed purpose of avoiding issues such as raised by you. We have consistently advised the members to be sure of their selection of options as they are irrevocable. I have made numerous efforts for other members around the system to have the Carrier allow them to change their options and have been unsuccessful.

The only success we have had is when we got the Carrier to agree that if a notice that had been served was delayed over sixty days. If this were to happen in your case, you would be entitled to make a new selection of options under the Agreement.

Sincerely and fraternally,

[Signature]

Robert F. Davis, President

cc: P. T. Trittel, ATP  
Jim Prejean, DC
Mr. Marvin P. Schmidt  
P. O. Box 2013  
La Porte, TX 77572

November 17, 1998  
NYD-217

Dear Sir:

This is in response to your letter dated October 22, 1998, regarding the options you have elected pursuant to New York Dock Implementing Agreement No. NYD-217, and the Carrier's decision to abolish clerical assignments at Strang Yard under the terms of that implementing agreement.

Based on the notice served by the Carrier to abolish three positions at Strange Yard, you exercised your options set forth in Article III, Section 3 of NYD-217. The option you elected was receive severance under the separation program detailed in Attachment "A" to NYD-217. In the letter presently before me, you are requesting that you be permitted to change your election.

Regrettably I must advise you that your request is denied. The language in Article III, Section 3 of Implementing Agreement NYD-217 is clear and unambiguous "Election or assignment of benefits shall be irrevocable."

Sincerely,

Robert L. Camp
Asst. Director Labor Relations/Non Ops
To: Marvin Schmidt  
Strang Yard  
8-986-4603

From: R. L. Camp  
Labor Relations  
Omaha, NE

Date: November 18, 1998

Subject: Options under NYD-217.

Please deliver the attached letter to Marvin Schmidt upon receipt at Strang Yard.

Letter to Mr. Schmidt was sent via U.S. Mail.
Union Pacific Railroad Company
Strang Yard
12414 Hwy. 225 - P. O. Box 1921
La Porte, TX 77572-1921

NOVEMBER 16, 1998

To Positions 008, 011, 009
Subject Abolishment Notices

Reference to abolishment notices date September 17, 1998, at the end of tour of duty November 17, 1998, the above Positions will be abolished. You may elect your options under the New York Dock agreement.

J.D. SPENCER
AGENT-STRANG YARD

CC: J T Rossman-Strang
Marvin P. Schmidt  
P.O. Box 2013  
La Porte, Texas 77572  

November 17, 1998  

Mr. D.D. Matter-Senior Director  
Labor Relations Non-Ops  
Union Pacific Railroad  
1416 Dodge St.  
Omaha, Nebraska 68179  

Dear Mr. Matter:  

I writing in reference, and as followup to, my letter of October 22, 1998, wherein I requested the right to file a new option form subsequent to the one I filed October 1, 1998. As you recall, my contention was, and is, that I was denied the full benefit of a proper choice in the matter because the Carrier, Union Pacific Railroad, had taken the position that moving expenses to move the various locations in excess of thirty (30) miles would not be paid.  

In addition, I was displaced by Clerk E.M. Abbs, copy of which, along with a copy of the NYD 217 Abolishment notice under which Clerk E.M. Abbs was affected. I also wish to file a new option form on the basis of being displaced by Clerk E.M. Abbs. It has been the practice of Carrier to allow previous option changes on the basis of being displaced in the direct chain of abolition. In fact, I was allowed to change my option in December, 1997, upon being displaced by Clerk S.E. Harrison. Also, Clerk M.R. Rodriguez was allowed to change his option form, an action in which I was directly involved as Mr. Rodriguez’ Local Protective Member.  

I feel that as a matter of fairness, equity, and as a matter of practice, I should be allowed to file a new option form.  

I am enclosing a completed Option Form, citing the above bases for same.  

Respectfully request your assistance in this matter.  

Sincerely,  

Marvin P. Schmidt  

Phone (281) 837-0513  

CC: Other Prejean, P.O.  
P.T. Tritle, ATP/ASO/TCU  
R.L. Davis, President, ASO/TCU
November 6, 1998

Phillip Trittel:

ATP-ASD/TCU
P.O. Box 3095
Humble, Texas 77347-3095

Dear Phillip:

I am enclosing copies of various options that I have filed with UP since the inception of the process. As you will note, I changed an option based upon being displaced by Mr. Steve Harrison December, 1997. I am aware of other examples wherein other Clerks in District III have permitted to change their option on that basis. I believe that there is a certain logic to that position, as being displaced by a Clerk under another notice constitutes a change in circumstance meriting the right to change options. You will note that after I filed my option upon issuance of the September 17th, 1998 notice of abolishment of Position 11, I was displaced by Clerk E. Abbs, flowing directly from her displacement from her position at the diesel shop. And I feel that that standing alone should serve as the basis for receiving a new option. I feel that whether or not the organization directly concurred with these changes, that the inconsistency of the Carrier makes that portion of the implementing agreement unenforceable in lieu of further agreements clarifying the process.

I am writing not only on my behalf, but on behalf of other Clerks who are enduring hardships caused directly by the failure of Carrier to honor those parts of the Agreement pertaining to relocation benefits.

Sincerely and Fraternally yours,

[Signature]

Marvin P. Schmidt

cc: Robert Davis, President ASD/TCU

cc: I Prejean II, DC, 90
October 22, 1998

Mr. Robert F. Davis
President, ASD/TCU
53 W. Seegers Rd.
Arlington Heights, IL 60005

Dear Mr. Davis:

Please find attached copy of letter I have written to Mr. D.D. Matter, Sr. Mgr of UP Labor Relations - Non Ops, which should clearly indicate the issue I have addressed to Mr. Matter. I respectfully request your support in this matter, both on my behalf, and on behalf of all of our Brothers and Sisters similarly affected. As I am sure that you're well aware, the UP is engaging in a calculated policy of depriving our members of rights afforded them under the provisions of the Implementing Agreement germane to NYD-217. Their tactics clearly constitute a policy of attempting to starve out our members as a means of compelling them to make decisions favorable only to the short range economic interests of the UP. I submit that "time is of the essence" in this matter, as the UP continues to make a mockery of any agreement made with them.

I respectfully your immediate assistance in this matter both on my behalf and on the behalf of all of our members. The "scorched earth" tactics of the Carrier simply cannot be tolerated. The fact that the UP has exhibited a blatant disregard for the integrity of our Clerical Craft in the various manners they have shown merits the strongest possible action on your part, including injunctive relief and/or job action.

I simply cannot look my Brothers and Sisters in the eye and express any pride in our Union if any less is done.

Looking forward to your assistance in this matter, I am,

Fraternally yours,

M.P. Schmidt

cc: Mr. James Prejean, DC, 901, ASD/TCU
    Mr. P.T. Trittel, ATP, TCU/ASD
October 22, 1998

Mr. D.D. Matter
Senior Director
Labor Relations - Non Ops
1416 Dodge St.
Omaha, Nebraska 68179

Dear Mr. Matter:

This is in reference to my Option Sheet submitted pursuant to NYD-217 Notice of September 17, 1998 conveying the intent of the Carrier, Union Pacific Railroad, to abolish Positions Number 008, 011, and 009 (see attached copy of referenced notice), located at Strang Yard at La Porte, Texas.

I felt compelled to limit my option selection to "Receive Severance..." because as a member of the protective committee of District 901, as well as through direct communication with Brothers and Sisters of our District, I had became aware of the fact the Carrier had taken the position that our members who were compelled to exercise seniority to job locations in excess of thirty miles, as provided under the terms of NYD Implementing Agreement of December 18, 1998, would not be entitled to moving benefits when forced to exercise seniority in this manner; or in those cases where moving and home expenses were once paid, additional payments for additional moves would not be made, or in the cases of those clerks electing to receive buyouts subsequent to exhausting their seniority, clerks were told that previous payments would be deducted from buyout monies because of determinations that some moving expense payouts were made in error based on several lines of reasoning germane to the length of residence at final work locations, such as Hearne, Texas on the SP.

I hereby submit that my Option as submitted, is invalid because it was made under duress, namely the strong possibility that if I indicated Seniority as my first option prior to receiving severance, that would incur an economic hardship by relocating to a location that would require a large cash outlay, with no assurance of receiving proper compensation for such move. At the same time, I do not wish to foreclose on the full exercise of my seniority, at least to the extent not requiring relocation.

I therefore respectfully request that I be afforded the right to render a new option selection, with the right to receive severance prior to making a move that might be uncompensated. Indeed, this would seem to be a good common sense resolution to this problem, at least pending resolution of this issue through further negotiation and/or arbitration.
Please let me know as to your feelings in this matter;
Respectfully yours,

M.P. Schmidt

cc: Mr. James Prejean II., District Chairman, 901
Mr. P.T. Trittel, ATP, Allied Services Divn/TCU
Mr. R.F. Davis, President, ASD/TCU
Dear M P SCHMIDT:

Pursuant to the 60-day notice served on General Chairman Davis and Quilty dated September 17, 1998, and in accordance with Article III, Section 3 of Implementing Agreement NYD-217, you, as an incumbent of one of the positions affected, are hereby afforded your options under this Agreement.

A. Receive severance as outlined in Attachment "A" of NYD-217.
B. Exercise seniority.
C. Relocate to the new location.
D. Voluntary furlough status (benefits suspended).

Please indicate your preference by placing numbers 1 - 4 with one being your first option and two being your second option, and so on, on the line of your options. Your option form must be returned within twenty (20) days of the original notice or by October 11, 1998. Option forms must be returned to:

TCU Assignment Center
Room 335, 1416 Dodge Street
Omaha, NE 68179
Fax (402) 271-2077

Failure to make an election will be considered as electing to exercise seniority or, in the event an employee cannot hold a position in the exercise of seniority, failure to make an election shall be considered as electing voluntary furlough status (benefits suspended).

ELECTION OR ASSIGNMENT OF BENEFITS SHALL BE IRREVOCABLE.

Therefore, if you have questions regarding your options, please contact your local union representative or the TCU Assignment Center on (402) 271-2130 or 2128.

Dean D. Matter
Gen. Director Labor Relations/Non-Ops

cc: Local Chairman
General Chairman
September 17, 1998

NYD-217

Mr. R. F. Davis  
President, ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL  60005

Mr. J. L. Quilty  
General Chairman; TCU  
2820 South 87th Avenue  
Omaha, NE  68124

Gentlemen:

Pursuant to Article II - TRANSACTIONS of Implementing Agreement No. NYD-217, notice is hereby given of the Carrier's intent to abolish the positions listed below at Strang Yard, La Porte, TX, on or about November 17, 1998, and transfer the work the NCSC in St. Louis:

<table>
<thead>
<tr>
<th>Position</th>
<th>Incumbent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Clerk 008</td>
<td>W. L. Freeman</td>
</tr>
<tr>
<td>Utility Clerk 011</td>
<td>M. P. Schmidt</td>
</tr>
<tr>
<td>Operator 009</td>
<td>R. Lee</td>
</tr>
</tbody>
</table>

Any remaining duties will be absorbed by existing clerical forces at Strang.

Please contact my office if you have any questions regarding this transaction.

Yours truly,

(original signed)  
D. D. MATTER  
Sr. Director Labor Relations/Non-Ops

cc:  
Mr. J. P. Condo  
International Vice President, TCU  
53 W. Seegers Road  
Arlington Heights, IL  60005

Mr. J. L. Gobel  
International Vice President, TCU  
4189 North Road  
Moose Lake, MN  55767
Dear M P SCHMIDT:

Pursuant to the 60-day notice served on General Chairman Davis and Quilty dated September 17, 1998, and in accordance with Article III, Section 3 of Implementing Agreement NYD-217, you, as an incumbent of one of the positions affected, are hereby afforded your options under this Agreement.

A. Receive severance as outlined in Attachment "A" of NYD-217.
B. Exercise seniority.
C. Relocate to the new location.
D. Voluntary furlough status (benefits suspended).

Please indicate your preference by placing numbers 1 - 4 with one being your first option and two being your second option, and so on, on the line of your options. Your option form must be returned within twenty (20) days of the original notice or by October 11, 1998. Option forms must be returned to:

TCU Assignment Center
Room 355, 1416 Dodge Street
Omaha, NE 68179
Fax (402) 271-2077

Failure to make an election will be considered as electing to exercise seniority or, in the event an employee cannot hold a position in the exercise of seniority, failure to make an election shall be considered as electing voluntary furlough status (benefits suspended).

