

STB

FD

32760

(Sub 21)

7-15-99

J

194994

194994

MAYER, BROWN & PLATT

1909 K STREET, N.W.

WASHINGTON, D.C. 20006-1101

ERIKA Z. JONES

DIRECT DIAL (202) 263-3232

ejones@mayerbrown.com

MAIN TELEPHONE
202-263-3000

MAIN FAX
202-263-3300

July 15, 1999

VIA HAND DELIVERY

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

ENTERED
Office of the Secretary

JUL 15 1999

Part of
Public Record



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

Dear Secretary Williams:

This is to inform the Board that, pursuant to the Board's Decision No. 13 in the above-referenced proceeding, The Burlington Northern and Santa Fe Railway Company is making available its 100% traffic tapes for the period of July 1, 1998 through June 30, 1999. These traffic tapes have been designated "Highly Confidential" under the Board's protective order issued in Decision No. 2, UP/SP, Finance Docket No. 32760 (served Sept. 1, 1995).

Interested persons may contact Kelley Campbell at (202) 263-3206 to make arrangements for obtaining copies of such tapes.

Please date-stamp the enclosed extra copy of this letter and return it to the messenger for our files.

Sincerely,

Erika Z. Jones ^{KEC}

Erika Z. Jones

cc: All Parties of Record

STB

FD

32760

(Sub 21)

9-30-98

J



Office of the Chairman

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

FILE IN DOCKET

FD-32760
(Sub-21)

September 30, 1998

The Honorable Barbara Boxer
United States Senate
1700 Montgomery Street, Suite 240
San Francisco, CA 94111

Att: Mr. John Ormsby

Re: Letter from Mr. Kirk Hundven

Dear Senator Boxer:

Thank you for your letter asking the Board to look into the concerns raised by Mr. Kirk J. Hundven, District Chairman, Allied Services Division--TCU, over certain actions taken by the Union Pacific Railroad (UP) with respect to employees represented by his union. In his letter to you, Mr. Hundven states that, in the process of implementing its merger with the former Southern Pacific Rail Corporation (SP), UP has harassed, intimidated, and discriminated against employees and has violated employee rights under existing collective bargaining agreements and the merger implementing agreement he refers to as NYD 217.

I received a similar letter directly from Mr. Hundven, which I forwarded to Richard K. Davidson, UP's Chairman and Chief Executive Officer, for a response. In his response, Mr. Davidson addressed the several issues that Mr. Hundven raised in his letter. Mr. Davidson indicated that certain work has been contracted out, where it became unfeasible to continue performing the operations in-house, but that contracting out is permitted under the collective bargaining agreement into which UP and Mr. Hundven's union entered. He stated that certain jobs were eliminated because they were incompatible with UP's TCS computer system, on which clerks in Mr. Hundven's union have been offered training. Finally, Mr. Davidson recognized that there were some delays between the time when a clerk exercised an option regarding his or her position and the time when a position was actually changed, but he stated that, whenever the date on which a position was affected was changed by more than 60 days, the employee would be permitted to change his or her option.

The law that the Board administers establishes a negotiation and arbitration process as the proper way to resolve certain important issues relating to employee rights that may be affected by the implementation of a transaction such as the UP/SP merger. First, under the law, a railroad participating in a merger must negotiate implementing agreements with the unions that represent its employees. If the parties are unable to agree upon the terms for implementing the transaction, the matter is resolved through arbitration. Second, employees adversely affected by a merger are entitled to the protections provided in New York Dock Ry.--Control--Brooklyn Eastern Dist., 360 I.C.C.60 (1979). Again, disputes over whether employees are entitled to New York Dock protections can be resolved through arbitration. Finally, Article I, section 11 of New York Dock provides that disputes arising under Board-imposed labor protection -- involving, for example, claims that railroads are violating implementing agreements entered into under New York Dock -- shall be resolved by arbitration, and it establishes the mechanism for doing so.

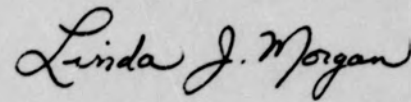
The Board may become involved in review of decisions of arbitrators acting under the laws administered by the Board. The Board cannot, however, become involved in claims that management has violated a particular collective bargaining agreement (CBA) that has not been modified by an implementing agreement pursuant to a Board-approved transaction. Those sorts of claims must be resolved under the procedures of the Railway Labor Act, with which the Board has no direct involvement.

Mr. Hundven indicates that he is not satisfied with the way certain provisions of collective bargaining agreements and the implementing agreement referred to as NYD 217 are being carried out. I have advised him that, to the extent his concerns arise out of the way in which NYD 217 is being carried out, he should continue to work with management, as it appears he is doing; if he is ultimately unable to work things out, his recourse would be to submit the matters to arbitration under Article I, sections 4 or 11 of the New York Dock conditions. To the extent that the disputes do not arise out of the labor conditions the Board imposed on the UP/SP merger or agreements entered into under the New York Dock conditions to implement the merger, his recourse would be to the normal procedures to resolve disputes involving collective bargaining agreements under the Railway Labor Act.