**ELECTION OR ASSIGNMENT OF BENEFITS SHALL BE IRREVOCABLE.**

Therefore, if you have questions regarding your options, please contact your local union representative or the TCU Assignment Center on (402) 271-2130 or 2128.

Dean D. Matter
Gen. Director Labor Relations/Non-Ops

cc: Local Chairman
    General Chairman
DISPLACEMENT NOTICE

CONSTRUCTIVE DISPLACEMENT

DATE 10/10/98

CHIEF CLERK REC:

ACCEPT THIS AS MY REQUEST TO DISPLACE JUNIOR CLERK.

STRAY GEBS

OFF POSITION

EFFECTIVE

UPON BEING RELEASED

TRAINING

EM. ABBS

TIME

ACCOUNT OF MY DISPLACEMENT FROM POSITION # 011

BY E. M. ABBS

I CAN BE NOTIFIED AT (811)

PHONE NUMBER

M. L. SCHWARTZ

SIGNATURE

8-10-70

SENIORITY DATE

J. B. PRIVET

RECEIVED BY

DATE & TIME

10-10-98 11:00

NOTIFIED BY

TIME & DATE
DATE 9-21-98

N. M. STARRE - PLANT MANAGER
JESS JORDAN - SHOP MANAGER

ACCEPT THIS AS MY REQUEST TO DISPLACE JUNIOR CLERK M. P. SCHMIDT OFF POSITION 10 TITLE AREA CLERK EFFECTIVE (DATE) 10-02-98 TIME 1500 Off day Wed. & Thurs.

ACCOUNT OF THE ABOLISHMENT OF MY POSITION # 329 EFFECTIVE 09-27-98 I CAN BE NOTIFIED AT (PHONE NO.) (713)738-3522 or 731-1895

SIGNED M. GELL
(SIGNATURE)

06-02-698
(SENIORITY DATE)

RECEIVED BY: __________________

DATE & TIME: ________________

NOTIFIED BY: ________________

DATE & TIME: ________________

CC: FILE RECORD
Chief Clerk-Stang
M. P. Schmidt
Mr. R. F. Davis  
President ASD/TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Mr. J. L. Quilty  
General Chairman, TCU  
2820 South 87th Avenue  
Omaha, NE 68124

Gentlemen:

Pursuant to Article II - TRANSACTIONS of Implementing Agreement No. NYD-217, wherein notice was given of Carrier's intent to abolish the positions identified below at the Hardy Street Locomotive Facility, Houston, Texas, and transfer the work to the Settegast Diesel Facility, on or about September 27, 1998:

<table>
<thead>
<tr>
<th>Position</th>
<th>Incumbent</th>
</tr>
</thead>
<tbody>
<tr>
<td>329 - Utility Clerk</td>
<td>E. M. Abbs</td>
</tr>
<tr>
<td>331 - Utility Clerk</td>
<td>R. J. Punch</td>
</tr>
<tr>
<td>004 - Utility Clerk</td>
<td>A. V. Stewart</td>
</tr>
</tbody>
</table>

Incumbent

Work of these positions will be absorbed by existing clerical assignments at the Settegast Diesel Facility, as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Incumbent</th>
</tr>
</thead>
<tbody>
<tr>
<td>003 - Supv Admin Proc</td>
<td>Bobbie Smith</td>
</tr>
<tr>
<td>004 - Valuation Data Clerk</td>
<td>Janice L. Miller</td>
</tr>
<tr>
<td>002 - Steno Diesel Clerk</td>
<td>Reva M. Null</td>
</tr>
</tbody>
</table>

If you have any questions regarding this transaction, please contact my office.

Yours truly,

D. D. Matter  
Gen. Director Labor Relations/Non-Ops

cc:  
Mr. J. P. Condo  
International Vice President, TCU  
53 W. Seegers Road  
Arlington Heights, IL 60005

Mr. J. L. Gobel  
International Vice President, TCU  
4189 North Road  
Moose Lake, MN 55767
Dear M P SCHMIDT:

Pursuant to the 60-day notice served on General Chairman Davis and Quilty dated September 17, 1998, and in accordance with Article III, Section 3 of Implementing Agreement NYD-217, you, as an incumbent of one of the positions affected, are hereby afforded your options under this Agreement.

A. **Not Applicable**
   - Receive severance as outlined in Attachment "A" of NYD-217.

B. 1
   - Exercise seniority.

C. 2
   - Relocate to the new location.

D. **Not Applicable**
   - Voluntary furlough status (benefits suspended).

Please indicate your preference by placing numbers 1 - 4 with one being your first option and two being your second option, and so on, on the line of your options. Your option form must be returned within twenty (20) days of the original notice or by October 11, 1998. Option forms must be returned to:

TCU Assignment Center
Room 335, 1416 Dodge Street
Omaha, NE 68179
Fax (402) 271-2077

Failure to make an election will be considered as electing to exercise seniority or, in the event an employee cannot hold a position in the exercise of seniority, failure to make an election shall be considered as electing voluntary furlough status (benefits suspended).

**ELECTION OR ASSIGNMENT OF BENEFITS SHALL BE IRREVOCABLE.**

Therefore, if you have questions regarding your options, please contact your local union representative or the TCU Assignment Center on (402) 271-2130 or 2128.

Dean D. Matter
Gen. Director Labor Relations/Non-Ops

cc: Local Chairman
    General Chairman
DISPLACEMENT NOTICE

DATE 12/31/97

CHIEF CLERK RBC: CONSTRUCTIVE DISPLACEMENT

ACCEPT THIS AS MY REQUEST TO DISPLACE JUNIOR CLERK

M. R. RODRIGUEZ OFF POSITION 011

EFFECTIVE 12/31/97 1500 FOR UPON RELEASE

ACCOUNT OF MY DISPLACEMENT FROM POSITION

BY S. E. HARRISON

I CAN BE NOTIFIED AT

PHONE NUMBER

REQUEST DISPLACEMENT TRAINING

ACCOUNT DISPLACED LINE OF ABOLITION UNDER
APPLICABLE NOTICE ISSUED UNDER NYD-217

SIGNATURE 8-10-70 SENIORITY DATE

RECEIVED BY

DATE & TIME

NOTIFIED BY

TIME & DATE
Pursuant to the 60-day notice served on General Chairman Davis and Quilty dated FEB - 19, 1997, and in accordance with Article III, Section 3 of Implementing Agreement NYD-217, you, as an incumbent of one of the positions affected, are hereby afforded your options under this Agreement.

A. 2  
Receive severance as outlined in Attachment "A" of NYD-217.

B. 1  
Exercise seniority.

C. N/A  
Relocate to the new location.

D. N/A  
Voluntary furlough status (benefits suspended).

Please indicate your preference by placing numbers 1 - 4 with one being your first option and two being your second option, and so on, on the line of your options. Your option form must be returned within twenty (20) days of the original notice or by November 15 1997. Option forms must be returned to:

TCU Assignment Center
Room 335, 1416 Dodge Street
Omaha, NE 68179
Fax (402) 271-2077

Failure to make an election will be considered as electing to exercise seniority or, in the event an employee cannot hold a position in the exercise of seniority, failure to make an election shall be considered as electing voluntary furlough status (benefits suspended).

**ELECTION OR ASSIGNMENT OF BENEFITS SHALL BE IRREVOCABLE.**

Therefore, if you have questions regarding your options, please contact your local union representative or the TCU Assignment Center on (402) 271-2130 or 2128.
DISPLACEMENT NOTICE

DATE 12/3/97

R.C. BROKER
Agt: Etwang

M.P. SCHMIDT - Clk Clk
ACCEPT THIS AS MY REQUEST TO DISPLACE JUNIOR CLERK

M.P. SCHMIDT OFF POSITION 012

EFFECTIVE DATE 12/17 TIME 3:00

ACCOUNT OF MY DISPLACEMENT FROM POSITION 002

BY TD SPENCER

I CAN BE NOTIFIED AT 712-461-6662.

PHONE NUMBER

(Request for training on POS 002

Signature

8/4/66

SENIORITY DATE

W.I. Freeman

RECEIVED BY

12/4/97 0955

DATE & TIME

TIME & DATE

NOTIFIED BY
Dear M P SCHMIDT:

Pursuant to the 60-day notice served on General Chairman Davis and Quilty dated February 19, 1997, and in accordance with Article III, Section 3 of Implementing Agreement NYD-217, you, as an incumbent of one of the positions affected, are hereby afforded your options under this Agreement.

A. Receive severance as outlined in Attachment "A" of NYD-217.

B. Exercise seniority.

C. Relocate to the new location.

D. Voluntary furlough status (benefits suspended).

Please indicate your preference by placing numbers 1 - 4 with one being your first option and two being your second option, and so on, on the line of your options. Your option form must be returned within twenty (20) days of the original notice or by March 13, 1997. Option forms must be returned to:

TCU Assignment Center
Room 335, 1416 Dodge Street
Omaha, NE 68179
Fax (402) 271-2077

Failure to make an election will be considered as electing to exercise seniority or, in the event an employee cannot hold a position in the exercise of seniority, failure to make an election shall be considered as electing voluntary furlough status (benefits suspended).

ELECTION OR ASSIGNMENT OF BENEFITS SHALL BE IRREVOCABLE.

Therefore, if you have questions regarding your options, please contact your local union representative or the TCU Assignment Center on (402) 271-2128.

Richard Gregory
Director Labor Relations

cc: Local Chairman
    General Chairman
    Bob Camp - San Francisco
November 17, 1998

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

Re: Resolution dealing with UP-SP merger

Dear Secretary Williams:

I take this opportunity to inform you of the final disposition of the above referenced resolution, which was first passed by the Resolutions Committee of the June 1998 Texas Democratic Convention.

On November 10, 1998, at my urging, the Executive Committee of the Texas AFL-CIO voted to request the Resolutions Committee of the State Democratic Executive Committee (SDEC) to kill the resolution.

On Saturday, November 14, I attended both the Resolutions Committee and the SDEC meetings. The Resolutions Committee voted to table all resolutions from the Convention, but to remove seven resolutions, including the one concerning the UP-SP merger, from the table for consideration. At my urging, the resolution was considered and defeated. The SDEC accepted the report of the Resolutions Committee without challenge.

I believe the resolution has now been put to final rest and cannot be reconsidered.

Fraternally,

Sam Arrington
State Legislative Director

SA:sh
October 7, 1998

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

Dear Secretary Williams:

UP is in receipt of the quarterly report filed by BNSF in this docket on October 1 (BNSF-PR-9). In that report, BNSF renews some of the complaints that it made against UP in its July 1 and August 14 filings in Finance Docket No. 32760 (Sub-No. 21) and its July 8 filing in Finance Docket No. 32760 (Sub-No. 26). UP replied in detail to those BNSF filings on September 18 (UP/SP-356 to -359) and September 30 (UP/SP-361). For the most part, BNSF says nothing in its October 1 filing to which we did not respond adequately in our September 18 and September 30 submissions. Generally, BNSF acknowledges that the matters it raises have been or are being addressed by the parties. Rather than reply to every new point of detail in this latest BNSF recitation of complaints, we would underscore the fundamental points that we made in our September 18 and September 30 filings:

First, BNSF is unquestionably providing highly effective competition using the rights it obtained as conditions to the UP/SP merger -- and, in many cases, further rights that UP has unilaterally provided to it. BNSF itself acknowledges this. See, e.g., Oct. 1 Report, pp. 2 ("BNSF continues to be successful and effective in marketing its services over the trackage rights lines"), 16 ("traffic volumes over the lines to which BNSF received access as a result of the merger have continued to grow"). BNSF backs away from the assertion that it made in its August 14 filing (p. 4) that it has been unable to compete effectively for traffic to and from "2-to-1" shippers that it
serves through reciprocal switching or haulage. Instead, it now retreats to the statement that traffic growth at these points "has not been as dramatic" as elsewhere. Oct. 1 Report, p. 17. But even this statement is belied by BNSF's own data: Attachments 13 and 19 to BNSF's October report show that traffic growth at these points has been dramatic indeed.

Second, the congestion crisis in the Houston/Gulf Coast area is over, and none of the so-called "structural" routing improvements that BNSF has sought in Finance Docket No. 32760 (Sub-No. 26) is justified by any need to address that now-resolved crisis. (Nor would they in fact improve operations in that area; nor are they justified by any adverse competitive impact of the UP/SP merger.) This latest BNSF filing confirms that "congestion on UP is not impacting BNSF's trackage rights in the Houston and Gulf Coast area" (p. 3); that the Spring Center has "worked well" (p. 4); and that "the BNSF/FXE interchange and the flow of international traffic at Eagle Pass have improved considerably" (p. 8).

Third, BNSF's continued assertions that UP "discriminates" against BNSF trains (e.g., p. 31) continue to be totally unsupported. They are false, and they are flatly contradicted by the objective data of automatic AEI readers. BNSF continues to be in default on its commitment to install equivalent automatic monitoring devices to generate reports on its handling of UP trains.

Fourth, UP has made massive, very expensive, and extraordinarily generous efforts to help BNSF become quickly and fully competitive. No one could attain the standard of absolute perfection that BNSF evidently would set; BNSF apparently takes the position, for example (p. 37 n.15), that if any problem log items remain open at any time, that is unacceptable. Nor are the standards that BNSF urges -- for example, that its trains must never suffer delays even if UP's do -- proper or appropriate. But UP has clearly met and surpassed any reasonable standard for the utmost good faith in implementing merger conditions. Continued BNSF rhetoric about supposed UP "indifference and inability" (p. 18) is categorically false.

Fifth, it is apparent at several points in BNSF's latest filing that one reason that problems have been eliminated is that BNSF has applied its proper share of management attention and resources to its own service.

Finally, there will always be day-to-day issues between railroads with regard to joint facilities. UP has as many such issues with BNSF as BNSF has with UP. Those issues are routinely
resolved between the railroads involved without any need for intervention by the government. The Board should not be misled into believing that the continued existence of such issues, running both ways, between BNSF and UP indicates that the merger conditions are not working or that any further conditions are called for.

Sincerely,

Arvid E. Roach II
Attorney for Union Pacific Railroad Company

cc: All Parties of Record
VIA Facsimile

September 3, 1998

Linda Morgan, Chairman
Surface Transportation Board
1925 K Street NW
Washington, DC 20423-0001

Re: STB Finance Docket No. 32760
BNSF Quarterly Progress Report dated July 1, 1998
Union Pacific Interference with Rail Transportation Contract
between Amoco Oil Company and BNSF Railroad

Dear Ms. Morgan:

My purpose in sending this letter is to express to the Surface Transportation Board the frustration of Amoco Oil Company, and to emphasize the urgency of a matter described in the BNSF Quarterly Progress Report to the Board, dated July 1, 1998, pp. 22 ff. In a nutshell, for three months Union Pacific Railroad randomly has been interfering with BNSF rail service to Amoco Oil Company’s gasoline refinery in Salt Lake City, UT. Union Pacific has done this by parking its trains on the local switching leads used by Utah Railway, the local switching agent of BNSF.

Amoco’s Salt Lake City Refinery is at a “2-to-1” location to which BNSF was granted access by the Board as a condition of the Union Pacific/Southern Pacific merger. Availing itself of this opportunity as a “2-to-1” shipper, Amoco entered into rail transportation contracts with BNSF to transport aromatics, essential components for gasoline blending, from the Gulf Coast, and to transport outbound products. Union Pacific’s interference with this rail service poses a threat of refinery shut down, which would be very costly to Amoco, its customers and employees, and detrimental to Amoco’s marketing efforts in the State of Utah.

While representatives of UP have been earnest and cordial in dealing with Amoco, UP’s local operations group has been ineffective in managing the situation. For example, Amoco participated in numerous meetings following exchanges of correspondence (example attached) with both the BNSF and UP. Notwithstanding assurances on July 16th that UP’s Senior Manager of Terminal Operations would do whatever it would take to keep the switch open for BNSF access, BNSF subsequently was blocked three additional times.
Ms. Linda Morgan
Page 2

Amoco, one of many shippers adversely affected by the UP/SP merger, urges the Board promptly to direct its attention and influence to expedite an effective and lasting resolution of this frustrating and potentially costly situation. If there is anything that I can do toward this goal, please do not hesitate to contact me. I can be reached by telephone at (312) 856-6081 or by fax at (312) 856-6812.

Sincerely,

Bill Esslinger
Manager, Land Transportation Services
Mail Code 1104

Attachments

Vernon A. Williams, Vice Chairman and Secretary, Surface Transportation Board, Washington, DC
Melvin F. Clemens, Director, Office of Compliance and Enforcement, Surface Transportation Board, Washington, DC
Ed Sims, Vice President and General Manager, Union Pacific Railroad, Omaha, NE
George Duggan, Vice President Chemicals Business Unit, BNSF, Fort Worth, TX
Amoco Petroleum Products
200 East Randolph Drive
Post Office Box 87707
Chicago Illinois 60680-0707

VIA FACSIMILE

July 10, 1998

Mr. J. E. Sims
VP and GM Chemical
Union Pacific Railroad
1416 Dodge Street
Omaha, NE 68179

Re: Interference of Rail Transportation Contract
Between Amoco Oil Company and BNSF Railroad

Dear Ed:

I am writing concerning a serious rail service problem that Amoco is experiencing at its
Salt Lake City refinery. Since May of this year we have been suffering the consequences
of switching delays there caused by the Union Pacific.

To be more specific, the refinery is at a "2-to-1" location to which BNSF was granted
access by the Surface Transportation Board as a condition of the UP/SP merger. Amoco
has a contract with BNSF for aromatics shipments from the Gulf Coast. By parking trains
on the local switching leads, UP has been blocking access to the refinery by Utah Railway,
which serves as the local switching agent for BNSF. For example, UP blocked Utah
Railway access for two days this past June 4th and 5th. Similar interference occurred on
June 18th and July 5th.

Such interference impacts directly upon the delivery to the refinery of high octane
intermediates which we use to blend gasoline. This situation comes at a time when margins
and demand are highest, thereby making it critical for Amoco to both maintain and predict
its gasoline blend stock inventories, and produce optimum gasoline blends. Amoco holds
UP directly responsible for all damages being incurred; because we believe that UP’s
blocking of rail access to the refinery is a tortious interference with Amoco’s contract with
the BNSF.

According to the BNSF there were procedures in place to ensure that the Amoco Salt
Lake refinery would be served efficiently, and to resolve coordination problems which
might arise. However, these procedures obviously are not working. Hence, we understand
that the BNSF intends to bring this issue to the attention of the STB for intervention and
forced compliance. While we are not interested in taking sides between railroads, we must
insist that UP effectively resolve this dilemma.
Relations between UP and Amoco have improved substantially recently; and we would like to continue in that vein. Amoco is open to any suggestions that you may have. If necessary or useful, we would be pleased to participate in a joint conference with all involved and affected parties. I understand that Bill Blank is going to be in Salt Lake next week and will be meeting with our refinery personnel. Perhaps this would be a good opportunity to take productive steps toward an amicable resolution of the problem.

Please advise me how you would like to proceed.

Sincerely,

Bill Esslinger

Bill Esslinger

c: Bill Blank, Ted Lewis
Jim Lamana
July 17, 1998

Mr. Bill Esslinger
Mgr. Land Transportation Services
Amoco Oil
P.O. Box 87707
Chicago, IL 60680-0707

Dear Bill:

This refers to your letter of July 10, addressed to Ed Sims, concerning rail access by the Union Pacific and BNSF to your Salt Lake City Refinery.

Ed has asked me to respond since I facilitated a meeting on this subject with several of your Salt Lake Refinery Managers and Union Pacific on July 16, 1998.

The results of this meeting were very positive according to your representatives; Mr. Adrian Davidson, Mr. Tim Harms, and Mrs. Arlene Cantrell. As we indicated at the meeting, it is not our intention to delay or restrict BNSF (Utah) access to your refinery.

We have asked the BNSF’s Agent, the Utah Railroad, to now work directly with our Senior Manager Terminal Operations, Norris Wiseman, if they have any difficulties. The Utah Railroad has also committed to being available around 8PM for the switch so we can plan for the timing that will ensure the track is clear. Mr. Wiseman has issued instructions to his managers to “do whatever it takes” to keep the switch open for BNSF access. As a backup, your Rail Scheduler, Mrs. Cantrell has agreed to notify Mr. Wiseman if there is an issue over access. Our objective though, is to make the interaction between Union Pacific and BNSF transparent to Amoco.

I think you recognize that there may be “Force Majeure” type events, such as derailments, that might cause us to not make our commitments. However, our goal is making the commitment 100%.

Please let me know if you need any further clarification.

Regards.

Sincerely,

W. R. “Bill” Blank
cc:  
Ed Sims - UPRR, Omaha  
Terry Macy - Amoco  
Adrian Davidson - Amoco  
Tim Harms - Amoco  
Arlene Cantrell - Amoco  
Norris Wiseman - UPRR  
Rick Durrant - UPRR  
Ted Lewis - UPRR
The Honorable Vernon A. Williams  
Secretary, Interstate Commerce Commission  
Twelfth Street and Constitution Avenue, N.W.  
Room 2215  
Washington, D.C. 20423  

RE: FINANCE DOCKET NO. 32760  
UNION PACIFIC CORPORATION, ET AL. –  
CONTROL & MERGER  
SOUTHERN PACIFIC RAIL CORP., ET AL.

Dear Secretary Williams:

As the Minority Whip of the Nevada State Senate, representing portions of the Cities of North Las Vegas, Las Vegas and the northeast portion of Clark County, I am writing to express my support for the proposed merger of the Southern Pacific (SP) and Union Pacific (UP) Railroads and to urge your expeditious approval of the proposed merger.

The merger should provide the shippers of Southern Nevada, especially, and all Nevada shippers in general with extensive single-line access to major centers in the Midwest, the Pacific Northwest as well as the neighboring states of California and Arizona.

There has been some concern for a number of years of the financial condition of the Southern Pacific Railroad by our shippers as well as the communities served and its employees. A merger of these two railroads should provide a strong, financially secure railroad that can successfully compete in today’s demanding marketplace.
Our state is one of the fastest growing states in the nation and we must be able to provide our current and future citizens with the benefits of sound railroad services. For this reason and those stated above, I believe that a merger of these railroads would be sound public policy, in the best interests of the public, the employees of both railroads and the customers served. I urge your support of this merger proposal.

Yours truly,

[Signature]

John B. Regan
Senator

JBR:jg

cc: Wayne Horiuchi
    Larry Bennett
    Joe Guild
December 8, 1995

The Honorable Vernon A. Williams  
Secretary, Interstate Commerce Commission  
Twelfth Street and Constitution Avenue, N.W.  
Room 2215  
Washington, D.C. 2042

Subject: Finance Docket No. 32760  
Proposed Merger between the Union Pacific and Southern Pacific Railroads

Dear Secretary Williams:

I am writing to express my support for the proposed merger of the Union Pacific and the Southern Pacific Railroads.

A merger between the Union Pacific and the Southern Pacific would bring the financial strength of the Union Pacific together with the routes of the Southern Pacific. This is important because of the SP's Phil Anschutz has said publicly that his railroad cannot survive long with the recent merger of the Burlington Northern and Atchison, Topeka and Santa Fe railroads. Survival of the SP, as part of the Union Pacific, is crucial to the employees and customers of the Southern Pacific. Merging the two railroads will ensure the financial strength needed to invest in the future.

A merger would also provide Nevada businesses with improved rail service, since facilities located on the UP and SP would have single-railroad service to points now located on the other railroad's system. For example, businesses with facilities on the UP in Western Nevada will have single-railroad service to facilities in Northern and Central California. Businesses in Western Nevada would for the first time, have single-railroad service as far North as Seattle and Spokane, Washington.

I believe that a merger between the Union Pacific and Southern Pacific Railroads would be in the public interest, in interest of the employees of the two Railroads, and in then interest of railroad customers, and I would like to urge your support for their merger proposal.

Sincerely,

Jon C. Porter  
Nevada State Senator
To All Parties of Record:


Applicants have received comments from counsel for, among other parties, KCS, the Department of Justice, Conrail, Tex Mex, RLEA/UTU, TCU, and various electric utilities requesting that depositions in this proceeding not commence until two weeks later than Applicants have proposed in the schedule sent to all parties on December 12. Applicants had scheduled depositions to begin in early January in response to the specific requests from parties that depositions of individuals submitting verified statements be completed in the month of January. Applicants’ proposed schedule was the only practicable way of accommodating that type of schedule without doubling up and even tripling up, a large number of depositions.