Mr. Hundven also expresses the view that the UP actions that he has identified have adversely affected service. The Board has recognized the rail service problems that have occurred over the past year, which were caused by a variety of factors, and the Board has taken aggressive action to address them. Over the past several months, service has begun to improve throughout the UP system, and the Board permitted its "emergency service order" to expire in early August. In any event, in my view, Mr. Hundven's letter does not provide a basis on which the Board could use the emergency service provisions of the law to intervene, outside of the normal arbitration process, in the types of labor relations disputes that have arisen between some of Mr. Hundven's members and UP management.

On September 28, 1998, I sent to your Washington, D.C., office a copy of my response to Mr. Hundven, which included a copy of Mr. Davidson's letter to me addressing the concerns that Mr. Hundven has raised. For your convenience, I have enclosed another copy of that response for your reference. I hope you find this information useful. I emphasize that the Board remains committed to giving full and fair consideration to the interest of rail carrier employees in consolidation proceedings in accordance with the law, as we have done in the UP/SP merger proceeding, and the Board remains available, if necessary, to oversee implementation of the labor conditions we have imposed. I am having your letter and my response made a part of the public docket for this proceeding. If I may be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

Enclosure

United States Senate

HART SENATE OFFICE BUILDING
SUITE 112
WASHINGTON, DC 20510-0505
(202) 224-3553
senator@boxer.senate.gov
http://www.senate.gov/~boxer

COMMITTEES:
APPROPRIATIONS
BANKING, HOUSING, AND
URBAN AFFAIRS
BUDGET
ENVIRONMENT
AND PUBLIC WORKS

FILE IN DOCKET

September 17, 1998

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

Dear Ms. Morgan:

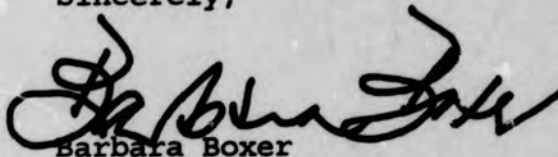
Please find the enclosed correspondence that I received from Kirk J. Hundven, District Chairman of the Allied Services Division of the Transportation/Communications International Union.

As you will note, Mr. Hundven is very concerned about the treatment of members of his district by company management in the aftermath of the merger of the Union Pacific and Southern Pacific railroads. The union has filed specific claims and grievances under the Railway Labor Act, but would appreciate the Surface Transportation Board conducting an expedited review of its more general allegations of harassment and mismanagement.

I would appreciate any comments you may have on the status of the claims and grievances already filed with your office, and any other information you may be able to provide about Mr. Hundven's related request and concerns. Please direct your reply and any questions to my San Francisco office, ATTN: John Ormsby. Mr. Ormsby can be reached at (415) 403-0116.

Thank for your attention to this matter.

Sincerely,



Barbara Boxer
United States Senator

BB/jo
enclosure

☐ 1700 MONTGOMERY STREET SUITE 240 SAN FRANCISCO, CA 94111 (415) 403-0100
☐ 2250 EAST IMPERIAL HIGHWAY SUITE 545 EL SEGUNDO, CA 90245 (310) 414-5700
☐ 650 CAPITOL MALL SUITE 6544 SACRAMENTO, CA 95814 (916) 448-2787
☐ 2300 TULARE STREET SUITE 130 FRESNO, CA 93721 (209) 497-5109
☐ 525 J STREET SUITE 990 SAN DIEGO, CA 92101 (619) 239-3884
☐ 210 NORTH E STREET SUITE 210 SAN BERNARDINO, CA 92401 (909) 888-8525

Allied Services Division

ASD

Transportation • Communications International Union • AFL-CIO, CLC

677



ROBERT F. DAVIS
President

August 5, 1998

*KIRK J. HUNDVEN
District Chairman

TED P. STAFFORD
General Secretary-Treasurer
Vice President

Honorable Barbara Boxer
United States Senator
1700 Montgomery St. Suite 240
San Francisco, CA 94111

File: UP-SP Merger Problems

Dear Senator Boxer:

I am requesting your help in making the Union Pacific Railroad live up to its commitments to the United States and to its employees. I am the District Chairman of the Allied Services Division of the Transportation Communications Union. I represent clerical members of UP/SP from the Oakland and Bay Area to Sacramento in the north and Bakersfield in the South.

Presently, the members of my district are being harassed, intimidated and discriminated against as a body by a tyrannical management that is ignoring standing Collective Bargaining agreements. As a representative I am taking action via grievances and claims but the fact is that the process under the Railway Labor Act is slow and tedious. In the meantime, my members are suffering from daily mental and verbal abuse. Just as importantly the U.S. economy is suffering and the reasons are related to the UP's dictatorial management and its "in your face" attitude to the U.S., the Surface Transportation Board and to the Congress and Senate of the U.S.

Attached is copy of letter which I just sent to Chairwoman L. Morgan of the Surface Transportation Board regarding issues which I feel--and my constituents feel--are adversely impacting not only the lives of the employees of the combined Union Pacific/Southern Pacific Railroads, but which are also adversely impacting the transportation industry throughout this country. As a result, railroad traffic through Texas and the mid-West has been nearly halted, thousands of customers and shippers have lost business, our ports in Southern California have been plugged and the flow of commerce has been stifled.

This is not new news. All of the above failures have been reported in the trade and commerce journals, along with major news reporting which continues to this very minute. However, the problems continue with the UP blaming everyone except themselves. While the

items I am focusing on are not the major cause of the UP's failure, they are symptomatic of the larger malaise creating massive problems throughout this Country. Here, I would like to direct your attention to a snapshot picture of this situation as it exists on the West Coast. What I would like to see is some firm oversight on UP's abuses and at least some directives being issued to the UP to abide by its labor agreements and to make honest and legitimate efforts to clean up its problems. The basic premise for a successful railroad is in place but the philosophy or thinking of management does not allow it to achieve success.

The UP entered into an Implementing Agreement with TCU under the auspices of the New York Dock Conditions governing mergers and consolidations. This agreement, NYD #217, allows the UP to centralize its operations into Omaha, St. Louis and elsewhere, provides protective benefits for employees and ostensibly provides for a smooth transition from the former SP to the "new" UP. However, with its ongoing operational problems the UP has repeatedly set back its timetable for moving (i.e., abolishing here and then transferring them elsewhere). Clerks were required to make option forms to give the UP an idea of how many clerks wanted separation, how many wanted to relocate and how many desired to remain on the few jobs to be left in California. NYD #217 specified that these options were irrevocable but it did not anticipate that there would be delays of over 18 months between the choice of options and the actual move. Thus, life situations changed for many clerks and they are not being allowed to change their options except in rare circumstances. People got closer to retirement age, their family situation changed or they simply saw the way the railroad was being run and now desire to change their options. These are not being allowed and people are being forced to take extreme actions to prevent being transferred to distant locales, quitting without benefits in some cases rather than being further humiliated. Or, in many cases continuing on their jobs with attitudes resigned to surviving under adverse conditions.

The UP's commitment under NYD #217 and existing collective bargaining agreements included a proviso that it would not contract out work as the result of the merger. The UP became oblivious to this. In Oakland, good union jobs were contracted out at the former SP's (now UP's) Intermodal facility and given to a non-union outside contractor just a few months ago. About 30 SP/UP employees were put on the street. At the same location the UP is bringing in outside people to perform clerical duties protected under the CBA and abolishing more clerical jobs as a result putting more people on the edge of being on the street. They issue notices indicating these moves are being done under the auspices of NYD #217 but none of the abolished jobs are being moved to Omaha or St. Louis. The same situation happened in Roseville with the entire intermodal facility being transferred to a non-union UP facility in Lathrop. Again, our TCU people have been adversely affected. Claims, of course, are being progressed but in the meantime the damage is done and people's lives are being severely and adversely impacted.

In San Jose, Warm Springs, Newark, East Oakland and elsewhere TCU covered janitorial jobs were abolished and we were advised that these duties would be assigned to other remaining clerks. Such has not been the case. The UP has blatantly and arrogantly contracted out these

duties. While here again claims are being filed the damage is once more accomplished and more people suffer. UP's management proceeds as if it was immune from the rest of the world's oversight.

The UP eliminated (i.e., abolished) many clerical jobs in Oakland, San Jose, Fresno, Fairfield and elsewhere which were responsible for physically obtaining inventories of rail equipment in the various yards. When challenged by us that these jobs were needed the UP said no and now further delays occur when trains attempt to search yards for particular rail cars. Again, clerks, train movements and the public all suffer. And, when one train is delayed that creates a domino effect--the next train is delayed etc etc.

At all locations the UP is providing minimal training in a few cases, and no training in most cases, to the clerical personnel who are responsible for keeping track of train movements, inventories of rail equipment and other aspects of insuring a smooth flow of traffic. The SP's computer system known as TOPS was discontinued July 1, 1998 and UP's system known as TCS has taken its place. The two systems are totally different and our clerks are being forced to learn a completely new language with little or no assistance. Former SP clerks have been given almost no training on these various new procedures and UP's managers harass and intimidate our clerks because they don't know the operations. The result of course is that work is not performed timely and clerks, train movements and the public all suffer. When additional clerical jobs are abolished our clerks try to make seniority moves (i.e., displacements) to other positions but are denied training entirely (especially in the Bay Area) or are given very minimal training. As a result, clerks are being disqualified and are treated like second class citizens. For the most part we are talking about people who have worked for the SP-UP for no less than 10 years but in most cases for more than 20 years and their lives revolved around their railroad jobs.

Our clerks are belittled daily by UP managers who bluntly inform us that we are outmoded by technological changes--but, then they assign our work to other crafts or to outside parties. Of course we are unable to do the work if we are not given the training. The sad part is that these remaining clerks have been long time loyal employees who rejected previous buyouts during the attempted ATSF/SP merger and the DRGW/SP merger and hoped to conclude their rail careers in dignity. These employees are being treated like dirt and need help to overcome this unfeeling and uncaring Union Pacific Railroad.

All of these various items impact the movement of rail freight and are in part responsible for the huge backlogs of rail traffic in the U.S. While I have focused on a small portion of the UP's callousness in California, in conversation with clerks throughout the system the same problems are being faced everywhere.