Applicants are willing to reschedule the depositions so that they will occur on or after January 16, although it may be necessary to retain the earlier dates for certain witnesses with less flexibility in their schedules. Applicants will raise this general issue with Judge Nelson at the hearing requested by KCS on Wednesday, December 20. Although Applicants have heard from many parties requesting a two week delay, if other parties would prefer a different resolution, they should raise the issue at Wednesday’s conference so that Applicants are not faced with inconsistent demands regarding the scheduling of depositions.

Sincerely,

Arvid E. Roach II

cc: The Honorable Vernon A. Williams
The Honorable Jerome Nelson
Parties at December 1 Discovery Hearing (By Facsimile)
December 11, 1995

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

RE: Finance Docket No. 32760,
Merger proposed between Union Pacific and
Southern Pacific Railroads.

Dear Secretary Williams:-

The contemplated merger of the railroads identified above, in my strong opinion, will be very beneficial to the people of the states served.

The new single-line routes for many of our Nevada businesses has great promise to save the most important element we all have...TIME.

This new union of two transportation pioneers will enable the tremendous forces of capitalism to exercise its competitive forces to bring down the costs of shipping and delivery and ultimately improve our nations ability to aggressively market our products world-wide.

As I complete my twelfth year in the Nevada Legislature, serving as I do as Chairman of Government Affairs and Vice-Chairman for Commerce and Labor, I have a heightened awareness of how vitally important our rail transportation is to us all.

I strongly urge you to lend your support to the approval of this important proposal.

Item No.__________

Very truly yours,

Ann O'Connell
DECEMBER 12TH, 1995

THE HONORABLE VERNON A. WILLIAMS
SECRETARY
INTERSTATE COMMERCE COMMISSION
12TH STREET AND CONSTITUTION AVENUE
WASHINGTON, DC 20423

Dear Secretary Williams:

As Chief Executive Officer of Monroe County, I am opposed to the merger of Southern Pacific and Union Pacific Railroad.

Another objection I have to this merger, is that one railroad will serve most of Arkansas, therefore, eliminating competition.

I would appreciate being added to your list of those who should be informed as to the official application and any proceedings in which you may require.

SINCERELY,

Tom Catlett
Monroe County Judge
December 7, 1995

BY FAX AND BY MAIL

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


Dear Secretary Williams:

Please enter the appearance of the Western Coal Transportation Association by and through Robert Lee Kessler, Executive Director-General Counsel, P.O. Box 176, Denver, CO 80201 in the above referenced matter.

We have received the application as well as other pleadings in this matter directly from various parties, but I am advised that your computer listing or service list does not show the Association. Currently, we are receiving pleadings and other matters under the name of Ronald Boesen, President of the Association, at the above noted address. It would be satisfactory to list my name instead of Mr. Boesen as Counsel for the Association.

Sincerely,

Robert Lee Kessler
Attorney for Western Coal Transportation Association

RLK:cen
Mr. Vernon A. Williams, Secretary  
Interstate Commerce Commission  
12th & Constitution Avenue, N.W.  
Washington, D.C. 20423

RE: ICC Finance Docket 32760  
Union Pacific - Southern Pacific Merger Application

Dear Mr. Williams:

I, M.L. Royal, Jr., as the elected representative for the Brotherhood of Locomotive Engineers on the Union Pacific Transportation Company (Southern Region), would like to become a party of record to Interstate Commerce Commission Finance Docket No. 32760 (Union Pacific - Southern Pacific, merger application).

I request a copy of all ongoing information filed with the Commission in reference to Finance Docket No. 32760 as this merger directly affects the one thousand two hundred (1200) some engineers I represent.

Respectfully,

M.L. Royal, Jr.
General Chairman, B.L.E.
413 West Texas Street
Sherman, TX 75092

MLR/cnr
December 15, 1995

VIA FACSIMILE

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

Dear Arvid:


Pursuant to paragraph 9 of the December 7, 1995 discovery order, Geneva Steel Company has previously notified you to place it on the Restricted Service List. To avoid any ambiguity, please note that Geneva Steel requests (pursuant to paragraph 8 of the December 7, 1995 order) copies of all discovery responses in this proceeding other than documents produced by being placed in a document depository. For these documents, we will make specific requests for copies of any particular documents we seek.

Sincerely,

John Will Ongman
Counsel for Geneva Steel Company

/cc: Restricted Service List
Luria Brothers

November 13, 1995

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

RE: CR Proposal for UP/SP Merger

Dear Mr. Williams:

Luria Brothers is extremely concerned about the growing trend in the railroad industry to merge the remaining Class I's into giant megacarriers. We do not oppose the concept of mergers as we recognize there are many potential benefits to blending operations and numerous other areas of separate carriers. However, we do oppose any such merger which threatens to reduce the level of competition at the expense of shippers both short term and ten and twenty years from now.

The shipping community is currently suffering from the confusion and operations disservice created, albeit only temporary, from the Union Pacific acquisition of the Chicago & Northwestern Railroad. Valid concern exists over the new BNSF as this merged carrier is just beginning to determine how to make good on all its promised benefits of merging. And now the UP, still working out its CNW merger in everyday terms, looks to merge the SP into its fold.

Luria is dependent on an efficient and properly managed and controlled railroad network. Of the $30 million we will pay in freight this year over $22 million will be by rail. Only if such mergers are coupled with sound agreements that insure required long-term service at competitive rates can shippers receive the benefits continually paraded through the halls of every office in D.C. Without such agreements shippers are left unprotected against veritable monopolies.

ConRail has offered one proposal which offers hope to shippers including Luria. The recently proposed BNSF/UP/SP agreement has been touted as the only agreement necessary to provide shippers with the railroad network they require to serve their commercial needs. But this agreement is too shortsighted and restrictive to encompass the vast issues the UP/SP merger presents. CR's proposed purchase of the old Cotton Belt Line from the SP eliminates any question of access, control over the track, joint-
line service, and other vital issues. We feel this is an issue that must be resolved before the proposed merger can be approved.

For these reasons Luria Brothers is fully supportive of CR's efforts to purchase this line and feels such transactions should be required before a UP/SP merger is approved.

Respectfully Submitted,

Dennis E. Wilmot
Manager, Traffic & Transportation

cc: David M. Levan
President
Consolidated Rail Corporation
2001 Market Street
Philadelphia, PA 19101-1400
The Honorable Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
Twelfth Street and Constitution Avenue, N. W.  
Room 2215  
Washington, D. C. 20423  

RE: Finance Docket No. 32760, Union Pacific Corp., etal,–  
Control and Merger – Southern Pacif Rail Corp, et al.  

Dear Secretary Williams:  

Please accept this letter in support of the proposed merger of Union Pacific and Southern Pacific railroad lines. I feel that the merger is in the best economic interest of the state with heavy consideration on addition traffic and the satisfaction of grain shipping needs.  

Union Pacific has been a great team member of the Wyoming economy, as Wyoming has developed its mineral, coal, and livestock and farming industries. I feel this merger would only give them strength to continue the good job they do, and to increase in strength.

I feel that Wyoming will be benefited greatly by the merger.  

Thank you for your consideration of the proposed merger of the Union Pacific and Southern Pacific. I feel that a favorable conclusion to allow the merger would be appropriate.

Sincerely,  

[Signature]

Clarene Law  
House Dist. 23
November 13, 1995

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


Dear Mr. Williams,

I am writing to express my strong support for the proposed merger of the Union Pacific and Southern Pacific railroads, now before the Interstate Commerce Commission in Finance Docket 32760; Union Pacific Corporation, et al -- Control and Merger -- Southern Pacific Rail Corporation, et al.

I believe this merger will produce numerous benefits for the citizens and businesses of El Paso. The merger will provide a more effective rail service and stronger rail competition in Texas.

In conclusion, I believe that the merger will improve rail service in West Texas and that it will strengthen rail competition, all to the benefit of the El Paso area and its businesses. I strongly support the merger.

Sincerely,

State Representative Gilbert Serna
The Hon. Vernon A. Williams
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, DC 20423

Dear Secretary Williams:

As a former member of the Arkansas General Assembly, and a business consultant whose home is located in Craighead County, Arkansas, I am extremely concerned about the competitive effects on Northeast Arkansas area businesses of the proposed merger between Union Pacific Railroad (UP) and Southern Pacific (SP). While I am familiar with the proposed agreement between Union Pacific and Burlington Northern (BN) which is intended to remedy those effects, I and the individuals whom I represent are not persuaded that this arrangement will actually produce effective rail competition in our area of the state and country.

I have also carefully reviewed CONRAIL's proposal to acquire a significant portion of the SP's eastern lines in connection with the merger. I am especially interested in the line that runs from Chicago and St. Louis through Arkansas to Louisiana, Texas and the Gulf Coast. I find this proposal by CONRAIL to be more appropriate and far more effective in addressing my concerns. The CONRAIL proposal calls for ownership of the lines (a very important consideration, it seems to me), whereas the UP-BN agreement primarily involves the granting of trackage rights. I believe that trackage rights provide only limited benefits and limited guarantees which can easily be lost if railroads disagree over whose traffic has priority and who is in charge of the operation of the line. Further, I believe an owning railroad is in a far better position than a renter to encourage economic growth and development activities on its lines.

Another reason that I favor CONRAIL's proposal is that it would provide efficient service for shippers in this part of Arkansas, especially to markets located in the northeast and midwest parts of the country. CONRAIL service to these markets would be the fastest and most direct, and would involve the fewest car handlings.
Finally, I believe CONRAIL's proposal will ensure that area rail customers have multiple rail options. I am extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's business. Clearly, mega-railroads will only further limit competition and reduce productivity. Likewise, I am greatly concerned that the UP-SP merger would mean that virtually all of the tracks in Arkansas would be owned or controlled by but a single company....UP.

For all of the above stated reasons, I will actively oppose the UP-SP merger at the ICC unless it is conditioned upon UP's acceptance of and agreement to the CONRAIL proposal to purchase what we refer to as the old Cotton Belt Line.

Sincerely,

Kenneth R. Camp
Consultant and Former Member of the ARKANSAS GENERAL ASSEMBLY

cc: David M. LeVan
President and CEO CONRAIL
Eade, Colorado
November 10, 1995

The Honorable Vernon Williams
Interstate Commerce Commission
1201 Constitution Ave. NW
Washington, D.C. 20233

Re: ICC Finance Docket No 32760

Dear Mr. Williams,

I am a resident of Keowa County, and I am writing to express my concern over the notice of intent to abandon service, filed by the Union Pacific and Southern Pacific Railroads.

Keowa County is a rural area, strictly dependent on rail service for the transportation of grains and other commodities. Our County relies upon tax revenues derived from railroad properties. The discontinuation of this service will cause the County to suffer great economic consequences.

I understand that the Commission has the power to deny or condition the application to abandon.

I am asking the Commission to deny the application or place restrictions on it because of the loss of revenue and of revenues needed so badly in this County.

Respectfully,

Mary N. Mayo,
Inhabitant Citizen of Keowa C.
P.O. Box 633, 1302 Framc St. Eade, Co 81036-0633
November 8, 1995

Dear Mr. Williams:

For a series of reasons in the public interest of Northeast Ohio, the proposed Union Pacific-Southern Pacific (UP-SP) railroad merger should not be allowed. We would be far better served if the UP-SP’s eastern routes were sold to Conrail, not rented to the Burlington Northern-Santa Fe (BN-SF).

First, Cuyahoga County is in a major manufacturing area. Our county’s industrial companies need direct and efficient service to raw materials and markets in petrochemically-oriented Gulf Coast and Mexico.

Second, an owner-carrier, such as Conrail, would doubtless have greater incentive to improve facilities, operations, and markets along the route rather than a renter, such as BN-SF.

Third, keeping each of our railroads strong is important to us. It means lively price competition and expanded service options among our large carriers -- CSX, Norfolk and Southern, and Conrail.
Thus, we would oppose the proposed merger as long as it includes the BN-SF purchase of the Southern Pacific’s eastern lines. We would clearly endorse a merger that enables Conrail to purchase those lines because it would be in the public interest of Cuyahoga County and Northeast Ohio.

Thank you for your consideration.