We in TCU know how to deal with claims and grievances, arbitration and mediation and with negotiations. What we need, and what I am requesting your assistance in, is forcing the UP to adhere to its contracts, to quit abusing its employees and to provide the superior service it

Senator Barbara Boxer

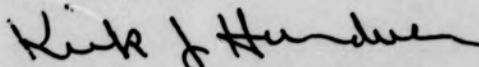
August 5, 1998

File: UP-SP Merger Problems

promised during the hearings preceding the merger. This is not a case of discrimination against a particular race, creed, color, religion, age or any other specific individual characteristic. Rather, it is a case of discrimination against a class of employees--clerks--who probably all are in their forties or fifties who have given most of their lives to one company--the railroad. I suspect that part of the reason was our vigorous opposition to the merger when it was first proposed. TCU Clerks led the fight to oppose this merger because we foresaw the problems that would be created. I am attaching a copy of a recent letter which was directed to the Superintendent of the UP. This letter has been ignored as have previous claims and grievances but it goes to the heart of what I am trying to describe.

I would be happy to meet with you at your convenience. I would be very grateful for the assistance and support of your office in this matter.

Sincerely yours,



Kirk J. Hundven, District Chairman

attach 1--Letter to L. Morgan, Chair of STB

attach 2--Letter to UP Superintendent C. Bradley

cc: Robert A. Scardelletti, International President TCU

Robert F. Davis, President Allied Services Division TCU

Members of District 802 ASD-TCU

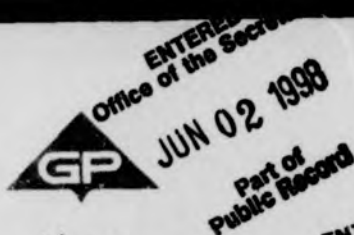
STB

FD-32760 (SUB21)

6-1-98

J

ID-187968



Georgia-Pacific Corporation

133 Peachtree Street NE (30303-18-7)
P.O. Box 105605
Atlanta, Georgia 30348-5605
Telephone (404) 652-4000

187 968

ENTERED
Office of the Secretary

JUN 01 1998

Part of
Public Record

May 29, 1998

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



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

Dear Secretary Williams:

My name is Robert T. Pugh and I am Director, Logistics Services for the Building Products Group of Georgia-Pacific Corporation. In this capacity, I have responsibility for rail and motor carrier pricing, operations, and information systems for 112 building products manufacturing locations and 62 distribution centers. I have been an employee of Georgia-Pacific Corporation for twelve years and have been in this present capacity for the last two years.

The rail service problems as a result of the UP / SP merger have been widely publicized. I am aware of the UP service recovery plan and have followed the UP's progress both on a national scale as well as on a local basis - specifically as it relates to four Georgia-Pacific building products manufacturing facilities in southern Arkansas. Unfortunately, we have not realized a significant, sustained improvement in service levels over the last six months.

The larger issue to Georgia-Pacific, Building products Group, is the loss of competition resulting from the Union Pacific acquisition of Southern Pacific. Therefore, I am in support of The Arkansas, Louisiana and Mississippi Railroad's petition for an additional remedial condition allowing BNSF competitive access at Fordyce, AR based on the following:

• **Background**

Georgia-Pacific Building Products Group operates four plants in southeast Arkansas: Crossett, AR plywood, lumber, and chemical plants and Fordyce, AR plywood plant. These plant locations are served by the Fordyce and Princeton Railroad (FP) and the Arkansas, Louisiana and Mississippi Railroad (ALM). The FP interchanges with the UP at Fordyce, AR (previously an SP line) and the ALM interchanges at Monroe, LA with the UP and the KCS.

In 1997, the rail volume from the four plant locations was approximately 5,000 carloads. The distribution of traffic, on a regional basis, was as follows: Midwest - 49%, West - 34%, Northeast - 12%, and South - 5%.

- **Competitive Access**

When the UP / SP merger took place, Crossett and Fordyce went from three class I rail carriers down to two including the KCS. However, when consideration is given to the market areas served by the four South Arkansas plant locations - largely the West and Midwest - the absence of the SP has greatly reduced our competitive options. While KCS provides a second routing option, the regional market area that KCS serves does not afford competitive alternatives on the scale of the previous SP route structure. In fact, only a fraction of our customer base is local on KCS lines.

Additionally, given the UP's consistently poor rail service - in the context of inadequate railcar supply, switching inconsistency, and significant yard and line-haul service delays - it is increasingly more difficult for Georgia-Pacific to compete.

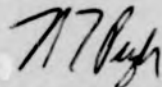
- **Operations / Railcar Supply**

Over the last six months, railcar supply has deteriorated greatly. In fact, there have been days and even weeks, when the UP has not furnished our plants railcars to load. This has forced us to truck our product - at higher cost - and has caused production curtailments at our mills due to inventory build-up.

We have had loaded cars sit and wait at the Fordyce interchange for five or more days, get hauled to the Pine Bluff yard and sit up to twenty-one days, and then take three to four weeks to get to the west coast. While this is a story that is not unique to Georgia-Pacific, it has seriously affected our ability to competitively position our product in the marketplace and has placed us at risk - both in terms of market price and ability to service our customers.

We are advocates of the rail industry and consider competitive and reliable rail transportation very important to the long-term viability of our South Arkansas plant locations. For this reason, we are in full support of the Arkansas, Louisiana and Mississippi Railroad's petition for an additional remedial condition allowing BNSF competitive access at Fordyce, AR.