Sincerely,

Thomas J. Hayes
County Administrator
November 8, 1995

The purpose of this letter is to express our support for the merger of the Southern Pacific and the Union Pacific Railroads. I believe this merger will give Oregon's South coast better access to markets on the East coast, specifically the Chicago area.

This merger will give Oregon a far more stable railroad than we currently have. At the present time, the Southern Pacific Railroad does not possess the capital needed to give us a stable railroad. With the merger of S.P. and U.P., I believe our business and community will have the opportunity for further economic growth.

I do believe the I.C.C. needs to look at the restrictions that the Southern Pacific currently has on our local short line railroad. These restrictions give the Southern Pacific the ability to embargo traffic moving in and out of the Coos Bay area. The restrictions were part of the deal when the short line took over operations. The restrictions and yard charges do not allow the short line to do business out of Eugene with anyone other than the Southern Pacific. I consider traffic being embargoed when the Southern Pacific gives an estimated rate of over $1500.00 on a road railer move of less than 125 miles. The local short line railroad needs the ability to work with other carriers out of the Eugene yard.

As we move into the future, it is becoming increasingly apparent that new technology and innovation are a key to any company's success. This merger will give U.P. and S.P. customers a very strong transportation link to all major markets, both foreign and domestic, as well as a company with the financial backing to be an innovative leader in the industry.

Thank you for the opportunity to express my support for this merger. If you have any questions or if I can be of further assistance please contact me at 1-800-599-3708.

Sincerely,
Thomas & Sons

Brett A. Thomas

TELEPHONE: (503) 267-3483
FAX: (503) 267-5391
November 10, 1995

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

Re: Finance Docket No 32760
Union Pacific and Southern Pacific Railroad Merger

Dear Secretary Williams:

On behalf of the 2,200 members of the Sacramento Metropolitan Chamber of Commerce representing over 125,000 employees of the region, we strongly support the merger of the Union Pacific and Southern Pacific railroads.

We believe that the benefits of the proposed merger with greater direct routes will provide faster, more efficient service for the customers of rail transportation and ultimately, for the consumers. Multiple routes and single line service will also reduce transit times for time sensitive intermodal freight. The increased reliability in product distribution which will come from this merger will help foster a stronger economy in the Sacramento Region and throughout California.

We respectfully request that the Interstate Commerce Commission approve the application to merge the Union Pacific and Southern Pacific railroads. The resulting economic benefits to our nation will be greatly enhanced by this proposal.

Thank you very much for your time and consideration, Secretary Williams.

Sincerely,

Russell J. Hammer
Chief Executive Office
CITY OF WHEATLEY
LARRY NASH, MAYOR
P.O. BOX 179
WHEATLEY, AR 72392
PH. & FAX 457-3411

NOVEMBER 10, 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:

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

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

Another reason the City of Wheatley favors Conrail's proposal is that it would provide
efficient service for area shippers, especially to northeast and midwest markets. Conrail
service to these markets would be the fastest and most direct, and involve the fewest car
handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

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

Sincerely,

Arvern Burnett, Councilman
City of Wheatley, Arkansas

cc: David M. LeVan
    President and Chief Executive Officer
    Conrail

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

RE: Finance Docket 32760

Dear Secretary Williams:

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

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

Another reason the City of Wheatley favors Conrail's proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

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

Sincerely,

[Signature]

Mike Brownlee, Councilman  
City of Wheatley, Arkansas

cc: David M. LeVan  
President and Chief Executive Officer  
Conrail
November 9, 1995

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


Dear Mr. Williams:

My name is Gary McCaleb, and I am the Mayor of the City of Abilene, Texas. I am writing to express my strong support for the proposed merger of the Union Pacific and Southern Pacific Railroads, now before the Interstate Commerce Commission in Finance Docket 32760, Union Pacific Corporation, et al.--Control and Merger--Southern Pacific Rail Corporation, et al.

I believe the Union Pacific-Southern Pacific merger will produce important benefits for the citizens and businesses of Abilene. The merger should provide faster and more cost-effective rail service, improved service to many destinations, and stronger rail competition in Texas.

Our shippers will benefit from significant service improvements resulting from this merger. In particular, shippers served by Union Pacific will have access to new single-line service across Southern Pacific's Southern Corridor to California. This new single-line route will give them highly efficient service to California, gateways to Western Mexico, and markets in Arizona and New Mexico. Moreover, Union Pacific and Southern Pacific have announced plans to upgrade the lines between Fort Worth and southern California. Shippers should be able to realize mileage savings and service improvements. The public should benefit from less highway congestion due to a reduction in truck traffic.

Our shippers will also gain new single-line service to other locations served by the Southern Pacific, including points in Louisiana, Arkansas, Colorado, Utah, and Oregon. Receivers will also benefit from more efficient movement of products consumed in West Texas.

Gary D. McCaleb  
Mayor
Traffic moving north to Memphis, St. Louis, and Chicago, and for connections to the Northeast, should also enjoy improved service, due to the ability to coordinate terminals, use alternative routes, and build run-through trains that can avoid terminal delay. In addition, I understand that Union Pacific-Southern Pacific plans to add new service between Fort Worth and Denver following the merger.

Shippers should also benefit from better equipment supply after the merger. The merged Union Pacific-Southern Pacific will be able to reposition equipment more efficiently, thus offering greater equipment availability to shippers. In addition, yard consolidation will create new storage-in-transit opportunities.

The merger should also be good for employment and economic development in the West Texas area. The improvements described above should lead to an increase in traffic and greater employment opportunities for rail workers. I expect that the improved service will also help to stimulate service growth in the area.

The Union Pacific-Southern Pacific merger should also strengthen rail competition in the region. Currently, the only efficient way to move goods from West Texas to California is along Burlington Northern-Santa Fe’s Southern Corridor route. Southern Pacific’s competing route has been plagued by capacity constraints and service problems. The merger between Union Pacific and Southern Pacific would create a railroad that could offer strong competition to Burlington Northern-Santa Fe along this important route. Competition should also increase for traffic moving to the east and south as a result of new operating rights Burlington Northern-Santa Fe will receive in East Texas and Louisiana and access it will receive to certain Mexican gateways.

More generally, the recent merger of the Burlington Northern and Santa Fe railroads created a large and efficient route system, with unmatched assets. Other railroads are not large enough to provide real competition to the Burlington Northern-Santa Fe. However, Union Pacific and Southern Pacific together would be large enough and efficient enough to provide effective competition. The Union Pacific-Southern Pacific merger is needed to maintain and strengthen competition and to give our Union Pacific-served shippers the ability to compete successfully with businesses served by the Burlington Northern-Santa Fe.

In conclusion, I believe that the merger will improve rail service in West Texas and that it will strengthen rail competition, all to the benefit of Abilene and its businesses. I strongly support the merger.

Sincerely yours,

Gary D. McCaleb
Mayor
November 7, 1995

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

RE: Finance Docket 32760

Dear Secretary Williams:

The City of Battle Creek has carefully evaluated the proposed Union Pacific/Southern Pacific merger, and its effects on this community and the State of Michigan. While there may be benefits to the consolidation between these two railroads, it is important -- from an economic development standpoint -- that other options and proposals be weighed and considered before any merger approval is given by the ICC. Further, the City of Battle Creek is not persuaded that the proposed agreement between the Union Pacific and the Burlington Northern/Santa Fe will satisfy our concerns over competition.

Conrail, Inc., has approached the City of Battle Creek with its proposal for acquiring some of the Southern Pacific Eastern lines from Chicago and St. Louis to Texas and Louisiana. This proposal has great benefit for those midwest cities and states eager to encourage economic growth through the North American Free Trade Agreement (NAFTA.)

Conrail has been, and continues to be, a good corporate resident of Battle Creek and its level of service has greatly benefited the manufacturers and shippers in our community. This proposed acquisition by Conrail will only enhance the current service being provided. Economic expansion opportunities will be available to the businesses and industries in our community. In addition, with direct shipments of midwest-made products to new markets in Mexico, the mid-south and Gulf Coast regions, areas currently not easily accessed by midwest shippers, will be opened.

For these reasons, the City of Battle Creek strongly supports Conrail’s purchase of the Southern Pacific Eastern lines. Without the Conrail proposal being a part of the ICC’s approval, the Union Pacific/Southern Pacific merger
should not be consummated. Conrail's ownership of the Southern Pacific Eastern lines is good sense and brings more corporate responsibility than the lease arrangement as proposed by Burlington Northern/Santa Fe.

Thank you for the opportunity to comment on this proposal.

Sincerely,

[Signature]

John Gallagher
Mayor

c: Mr. David M. LeVan, President/CEO
Consolidated Rail Corporation
2001 Market Street/17th Floor
Philadelphia, Pennsylvania 19101-1409
Ms. Linda Morgan  
Chairperson  
Interstate Commerce Commission  
12th Street and Constitution Avenue, NW  
Washington, D.C. 20423  

RE: Finance Docket No. 32760 - Union Pacific/Southern Pacific Merger

Dear Chairperson Morgan,

The purpose of this letter is to formally advise you that I, Bob Biggins, member of the Illinois House of Representatives, 89th General Assembly, wholeheartedly support the Union Pacific Railroad and Southern Pacific Lines merger.

My reasons for supporting this acquisition are as follows:

- Union Pacific and Southern Pacific's (UP/SP) individual strengths will merge and instill a new competitive spirit that will challenge the industry, particularly Burlington Northern/Santa Fe (BN/SF) railroads dominance, to implement higher standards of operation, including improvements in service routes and guarantees in customer satisfaction.

- Improvements in transit times will be a result of providing reliable single-line service, upgrading crucial lines and terminals, especially between the midwest and southwest United States, and the flexibility to re-route service will allow UP/SP to run more efficiently and offer shippers the best possible and most rapid rail service available in this country.
• The strategic placement of equipment and supplies will provide UP/SP customers improved access and availability. Shorter and more direct routes will not only contribute to quicker transit times, but also reduce maintenance costs, extend equipment life and improve the turn-around time of UP/SP equipment, the equivalent of acquiring a larger fleet.

• Collectively, UP and SP railroads will undoubtedly strengthen their position within the industry, a process they could not undertake individually, by overcoming financial and capital constraints that have plagued both companies at one time or another. UP/SP customers will have the assurance of long-term, top-quality service from a financially strong railroad. This will enable them to be an excellent alternative to BN/SF, providing services equal to and greater than their competitors.

In order for these two rail lines to survive and succeed in the railroad industry, Union Pacific and Southern Pacific must combine their individual strengths to become one economically feasible railroad. I am completely confident of UP/SP’s ability to provide cost-efficient, reliable and competitive service to both their present and future customers. Once again, I sincerely urge you to approve of the Union Pacific and Southern Pacific merger.

Sincerely,

Bob Biggins
State Representative
78th District

cc: Vernon A. Williams
Secretary
Interstate Commerce Commission

David Fischer
Director - Government Affairs
Union Pacific Railroad
1416 Dodge Street, Room 801
Omaha, NE 68179
Dear Mr. Williams:

I am a resident of Kiowa County, Colorado, and I write to express my concern over the notice of intent to abandon service filed by the Union Pacific and Southern Pacific Railroads. Kiowa County is a rural area directly dependent upon rail service for the transport of grains and other commodities. As well, the County relies upon tax revenues derived from railroad properties. If service is discontinued and the track is pulled, the County will suffer dramatic economic consequences. I understand that the Commission has the power to deny or condition the application to abandon. I would ask the Commission to deny the application, or to place restrictions on the application which afford our County the time to respond to the loss of service and revenues.

Respectfully,

[signature]

[Notary Public]

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

RE: Finance Docket 32760  

Dear Secretary Williams:

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

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

Another reason the City of Wheatley favors Conrail’s proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

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

Sincerely,

Geraldine Watson, Councilwoman
City of Wheatley, Arkansas

cc: David M. LeVan
    President and Chief Executive Officer
    Conrail
November 6, 1995

Mr. Vernon A. Williams
Acting Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington D.C. 20423


Dear Mr. Williams,

I write in unqualified support of the proposed merger of the Union Pacific and Southern Pacific rail system, which has been proposed subject to ICC approval.