Regards,



R. T. Pugh
Director, Logistics Services

STB

FD-32760 (SUB21)

6-4-98

J

TROUTMAN SANDERS LLP

ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

1300 I STREET, N.W.
SUITE 500 EAST
WASHINGTON, D.C. 20005-3314
TELEPHONE: 202-274-2950
FACSIMILE: 202-274-2917
INTERNET: sandra.brown@troutmansanders.com



Sandra L. Brown

June 4, 1998

VIA HAND DELIVERY

The Honorable Stephen Grossman
Administrative Law Judge
Federal Energy Regulatory Commission
888 First Street, N.E., Suite 11F
Washington, D.C. 20426

RE: STB Finance Docket No. 32760 (Sub-No. 26), *Union Pacific Corp., et al. -- Control And Merger -- Southern Pacific Rail Corp., et al.* [Houston/Gulf Coast Oversight Proceeding]

Dear Judge Grossman:

On May 26, 1998, Tex Mex/KCS filed a motion to compel discovery from Burlington Northern and Santa Fe Railway ("BNSF") (TM-3/KCS-3). Tex Mex/KCS and BNSF have been negotiating in an effort to resolve the issue addressed in said motion. On June 3, 1998, Tex Mex/KCS received a letter from BNSF which Tex Mex/KCS believe now moots their motion to compel. Therefore, Tex Mex/KCS are withdrawing the motion.

Sincerely yours,

Sandra L. Brown
Counsel for The Kansas City Southern
Railway Company

cc: Kathryn A. Kusske, Esquire
✓ Secretary Vernon A. Williams
Parties of Record

STB

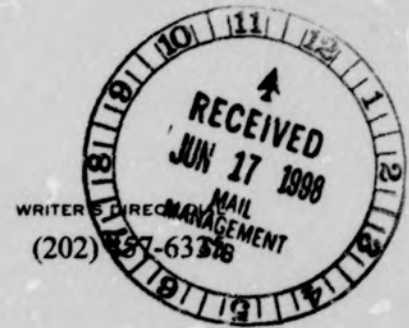
FD-32760 (SUB21)

6-17-98

J

ID-188637

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE: (202) 457-6315



June 17, 1998

BY HAND

The Hon. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

ENTERED
Office of the Secretary

JUN 18 1998

Part of
Public Record

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

Dear Secretary Williams:

This is to advise the Board that the Arkansas, Louisiana & Mississippi Railroad Company is preparing a supplement to its May 12, 1998 Petition for an Additional Remedial Condition, and will file it within the next few days. The purpose of the supplement is to address points raised in the replies of Union Pacific filed June 2, 1998 and Kansas City Southern filed June 1, 1998. The AL&M anticipates that the UP and KCS will wish to reply to the supplement.

Sincerely,

Scott N. Stone

Counsel for the Arkansas, Louisiana
and Mississippi Railroad Company

cc: Arvid E. Roach, II, counsel for Union Pacific
William A. Mullins, counsel for Kansas City Southern

STB

FD-32760 (SUB21)

6-18-98

J



Office of the Chairman

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

FILE IN DOCKET

FD-32760
(Sub-21)

June 18, 1998

Mr. Ing. Arnoldo Rodriguez Nevarez
Transport Manager, Copamex Industrias, S.A. de C.V.
Calle Pinguinos #101
Col. Cuauhtemoc
San Nicolas de los Garza, N.L., Mexico

Re: UP Embargo at Laredo

Dear Mr. Nevarez:

Thank you for your letter expressing your concern over the embargo that Union Pacific Railroad (UP) recently imposed on traffic moving between Laredo, TX and Mexico. In your letter, you note that the embargo created difficulties for your business.

The embargo was the product of a variety of factors. Ultimately, the railroad decided to impose it because delays at the border bridge were producing traffic backups as far north as Kansas, and the railroad was of the view that unrestricted shipments through the area would only serve to aggravate the backups. However, shortly after the embargo was imposed, as a result of cooperation between railroads on both sides of the border, and Federal officials from the United States and Mexico, traffic began moving more smoothly, and the embargo was lifted.

In your letter, you also ask that we take action to improve the movement of freight cars within the United States; to improve infrastructure on the UP system; and to expedite cross-border traffic in general. We are acting in each of these areas, to the extent that we can.

First, expediting cross-border traffic requires the cooperation of several parties. When the UP embargoed the crossing at Laredo, cooperation between railroads on both sides of the border, and among Federal officials from the United States and Mexico, facilitated the smooth movement of traffic so that the embargo could be lifted. In my view, this type of cooperation can go a long way toward resolving many of the issues that railroads and their shippers face, and we must all do our part to ensure that it continues.

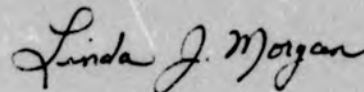
Second, you ask that we facilitate the movement of traffic throughout the United States, and, I presume, especially in Texas, so that your company will be able to obtain and move its product quickly. In that regard, over the past several months, the Board has taken several steps

to address both the immediate service emergency and the longer-term questions about how best to ensure quality service at reasonable rates in the western United States, principally by focusing on Houston and the surrounding areas, which were the original source of UP's service problems. Our orders in the emergency service proceeding have sought to provide additional service options for the area, but in a way that would enhance carrier cooperation in order to relieve congestion without interfering with UP's own service recovery efforts, and also in a way that would not harm service to shippers in other areas of the country already being provided by carriers enlisted to assist with the emergency. Looking to the longer term, our most recent decision in the service order proceeding directed UP and other parties to meet to address infrastructure concerns, and to report back to the Board during May and June of this year. With respect to service involving Texas, on April 1, 1998, the Board initiated a proceeding to consider proposals, including the proposal suggested by the Texas Mexican Railway (Tex Mex), for permanently altering the rail landscape in the Houston/Gulf Coast area.