As President of the Evergreen America Corporation, with its principal office in Jersey City, New Jersey, I oversee a large staff in twenty-five (25) offices throughout North America, all concerned to some extent with the business of intermodal freight movement of import and export cargo from all points in the USA. As General Agent for Evergreen Marine Corporation, one of the world's largest container carrier, with ships calling eight (8) ports in the USA and one (1) in Canada we are directly responsible for movement of freight along all available US rail systems on COFC, TOFC basis, through use of double-stack arrangements with several major rail carriers and many other facilities throughout the USA. This Agency spends over $200 million annually on underlying carrier (rail and truck) and supplier purchases in the USA each year.

The proposed merger will have several salutary effects both for us and for all US industry. For Evergreen, the merger will help us increase our overall West Coast intermodal capabilities by offering faster, more frequent and more reliable service in key corridors. For example, Chicago-California, and Memphis-California. New intermodal services will include a more reliable third-morning service between...
Los Angeles and Chicago. Further, as a result of the merger, UP/SP will be able to reposition both cars and locomotives more efficiently. The difference in peak seasons for the two railroads plus effective use of triangulation and backhaul moves will improve equipment supply for shippers.

The newly merged BN/Santa Fe is nearly twice the size of UP or SP. Combining UP and SP will create a competitor that is fully equal to BN/Santa Fe in all major western markets. UP/SP will be able to match BN/Santa Fe service time and reliability in most of intermodal corridors.

This proposed merger is an unequivocal good for our company and for America. It will create a more rational, unified and profitable system that should reduce service failures, improve regional rail service, improve our service to our customers using routes for international cargo with ports in both California and the Pacific Northwest. We favor the proposal and commend this merger to your approval.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 6th day of November, 1995.

Sincerely,

Ming-Bo Chang
President

cc: James Brady/SP
The Honorable Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue  
Washington, DC. 20423

RE: Finance Docket 32760

Dear Secretary Williams:

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

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

Another reason the City of Wheatley favors Conrail's proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

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

Sincerely,

Melvina Hickman, Recorder/Treasurer
City of Wheatley, Arkansas

cc: David M. LeVan
President and Chief Executive Officer
Conrail
Secretary
Interstate Commerce Commission
12th and Constitution Ave. N.W.
Washington, D.C. 20423
Nov. 10, 1995

Dear Mr. Secretary,

I am writing to you in opposition to the merger between the Southern Pacific Railroad and the Union Pacific Railroad.

This merger would effectively eliminate competition along vast areas in many states where the two railroads run parallel. Even where trackage rights might be granted to other railroads, it will be the U.P. that controls how those tracks are maintained and how traffic is handled over it.

In addition, because these two railroads run parallel in many instances, there will undoubtedly be massive layoffs and closing of facilities. Not only to the detriment of workers, but to countless merchants and businesses throughout the west that depend on spending from railroad workers to operate.

Please do what's best for our people and country by defeating the Southern Pacific and Union Pacific proposed merger.

Thank you,

James White
November 8, 1995

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

Dear Mr. Williams:

I am writing to inform you of the proposed railroad abandonment of the Union Pacific Railroad from Towner, CO westward to Pueblo. This abandonment is dependent upon the proposed merger of the Union Pacific Railroad and the Southern Pacific Railroad. If the merger does not go through, the abandonment will be dropped.

Railroads often justify their intended abandonment by citing low revenues on the line. Revenues are low on this section of the line because of the railroad's deliberate and planned reluctance to issue multi-car rates that were competitive with the Union Pacific Railroad line to the north.

The merger of the Southern and Union Pacific will result in less competition and certainly higher freight rates for the entire state of Colorado. Since Colorado is land locked and about as far as any state from water freight, it is of vital importance that the entire state oppose the merger.

I would like to ask if you could contact Federico Pena, Secretary of the U.S. Department of Transportation, and ask him to look into this major rail merger. Additionally I would like to ask you to contact the Federal Trade Commission and personally ask them to intervene in stopping this merger on the basis that it is non-competitive.

I appreciate your attention in this matter.

Sincerely,

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

RE: Finance Docket 32760

Dear Secretary Williams:

Battle Creek Unlimited, Inc. has carefully evaluated the proposed Union Pacific/Southern Pacific merger, and its effects on this community and the State of Michigan. While there may be benefits to the consolidation between these two railroads, it is important from an economic development standpoint that other options and proposals be weighed and considered before any merger approval is given by the Interstate Commerce Commission (ICC). Further, Battle Creek Unlimited, Inc. is not persuaded that the proposed agreement between the Union Pacific and the Burlington Northern/Santa Fe will satisfy our concerns over competition.

Conrail, Inc. has approached Battle Creek Unlimited, Inc. with its proposal for acquiring some of the Southern Pacific Eastern lines from Chicago and St. Louis to Texas and Louisiana. This proposal has great benefit for those midwest cities and states eager to encourage economic growth through the North American Free Trade Agreement (NAFTA).

Conrail has been and continues to be a good corporate resident of Battle Creek and its level of service has greatly benefited the manufacturers and shippers in our community. This proposed acquisition by Conrail will only enhance the current service being provided. Economic expansion opportunities will be available to the businesses and industries in our community. In Addition, with direct shipments of midwest-made products to new markets in Mexico, the mid-south and Gulf Coast regions, areas currently not easily accessed by midwest shippers, will be opened.

For these reasons, Battle Creek Unlimited, Inc. strongly supports Conrail's purchase of the Southern Pacific Eastern lines. Without the Conrail proposal being a part of the ICC's approval, the Union Pacific/Southern Pacific merger should not be consummated. Conrail's ownership of the Southern Pacific Eastern lines is good business sense and brings more corporate
responsibility than the lease arrangement as proposed by Burlington Northern/Santa Fe.

Thank you for the opportunity to comment on this proposal.

Sincerely,

James F. Hettinger
President

JFH/bp
cc: Mr. David M. LeVan
November 8, 1995

Mr. Vernon Williams
Interstate Commerce Commission
Room 3315
12th & Constitution, N.W.
Washington, D.C. 20423-001


Dear Mr. Williams:

Our company has been a major user of rail service for transportation between the United States and Mexico for over thirty years. The Laredo/Nuevo Laredo gateway is the primary route for shipments between the two countries for the majority of international traffic. This gateway possesses the strongest infrastructure of customs brokers. It also provides the shortest routing between major Mexican industrial and population centers and the Midwest and Eastern United States.

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

A merger of Union Pacific and Southern Pacific will seriously reduce, if not eliminate, our competitive alternatives via the Laredo gateway. Although these railroads have recently agreed to give certain trackage rights to the new Burlington Northern Santa Fe Railroad, we do not believe the BNSF, as the only other major rail system remaining in the Western United States, will be an effective competitive replacement for an independent Southern Pacific on this important route.

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

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

Very truly,

V. E. MacPherson
V.E. MacPherson
Transportation Manager

VEM:mg
NOVEMBER 7, 1995

SENATOR C. S. "KIT" BOND  
ATTN: WARREN ERDMAN, CHIEF OF STARR

FAX NO. 202/224-8149

ATTACHED IS COPY OF MY LETTER TO MR. VERNON WILLIAMS, SECRETARY, INTERSTATE COMMERCE COMMISSION, WASHINGTON, CONCERNING MY COMPANY’S OPPOSITION TO THE PROPOSED ACQUISITION OF SOUTHERN PACIFIC BY THE UNION PACIFIC.

WE ASK FOR YOUR HELP IN OPPOSING THE UP/SP MERGER UNLESS IT IS CONDITIONED BY THE ADDITION OF A MAJOR PROPERTY OWNING RAILROAD IN THE GOLF COAST AREA.

THANK YOU.

SINCERELY,

BEVERLY VAN LUND  
RAIL TRANSPORTATION MANAGER
Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, NW
Washington, D.C. 20423

Dear Secretary Williams:

TexPar Energy is extremely concerned about the competitive effects of the proposed acquisition of Southern Pacific (SP) by Union Pacific (UP). We have reviewed the proposed agreement between UP and Burlington Northern Santa Fe (BNSF) which is intended to remedy those effects, but do not feel it will produce effective rail competition for our traffic.

We have considered the possibility that another rail carrier acquire some of SP’s eastern lines in connection with the merger, specifically those lines in Texas and Louisiana running to Chicago, Memphis, New Orleans, and Saint Louis. We understand that several carriers, including Conrail (CR), Illinois Central (IC), and Kansas City Southern (KCS), have made proposals to UP involving the purchase of such lines.

While we are not prepared at this time to comment on the relative merits of any specific offer, we believe each is far superior to the deal struck between UP/SP and BNSF. Our primary concern is that the BNSF proposal mainly involves trackage rights rather than ownership of the lines. We have learned that the benefits of trackage rights are uncertain because they can be easily lost if the railroads argue about whose traffic has priority, who is in charge of operations on the line, and so forth.

Another reason we favor the proposals of CR, IC, and KCS is that they help to ensure TexPar and other customers will have multiple rail options. The trend toward only a few giant railroads is definitely not in the customers’ interest.

For these reasons, TexPar Energy will actively oppose the UP/SP merger in its current form. We urge the ICC to deny the UP/SP’s request for merger unless it is conditioned by the addition of a major property owning railroad in the Gulf Coast area.

Sincerely,

Beverly Van Lund
TexPar Energy, Inc.
cc: Honorable Kay Bailey Hutchinson - Texas
1Honorable John B. Breaux - Louisiana
Honorable Phil Gramm - Texas
Honorable J. Bennett Johnston - Louisiana
U.S. Senate
Washington, D.C. 20510

David M. LeVan
President & Chief Executive Officer
Consolidated Rail Corporation
2001 Market Street - 17N
P.O. Box 41417
Philadelphia, PA 19101-1417

Drew Lewis
Chairman & Chief Executive Officer
Union Pacific Corporation
Martin Tower
8th & Eaton
Bethlehem, PA 18018

Barry Williamson, Chairman
Carole Keeton Rylander, Commissioner
Charles R. Matthews, Commissioner
Railroad Commission of Texas
1701 North Congress Avenue
P.O. Box 12967
Austin, TX 78711-2967
October 28, 1995

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

SUBJECT: Finance Docket No. 32760, Proposed Merger of The Union Pacific and Southern Pacific Railroads

Dear Secretary Williams:

I write to urge the Interstate Commerce Commission to approve the proposed merger of the Union Pacific Railroad (UPRR) and the Southern Pacific Railroad (SPRR), as proposed by these railroads.

The merger should provide substantial benefits for shippers in Orange County and other parts of California. For example, the UPRR/SPRR plans to provide the first truck-competitive intermodal service ever between Southern California and the Seattle/Tacoma area. By offering a high-quality freight service in the corridor, the merged railroads should be able to divert freight from busy Interstate 5 which runs North-South through California.

Freight moving between Southern California, including the ports of Los Angeles/Long Beach and, important rail industry interchanges like Chicago, St. Louis, and Memphis, should move by faster, more certain schedules. That should allow the UPRR/SPRR to compete head-to-head with the Atchison, Topeka & Sante Fe Railroad in this important cross-country market. Vigorous competition between the two is needed to insure economic growth in Southern California.

Railroad officials have indicated that the combined UPRR/SPRR plans to build a new facility in the Inland Empire region of Southern California to handle less-than-truckload (LTL) freight and other intermodal business, which should help expedite freight moving to or from the region.
Currently, SPRR customers must deal with service problems and uncertainties, because of the SPRR's finances. The merger of the two railroads will provide the assurance SPRR shippers need that they will continue to receive high quality service in the future.

For all of these reasons, I urge the Commission to take favorable action on the proposal to merge the UPRR and the SPRR.

Sincerely,

JOHN R. LEWIS
State Senator, 33rd District
November 8, 1995

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

Dear Mr. Williams:

RE: FINANCE DOCKET NUMBER 32760

As an agricultural producer who resides in Kiowa County, Colorado, I am opposed to the merger of the Union Pacific Railroad Company with the Southern Pacific Railroad Company and the Missouri Pacific Railroad Company. As a part of this merger they will ask for the abandonment of 122 miles of track through Kiowa and Crowley Counties.

The proposed abandonment will mean we will lose rail service in our county as well as creating a monopoly between the railroad and large grain corporations. The demand on our limited highway system will be greatly increased.

Almost three-fourths of all jobs in Kiowa County are agriculturally related. The loss of the railroad will effect the entire economy of the area.

Please seek public input and hearings of this issue. I encourage you to deny ICC FINANCE DOCKET NO. 32760.