Finally, regarding your request that we ensure that UP's infrastructure and other facilities are upgraded, I should note that U.S. railroads are private businesses, and investment in rail infrastructure comes primarily from the private sector. Thus, the railroads generally decide themselves, based on their own business judgment, whether and where to invest. In response to the Board's order that I described earlier, UP recently reported that it would need to make approximately \$1.4 billion in infrastructure improvements over the next few years in the Houston/Gulf Coast area in order to have the kind of improved infrastructure that is necessary to adequately meet the service demands of that area, and that it was willing to make these investments provided that Board or Congressional action did not interfere with its opportunity to earn a return on its investment.

I hope that this letter has been responsive to your concerns. If I can be of further assistance to you in this or any other matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

STB

FD-32760 (SUB21) 6-22-98

J

ID-189015



OFFICE OF THE MAYOR
2101 O'Neil Avenue, Room 310
Cheyenne, WY 82001
(307) 637-6300
FAX: (307) 637-6378
E-mail: mayor@cheyenneweb.com

189015

18 June 1998

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



J

Dear Secretary Williams:

I would like to offer my official comment regarding the Union Pacific Railroad merger with the Southern Pacific Railroad, Finance Docket No. 32760 (Sub. No. ²¹ Oversight Proceeding).

Union Pacific Railroad has a long history with the City of Cheyenne, beginning in 1863. Through the years the growth and expansion of the City of Cheyenne has been synonymous with that of Union Pacific Railroad. During the UP/SP merger proceedings, it was very evident that once again Cheyenne would be a recipient of potential economic growth.

The unexpected post-merger problems in Union Pacific's southern corridor actually resulted in expanded activities and train movements through Cheyenne. These increased activities and movements resulted in both direct and indirect economic growth to the city and the surrounding area. Implementation of the merger in the northern corridor has required additional train crews and operational support. Direct economic benefits have been derived from the hiring of approximately 60 new Union Pacific employees in Cheyenne. Also, indirect benefits such as expansion of support services to the Union Pacific have been a welcomed result.

The City of Cheyenne continues to look forward to the opportunities and benefits that the UP/SP merger will bring to the community. I feel confident that the UP/SP merger will, in time, strengthen and improve rail transportation in the West with positive results for Cheyenne.

Thank you for the opportunity to comment.

Sincerely,

Leo A. Pando
Mayor

ENTERED
Office of the Secretary

JUN 25 1998

Part of
Public Record

cc: Richard M. Hartman

STB FD-32760 (SUB21) 6-23-98 J ID-189014

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82008 / Telephone 307 / 777-7881
<http://legisweb.state.wy.us>

June 17, 1998

Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Mercury Building, Rm. 711
Washington, DC 20423-0001

Dear Secretary Williams:

Re: Finance Docket No. 32760 (Sub. No. 7) Oversight Proceeding

The merger of the Union Pacific Railroad and the Southern Pacific Railroad into the largest railroad in the United States has brought unexpected results to the State of Wyoming. Regardless of the many problems confronting the UP/SP in the southern part of the United States, increased dependance upon the mainline through Wyoming and its rail line into the Powder River Basin have provided new opportunities and benefits to the state.

With the increased train traffic on the mainline across the State of Wyoming, Union Pacific has had to hire more train crews and operation\maintenance support, provide more facilities to accommodate train personnel, and increase local support services. These increases in rail activities have created new economic and employment opportunities and benefits.

Recent reports indicate that movement of Powder River Basin coal, from northeastern Wyoming, are reaching levels of twenty-eight trains each day. Capacity enhancement of the train routes into the coal fields, a major goal of the UP/SP merger, has increased the numbers of trains that can operate each day into the Basin to sixty per day.

Vital signs of the merged UP/SP continue to improve. As Union Pacific Railroad focuses on resolving the congestion problems in other parts of its system, the mainline through Wyoming and UP's coal routes continue to carry their weight and more. The results of the UP/SP merger have been positive economic and employment benefits to the State of Wyoming.

Thank you for your time and interest.

Sincerely,


Guy Cameron
State Senator

ENTERED
Office of the Secretary

JUN 25 1998

Part of
Public Record

cc: Richard M. Hartman



Senate

SENATOR GUY E. CAMERON

Majority Floor Leader

Senate District 7

Laramie County

P.O. Box 5086

Cheyenne, Wyoming 82003

Committees:

Travel, Recreation, Wildlife and
Cultural Resources

Minerals, Business and Economic Development

Management Audit

Management Council

Rules and Procedure

School Capital Construction

Transportation of Oil, Gas and Minerals

STB FD-32760 (SUB21) 6-24-98 J ID-1888907

188907

VILLAGE OF TOWANDA

P. O. BOX 213
TOWANDA, ILLINOIS 61776

June 22, 1998

ENTERED
Office of the Secretary

JUN 24 1998

Part of
Public Record



Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, NW, Room 711
Mercury Building
Washington, DC 20323-0001

RE: Finance Docket No. 32760 (Sub. No. 21) - Oversight Proceeding

Dear Mr. Williams:

I am the Mayor of Towanda, Illinois, a small town of 600 people on a former Southern Pacific line. I am writing to comment on the progress of the Union Pacific/Southern Pacific merger.