Sincerely,

Bernice Tuttle
Kiowa County WIFE Chapter #124
13775 C.R. 78.5
Towner, Co. 81071-9619
November 8, 1995

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

Dear Mr. Williams:

RE: ICC Finance Docket Number 32760

The Union Pacific Railroad Co. had filed a notice of intent to merge with Southern Pacific Transportation Company and Missouri Pacific Railroad Company. Part of the abandonment will be 122 miles of track that goes through Kiowa County. Kiowa County produces an estimated five million bushels of wheat and 858,000 bushels of grain sorghum annually. The loss of the railroad will cause business failure since the economy is dependent on agriculture. Southeastern Colorado is struggling to survive and we do not need the only railroad system serving us to be abandoned.

I am opposed to the merger and abandonment and would ask that you please deny ICC Finance Docket Number 32760.

Sincerely,

Mary Lou Williams

Mary Lou Williams, Member
Kiowa County WIFE Chapter #124
58602 State Hwy 96
Brandon, CO 81026
November 8, 1995

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

Dear Mr. Williams:

RE: ICC FINANCE DOCKET NUMBER 32760

I am an agricultural producer who resides on a farm in Kiowa County, Colorado. The Union Pacific Railroad Company has filed a notice of intent to file an application to merge with the Southern Pacific Transportation Company and the Missouri Pacific Railroad Company. A part of this merger will ask for the abandonment of 122 miles of track that goes through Kiowa and Crowley Counties.

This line that is proposed to be abandoned is the ONLY railroad system that serves our county. The loss of the railroad would substantially increase the demand to an already insufficient highway system. Kiowa County produces an estimated five million bushels of wheat and 858,000 bushels of grain sorghum annually.

Over 70% of all jobs in Kiowa County is related to agricultural business. The loss of the railroad will cause direct and indirect business failure since the entire economy is dependent on agriculture. The agricultural industry and the rural areas of Southeastern Colorado are already struggling to survive. We do not need another "blow".

The rail abandonment would also result in a loss of direct tax revenue of approximately twenty percent for Kiowa County. This will result in decreased governmental services, loss of tax dollars for the maintenance of roads and bridges and loss of revenue for our school districts.

There are many issues that need to be studied before a final decision is made. I would ask that you seek public input and hearings on this issue. I am opposed to the merger and abandonment. Please deny ICC Finance Docket No. 32760.

Sincerely,

Catherine Scherler

Catherine Scherler, Member
Kiowa County WIFE Chapter # 124
Sheridan Lake, CO 81071-9700
(719) 729-3367

Office of the Secretary

ENTRERED
PUBLIC RECORD

NOV 20 1995
November 9, 1995

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

Dear Mr. Williams:

On behalf of my constituency in San Antonio and Bexar County, I am providing this statement of support for the proposed merger of Union Pacific and Southern Pacific. This merger should provide a number of benefits for San Antonio citizens, including improved service and additional rail options.

San Antonio will benefit from improved service to southern California. SP's Southern Corridor is the most direct route between San Antonio and southern California, but is highly congested, and our shippers suffer significant delays on that route. UP/SP have plans to upgrade the SP line, thereby increasing capacity and reducing delays. San Antonio shippers should also benefit from improved service in the Houston-St. Louis-Chicago corridor and for connections to the Northeast. This north-south traffic will move more efficiently as a result of UP/SP's ability to coordinate terminals, use alternative routes, and create run-through trains for these routes. San Antonio should also benefit from UP/SP plans to increase the level of service between Texas and Denver following the merger.

San Antonio shippers using the Eagle Pass gateway (or the western Mexican gateways served by SP) will gain the benefits of UP's efficient border crossing procedures. This will allow all our Mexican traffic to avoid delays that result from cross-border processing.

Competition in rail service will be preserved, and in fact improved, as a result of the agreement UP and SP have reached with BN/Santa Fe. This agreement ensures that San Antonio shippers who are served by only UP and SP today will continue to receive service from two railroads. BN/Santa Fe
will also have the opportunity to offer intermodal service at San Antonio by using UP/SP terminal services or BN/Santa Fe's own facilities, thus providing San Antonio shippers and receivers with an important competitive option for movements to and from those areas.

Competition will be stronger and a UP/SP merger for the additional reason that UP/SP will be a more effective competitor to BN/Santa Fe. Now that the ICC has approved the BN/Santa Fe merger, BN/Santa Fe has an extensive and efficient route system throughout the west. UP and SP can provide an equal service only by combining their routes and facilities. The merger is necessary to allow our shippers served by UP and SP to compete successfully with businesses in areas served by BN/Santa Fe.

Finally, a UP/SP merger is particularly important for San Antonio shippers who are served by the SP or who receive traffic from SP served points. While the SP is an important contributor in San Antonio, our shippers have experienced significant problems with SP service. The SP have been unable to devote the financial resources to address these problems. UP, with its strong management and financial resources, should be able to improve service significantly on the SP routes. A UP/SP merger will ensure the future viability of rail service for all SP-served shippers and receivers in San Antonio.

I ask that the Interstate Commerce Commission take into account the views of San Antonio concerning the UP/SP merger.

Sincerely,

Bill Siebert

BS/wrn
November 8, 1995

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

Dear Mr. Williams:

I am writing in regards to the abandoning of our only railroad through our county. We may live out in a sparsely settled part of the country but we have needs the same as urban areas. Our taxes are high and our roads are terrible in this area. If the railroads are done away with, that make that much more traffic on the roads. This is a poor county and the railroad taxes are vital for our survival.

Since this is a farming area, our railroads are very important to our businesses, especially our wheat and milo crops. If you have influence on this situation, please give it your immediate attention to help out this farming area. Please deny ICC Finance Docket No. 32760.

Thank you.

Sincerely,

Hazel Woelk
Kiowa County WIFE Chapter # 124
Sheridan Lake, CO 81071
(719) 729-3524
November 10, 1995

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

Re: Finance Docket

Dear Secretary Williams:

As Chief Executive Officer of St. Francis County, I am opposed to the merger of Southern Pacific and Union Pacific Railroad. I have information that if this merger goes through a section of South Pacific, running from Memphis to Brinkley will be abandoned. Most of this tract is in St. Francis County. We have several rice elevators in need of this service and this line is a tool for selling our area to businesses and industries.

Another objection I have to this merger, is that one railroad will serve most of Arkansas, therefore, eliminating competition.

I have heard that Conrail would like to buy the eastern portion of Southern Pacific. This proposal has merit for several reasons. First, they will be in competition with Union Pacific, secondly, it will assure that Southern Pacific east will continue in service as Conrail.

I would appreciate being added to your list of those who should be informed as to the official application and any proceedings in which you may require.

Sincerely,

Gazzola Vaccaro, Jr.  
ST. FRANCIS COUNTY JUDGE

November 8, 1995

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

Dear Mr. Williams:

RE: ICC Finance Docket Number 32760

I am an agriculture producer who lives on a farm in Kiowa County, Colorado. I am also the Kiowa County WIFE, Chapter #124, President.

The Union Pacific Railroad Company has filed a notice of intent to file an application to merge with the Southern Pacific Railroad Transportation Company and the Missouri Pacific Railroad Company. A part of this merger will ask for the abandonment of 122 miles of track that goes through Kiowa & Crowley Counties.

This line that is proposed to be abandoned is the only railroad system that serves our county. This is looking like a monopoly ploy and not fair competition if this goes through. Kiowa County produces an estimated five million bushels of wheat and 858,000 bushels of sorghum annually.

Over 70% of all jobs in Kiowa County are related to agricultural business. The loss of the railroad will cause direct and indirect business failure since the entire economy is dependent on agriculture. This would cause many to have added costs to delivering wheat to elevators, the extra miles we would have to have the product shipped over an inadequate highway system.

There are many issues that need to be studied before a final decision is made. I would ask that you seek public input and hearing on this issue. I am opposed to the merger and abandonment. Please deny ICC Finance Docket Number 32760

Sincerely,

Freda Schmidt, President  
Kiowa County WIFE Chapter #124  
20120 County Road 78  
Towner, CO 81071-9618
The Honorable Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue NW  
Washington, D.C. 20423

Dear Mr. Secretary:

This letter is written to you to express my support for the pending Union Pacific Railroad acquisition of the Southern Pacific line.

It is my strong belief that this merger is in the best interests of the constituency in the State of Texas and would provide abundant improvement in service and strengthen competition and afford many benefits for shippers in accessing various routes and points in Texas.

Any and every favorable consideration you might provide in this matter will be greatly appreciated.

Sincerely,

Tom Craddick  
State Representative  
District 82
The Honorable Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue  
Washington, DC. 20423

RE: Finance Docket 32760

Dear Secretary Williams:

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

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

Another reason the City of Wheatley favors Conrail's proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

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

Sincerely,

Larry Nash, Mayor
City of Wheatley, Arkansas

cc: David M. LeVan
    President and Chief Executive Officer
    Conrail
NOVEMBER 10, 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:

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

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

Another reason the City of Wheatley favors Conrail's proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

For all of these reason, the City of Wheatley will actively oppose the UP-SP merger at the ICC unless it is conditioned upon a acceptance of Conrail's proposal.

Sincerely,

[Signature]

William G. Snowden, Attorney
City of Wheatley, Arkansas

cc: David M. LeVan
President and Chief Executive Officer
Conrail
The Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
12th Street and Constitution Avenue
Washington, DC. 20423

RE: Finance Docket 32760

Dear Secretary Williams:

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

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

Another reason the City of Wheatley favors Conrail's proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

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

Sincerely,

John Clifton, Councilman
City of Wheatley, Arkansas

cc:  David M. LeVan
     President and Chief Executive Officer
     Conrail
11/6/95

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

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

Mr. Williams:

Our company's operations are closely associated with freight movements via railroads. One of the railroads we deal with is the Tex Mex Railroad. The above referenced merger will seriously impact the competitive alternatives for rail service.

I urge the ICC to include as a condition of approval for this merger, a grant of trackage rights to Tex Mex Railroad to operate from Corpus Christi to Houston, TX and to connect with other rail carriers in Houston. This proviso would preserve competitive access to rail service in that area.

Sincerely,

Rob Hood, VP
Hood Transportation Services
The Honorable Vernon A. Williams  
Secretary, Interstate Commerce Commission  
Twelfth St. and Constitution Ave., N.W., Rm. 2215  
Washington, D.C. 20423

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

Dear Secretary Williams:

As the Majority Leader of the Nevada Senate, I am writing to ask that the Interstate Commerce Commission approve the merger between the Union Pacific and the Southern Pacific railroads as proposed by the two railroads.

The Southern Pacific and Union Pacific are the two largest railroads in Nevada, so the merger of the two is an important event in Nevada. The Union Pacific main line runs through Las Vegas, between Southern California and Salt Lake City. Both the Southern Pacific and Union have lines running parallel to each other across Northern Nevada, connecting the San Francisco Bay and Central California with Reno, Salt Lake City, Utah, and points east.

A key benefit of the merger will be to bring the financially ailing Southern Pacific together with financially strong Union Pacific. For the Southern Pacific’s customers, employees and stockholders, and for the many communities that are served by the Southern Pacific, that is a key benefit. Ensuring the long-term viability of the Southern Pacific system in the face of the intensified competition with the Union Pacific and the newly merged Burlington Northern & Santa Fe Railroad means a great deal. The Southern Pacific executives have themselves admitted that they cannot remain viable long into the future given the new competitive realities, and they see the merger with the Union Pacific as the best way to remain viable.

Shippers in Nevada that now have access to two competing railroads, including those located along the two railroads’ parallel tracks from Winnemucca to Wells and some shippers in Reno, want to maintain access to competitive rail service. Fortunately, the Southern Pacific and Union Pacific railroads negotiated an agreement with the Burlington Northern & Santa Fe Railroad to give access to those shippers in Nevada.
and elsewhere. As a result, those shippers will maintain service by two railroads and will also obtain new service options on the Burlington Northern & Santa Fe’s extensive rail system.

Clearly, the proposed merger of the Southern Pacific and Union Pacific railroads will provide substantial benefits to railroad customers and others in Nevada and other states. I urge your Commission to grant its approval to this merger as proposed.

Sincerely,

William J. Ravio
State Senator and
Senate Majority Leader

WJR:lh
November 8, 1995

Honorable Vernon A. Williams
Secretary
Interstate Commerce Commission
Room 2215
Twelfth Street & Construction Ave., N.W.
Washington, D.C. 20423

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

Dear Secretary Williams:

I write to advise the Commission that as Chairman of the Missouri House Transportation Committee I strongly support the proposed merger of the Union Pacific and Southern Pacific Railroads. Union Pacific, through its subsidiary Missouri Pacific, provides substantial service in Missouri. We have found UP to be responsive to the needs of Missouri communities and Missouri shippers. SP also serves a number of shippers in Missouri, and some of SP’s Missouri customers are exclusively served by SP. We are concerned about the viability of the SP standing alone, and we want to be sure Missouri shippers continue to have effective competitive alternatives. We believe this proposed merger between Union Pacific and Southern Pacific will bring substantial benefits to Missouri’s shippers, workers and consumers.

The Commission has now approved the BN/Santa Fe merger. The new BN/Santa Fe system will be a strong competitor with an extensive route system for both east-west and north-south traffic. It will be important to have another strong railroad serving Missouri in order to provide a vigorous competitive alternative for Missouri shippers and consumers. Having two strong competitors will

“Common Sense, Plus Hard Work, Equals Progress”
serve the interest of Missouri shippers better than having one strong competitor and two smaller competitors. The UP/SP merger will provide far more effective competition for BN/Santa Fe than the UP and SP separately. In addition, UP/SP have committed to provide new rail access to the few points in Missouri that are currently served only by UP and SP.

The UP/SP merger will provide a number of benefits to Missouri shippers. The State's shippers will enjoy faster, more reliable intermodal service between northern California and both St. Louis and Kansas City than either carrier alone could offer. Missouri's carload shippers will also benefit from the much improved service to northern California -- greater speed, reliability and frequency of schedules -- as a result of mileage savings, gradient improvements and operating efficiencies.

The combined UP/SP also will offer faster, more reliable intermodal service to southern California than either carrier alone could offer. In addition to saving miles over UP's existing routes, we expect that an upgrade of SP's lines between Kansas City and southern California will result in greater capacity and faster service on those lines. In addition, SP Missouri shippers will gain faster, more direct single-line routes to the Intermountain Area, the Pacific Northwest, and the leading Mexican gateway of Laredo, while UP shippers will enjoy new single-line service to points in Louisiana, Texas, California, Illinois, Arkansas, Kansas and Colorado, to name a few.

Following the merger, Missouri grain elevators will gain single-line service to many more grain buyers served by SP's lines in the Pacific Southwest and western Mexico. Moreover, the seasonal patterns of grain demand will allow UP/SP to improve equipment utilization by backhauling wheat from SP points in covered hoppers used to move Missouri feed grains to SP points in the Southwest. Any improvement in the supply of cars to move grain is a benefit for Missouri agriculture.

Unfortunately, SP customers have had to cope with service problems and uncertainties as to SP's finances. Among other things, Missouri shippers using SP have faced significant delays and equipment shortages. The UP/SP merger will provide SP shippers the assurance of top-quality service, as well as financial resources to support capital investments necessary to build new capacity, acquire needed equipment, and continually improve operations.

The strengthening of these important rail lines in Missouri will also benefit Missouri's rail workers. The jobs of these workers will be more secure if the merger is approved, allowing UP and SP to meet the competitive challenge of the BN/Santa Fe merger. Moreover, with the improvements in service,
The Honorable Vernon A. Williams  
Secretary  
Interstate Commerce Commission  
12th Street and Constitution Avenue  
Washington, DC. 20423  

RE: Finance Docket 32760  

Dear Secretary Williams:  

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

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

Another reason the City of Wheatley favors Conrail’s proposal is that it would provide efficient service for area shippers, especially to northeast and midwest markets. Conrail service to these markets would be the fastest and most direct, and involve the fewest car handlings.
Finally, we believe Conrail's proposal will ensure that area rail customers have multiple rail options. We are extremely concerned about the recent merger trend that could lead to only a few giant railroads serving the nation's businesses. Clearly, mega-railroads will only further limit competition and reduce productivity.

For all of these reason, the City of Wheatley will actively oppose the UP-SP merger at the ICC unless it is conditioned upon a acceptance of Conrail's proposal.

Sincerely,

Forrest Lee, Councilman
City of Wheatley, Arkansas

cc: David M. LeVan
    President and Chief Executive Officer
    Conrail
Dear Secretary Williams:

As a Wyoming State Legislator, I am writing to strongly urge your prompt approval of the proposed merger between the Union Pacific Railroad and the Southern Pacific Railroad.

The State of Wyoming and my home county (Campbell County) have prospered from Union Pacific Railroad's presence in the Powder River Basin coal fields. The contribution of Union Pacific Railroad to the movement of Wyoming coal to markets throughout the United States has been tremendous. The delivery of low-cost, low-sulphur coal for electrical generation provide one of the largest revenue returns to Wyoming’s state budget. The merger of Union Pacific and Southern Pacific will enhance and strengthen the ability to move Wyoming products to new export and import markets. Coal mines in the Powder River Basin will gain single-line access to Southern Pacific Railroad served power plants and other Wyoming products will have access to single-line services to numerous points served exclusively by Southern Pacific in Colorado, California, Arizona, New Mexico, Texas, the Gulf Coast, and the Midwest.

Strong competition among railroads provides numerous benefits to shippers and to the economy. I strongly urge your approval of the proposed UPRR/SPRR merger.

Sincerely,

George McMurtrey, MD, FAIAE
Rep. H.D. 52
Rozet, WY 82727

cc: David Fischer
(Union Pacific Railroad Company
1416 Dodge St., Rm. 801
Omaha, NE 68179)
UNION PACIFIC/SOUTHERN PACIFIC MERGER  
SUMMARY OF BENEFITS

- Faster, more reliable service between Chicago and both Southern/Northern California.
- More direct route for UP imports from Southern California ports to the Southwest.
- More direct land-bridge from Los Angeles to the Memphis gateway.
- More direct single-line route from the Laredo, Texas, gateway to the Rocky Mountain and Pacific Northwest region as well as California.
- Union Pacific served power plants will gain single-line access to Colorado/Utah coal producers.
- Southern Pacific served power plants will gain single-line access to coal producers in the Hanna Basin and Powder River Basin.
- Increased single-line coal sources for Texas cement companies.
- Forest products producers in Oregon and California will have a more direct route and improved service to the Midwest and the Mississippi River gateways.
- UP served shippers in Texas, Arkansas, and Louisiana will have more direct routing to receivers in California, Arizona, and New Mexico.
- UP Midwest grain and grain product producers will have improved access to SP grain and grain markets in the Pacific Southwest and western Mexico.
- Improved grain equipment utilization, availability, and productivity.
- Reduction in grain transit times due to more efficient and direct routes.
- Temperature-controlled freight will gain greater consistency and reduced transit times to eastern markets.
- The available fleet of insulated boxcars and mechanical refrigerated cars will be increased by improved utilization benefiting food and canned goods shippers.
- Shorter routes and single line service will reduce transit times for time sensitive intermodal freight.
- Multiple routes will reduce congestion and improve service consistency.
- Single-line service will reduce car handling and switching requirements reducing potential damage and improving delivery schedules and cycle times.
- Expanded market service area provides more opportunity for back hauls.
- The combined UP/SP fleet of high cube gondolas, coil cars, and pipe flats will create the nation's largest and most diverse specialized steel hauling fleets.
- Improved access for Gulf chemical customers to Arizona, California, the Pacific Northwest, Western Canada, and the Rocky Mountain Region.
THE UP/SP MERGER AND WYOMING

Summary. Wyoming rail shippers should see improved service as a result of the UP/SP merger. Since SP does not operate in Wyoming, no shipper will even face the prospect of losing two-railroad service. Indeed, the UP/SP merger will dramatically improve service and strength competition. The merged system will meet the competitive challenge of BN/Santa Fe. Problems of SP service, finances and capital constraints will be overcome.

Service Improvements. Among the key service improvements for Wyoming shippers are:

- Soda ash producers will enjoy more direct routing to Gulf ports.
- Soda ash producers will obtain single-line service to SP-served markets in Arizona and California.
- Coal producers in the Powder River and Hanna Basins will gain single-line access to SP-served power plants.
- UP-served Wyoming shippers will gain faster, more direct routes via Denver to Texas and Gulf ports.
- UP shippers will also gain new single-line services to numerous points served exclusively by SP in Colorado, California, Arizona, New Mexico, Texas, the Gulf Coast, and the Midwest.
- Equipment supply will be improved as the result of operating efficiencies, the ability to reposition cars efficiently, and taking advantage of backhaul and triangulation opportunities and seasonality.
- Major cost savings, from reduced overheads, facility consolidations and use of the best systems of each railroad, will improve efficiency and justify increased investment to expand capacity and improve service, all to the benefit of shippers.

Public Interest/Economic Development Benefits. Routing of additional traffic onto UP's main line following the merger should create more employment opportunities in Cheyenne and Green River.

Stronger Competition. Competition will be strengthened in all markets:

- Competition between BN/Santa Fe and a merged UP/SP will be stronger than competition between BN/Santa Fe and UP and SP separately. In particular, a merged UP/SP will be in a better position to provide fully effective competition to BN/Santa Fe in the coal market.
- The merger applicants will accept conditions ensuring that all shippers that would lose two-railroad competition in the merger are served by a second railroad. Because SP does not operate in Wyoming, that are no such "2-to-1" situations in the state.

Meeting the Challenge of BN/Santa Fe. SP's Chairman, Phil Anschutz, has forthrightly said that SP can't make it alone in the wake of the BN/Santa Fe merger. The BN/Santa Fe system that will be far larger than either UP or SP. It will have crucial competitive strengths that UP or SP separately lack. The UP/SP merger will create a competitor that is fully the equal of BN/Santa Fe.
STATE OF ___________  
COUNTY OF ___________  

(Name)______, being first duly sworn, deposes and says that he has read the foregoing document, knows the facts asserted therein, and that the same are true as stated.

(Signature)___________
Name-Typed

Subscribed and sworn to before me this ____ day of _____________, 1995.

Notary Public

My Commission Expires:
**Union Pacific Railroad**

- Operating Revenues (1994): $6.44 billion
- Operating Income (1994): $1.4 billion
- Employees: 35,000
- Track operated: 22,600 miles
- States served: 23
- Locomotives: 3,922
- Freight cars: 97,600
- Trains operated daily:
  - Freight: 1,200
  - Commuter: 197
- Commuter operations—daily riders:
  - Metra (Chicago): 90,000 riders
  - Metrolink (Los Angeles): 3,300 riders

**Southern Pacific Lines**

- Operating Revenues (1994): $3.1 billion
- Operating Income (1994): $346 million
- Employees: 18,010
- Track operated: 14,500 miles
- States served: 15
- Locomotives: 2,413
- Freight cars: 44,132
- Trains operated daily:
  - Freight: 750
  - Commuter: 197

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**Union Pacific**

- operates in 23 states
- served by 3,922 locomotives
- 97,600 freight cars
- 1,200 freight trains operated daily

**Southern Pacific**

- serves 15 states
- operated by 2,413 locomotives
- 44,132 freight cars
- 750 freight trains operated daily
The Honorable Vernon Williams  
Interstate Commerce Commission  
12th and Constitution Aves. NW  
Washington, D.C. 20423

Re: ICC Finance Docket No. 32760

Dear Mr. Williams:

I am a resident of Kiowa County, Colorado, and I write to express my concern over the notice of intent to abandon service filed by the Union Pacific and Southern Pacific Railroads. Kiowa County is a rural area directly dependent upon rail service for the transport of grains and other commodities. As well, the County relies upon tax revenues derived from railroad properties. If service is discontinued and the track is pulled, the County will suffer dramatic economic consequences. I understand that the Commission has the power to deny or condition the application to abandon. I would ask the Commission to deny the application, or to place restrictions on the application which afford our County the time to respond to the loss of service and revenues.

Respectfully,

S/S 1100 County Road 2

Arlington, CO 81021-9701

Before me, the undersigned, a Notary Public, in and for said County and State, on this 1st day of Nov., 1995, personally appeared, to me known to be the identical person, described in and who executed the within and foregoing instrument of writing and acknowledged to me that she duly executed the same as a free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 1st day of Nov., 1995.

Debra J. Eisenberg
Notary Public

My commission expires 1-18-98
The Honorable Vernon Williams  
Interstate Commerce Commission  
12th and Constitution Aves. NW  
Washington, D.C. 20423

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[Signature]

[Notary Public]

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