Towanda is located on the former SP line between Chicago and St. Louis. Over the years, this line has been owned by several other railroads. All of the former railroads were unresponsive to our concerns with railroad operations and never worked with us or addressed our concerns.

This has all changed for the better. Recently, we have had two fatal crossing accidents in our town. The Union Pacific has been working with us to make our crossings safer and, hopefully, prevent other accidents.

Union Pacific representatives have come to Towanda; and working together, I believe we will make our town a safer place. The Union Pacific has been more responsive to Towanda than all of the previous railroads combined, and we are very glad the UP/SP merger was approved.

Sincerely,

John P. Jenkins
Village President

cc. Linda Le Crow

STB

FD-32760 (SUB21)

6-24-98

J

ID-188905



ALTERNATIVE DISTRIBUTION SYSTEMS, INC.

ENTERED
Office of the Secretary

JUN 24 1998

Part of
Public Record

935 West 175th Street
Homewood, Illinois 60430-2028
Tel 708-799-4990
Fax 708-799-5935
E-mail: adsinc@adsinet.com

June 23, 1998

Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Suite 760
Washington, D.C. 20423-0001

Via Federal Express
Next Morning Delivery



RE: Finance Docket #32760 (Oversight Proceeding)

Sub
- 21

Dear Secretary Williams:

My name is Gordon D. Gustafson. I am the Vice President - Logistics for Alternative Distribution Systems, Inc., a provider of transportation, distribution and logistics services to the metals industries through its subsidiary companies; Area Transportation Company, Roll & Hold Warehousing & Distribution Corp., and Western Intermodal Services, Ltd. Western Intermodal Services supported the proposed merger of the Union Pacific and Southern Pacific railway companies with the trackage rights conditions that were granted to the BNSF.

At this time I am writing to express our continued support of the UP post merger entity. Our support is based on numerous reasons, one of which was our feeling that the Southern Pacific Railway Company could not have survived without the merger. However, most of the reasons originate from opportunities that have come to our companies as a result of the merger that would and could not have occurred if the merger had not been approved. For example:

- ▶ New and expanding marketing opportunities. The UP marketing group has aggressively pursued business over both former SP and UP routes our companies use from our Houston and Chicago area operations, and service has been better than what could have been provided by a joint SP-UP route, if at all.
- ▶ Increased sales. Since the merger, our intermodal business has increased with the UP who provides rail service elements to stack train operators, and ultimately are competing with BNSF in this market segment. This we feel is very positive.
- ▶ Program shifts thru innovative and progressive business solutions. We find the UP exhibits "out of the box" thinking as we explore our investment in facilities on their railway which will provide returns to both organizations.

These are just a few examples of the positive benefits derived as a result of the merger and we believe there are still more benefits to come as the merger is more fully implemented.

We recognize the service difficulties the UP has encountered and do not minimize the impact on some shippers. We are closely watching the STB Oversight Hearings in Ex Parte 573 and along with the STB note improvement. We continue to believe that we are best served by allowing the UP to fully implement the merger efficiencies, and thank you for this opportunity to comment and provide our support.

Sincerely,

Gordon D. Gustafson
Vice President - Logistics

Subsidiary Companies:
Area Transportation Company
Freight Connections International, Ltd.
Roll & Hold Warehousing & Distribution Corp.
Western Intermodal Services, Ltd.

STB

FD-32760(SUB21)

6-24-98

J

ID-188013



Illinois Department of Transportation

Office of Planning and Programming
2300 South Dirksen Parkway / Springfield, Illinois 62762

June 19, 1998

Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001



Re: Finance Docket 32760 (sub. No. 7) - Oversight Proceeding

Dear Mr. Williams:

I am writing to comment on progress made in implementation of the Union Pacific/Southern Pacific merger, for the Board to take into account as it continues its Oversight role. As you may recall, Illinois supported the merger, primarily due to concerns over the future of Southern Pacific if it tried to continue on its own. That railroad was tottering on the edge of the abyss.

We are happy to report that things have gone well in Illinois with regard to merger implementation. The Union Pacific has been excellent to work with, and has provided our state with good overall rail freight service. The cooperative attitude of UP personnel and management in developing joint projects - from grade crossing improvements to greatly expanded grain siding capacity projects to Positive Train Control - has been a delight for us.

That last topic bears greater explanation. Since 1994, Illinois DOT has had funds available to develop and demonstrate a system of Positive Train Control on the Chicago to St. Louis corridor owned first by Southern Pacific, then Union Pacific. This corridor is our main rail passenger route now, and represents Illinois' intended high speed rail corridor. It was recognized as such by the US DOT through designation as a prospective high speed rail corridor under Section 1010 of the Intermodal Surface Transportation Efficiency Act. Unfortunately, we could not gain the active cooperation of Southern Pacific in the project, despite the obvious benefits to both freight and passenger transportation.

ENTERED
Office of the Secretary

JUN 25 1998

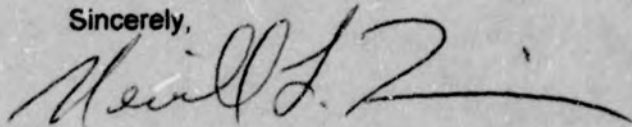
Part of
Public Record

Now that Union Pacific has taken over, however, we have made excellent progress. At the suggestion of Union Pacific, the Association of American Railroads has now become a participant - pledging \$20 million of member road funds - in the project, with Union Pacific allowing use of this corridor as a national testbed for this new technology to prevent train-train collisions and overspeed derailments, and to protect roadway workers on track.

Similarly, Union Pacific has been enthusiastically cooperating in our efforts to provide a series of major grain load-out facilities up this corridor (in Elkhart, Bloomington, and Pontiac to start). Each will be able to load out 75-car shuttle trains in 15 hours from receipt of the empty cars. These projects, funded by State loans and with UP technical cooperation, in-kind donations and provision of the mainline switches, will earn our farmers up to 10 cents per bushel more for their grain (more than double their profit margin) while allowing UP to better handle car supply and the flow of grain. Such cooperation was not available from the Southern Pacific.

We are well aware of the service problems Union Pacific has encountered elsewhere, and have experienced some temporary service problems of our own on occasion. In no case have we seen anything at all to compare with what we fully expected to occur had the Southern Pacific continued unmerged, however. Things could have been even worse, and at least now they are improving, and we have confidence in the willing and capable people at Union Pacific in their efforts to implement the merger and move on. Thank you for this opportunity to comment on the merger implementation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Merrill L. Travis", with a long horizontal flourish extending to the right.

Merrill L. Travis
Chief,
Bureau of Railroads

STB FD-32760 (SUB21) 6-25-98 J ID-189016

189014

City of Wilmington
1165 South Water Street
Wilmington, Illinois 60481
815-476-2175
Fax 815-476-2276



June 22, 1998

Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 K St., NW, Room 711
Mercury Building
Washington, DC 20423-0001



RE: Finance Docket No. 32760 (Sub. No. 21) - Oversight Proceeding

Dear Mr. Williams:

I am the Mayor of Wilmington, Illinois, and I am writing to comment on the progress of the Union Pacific/Southern Pacific merger.

Wilmington is located on the former SP line between Chicago and St. Louis. Before the SP, the line was operated by the Chicago, Missouri & Western, before that the Illinois Central Gulf, and before that the Gulf, Mobile & Ohio Railroad. Due to the many changes of ownership, the former railroads had little community involvement.

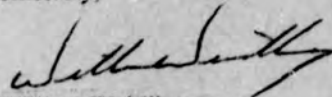
The Wilmington depot, which is well over 100 years old, has great historical significance to Wilmington. However, the previous railroads had allowed it to deteriorate; and, therefore, Union Pacific intended to tear it down.

We ask Union Pacific to donate the depot building to us. They said that for safety reasons the building would have to be moved off their property, but they would donate the building to us if we would move it. They also agreed to contribute to the moving fund, the estimated cost to them of tearing the building down.

This is the first community cooperation that we have had from a railroad in years, and it came from a company that had less than a two-year relationship with Wilmington.

This type of community interaction is important and shows that the merged UP/SP is making extraordinary efforts to cooperate with towns it operates through. The UP/SP merger has been beneficial to Wilmington.

Sincerely,


William Weidling
Mayor

WW/tms

ENTERED
Office of the Secretary

JUN 25 1998

Part of
Public Record

STB

FD-32760 (SUB21)

6-29-98

J

ID-189129

CITY OF PINE BLUFF, ARKANSAS

OFFICE OF THE MAYOR

JERRY TAYLOR

Mayor

June 24, 1998

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

ENTERED
Office of the Secretary

JUN 30 1998

Part of
Public Record



RE: Finance Docket No. 32760 (Sub. No. 21) - Oversight Proceeding

Dear Secretary Williams:

As a result of the recent merger of the Union Pacific/Southern Pacific Railroads, we have benefited from a community assistance program from Union Pacific in the form of Union Pacific Foundation grants to several non-profit organizations in Pine Bluff that make a valuable contribution to our city with their programs and services.

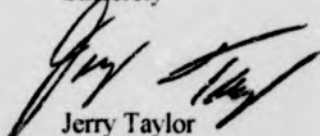
Due to the serious financial condition of the Southern Pacific (Cotton Belt in our area) it was unable to support any of our community organizations, despite its large size in our area. Union Pacific's acquisition of the Cotton Belt made it possible to obtain grants from Union Pacific Foundation for the Girl Scouts Council, Pine Bluff Girls and Boys Club, Arts and Science Center, Pine Bluff Symphony, Pine Bluff/Jefferson County Historical Museum, Pine Bluff Beautification Commission and a significant contribution to the United Way.

We applaud these grants by Union Pacific and their strong sense of community involvement. The merger of these railroads has provided a vital new source of financial support for beneficial community programs in addition to strengthening the railroad presence in Pine Bluff that was in a perilous condition prior to the merger.

Pine Bluff is now a "hub" in Union Pacific's new directional running operations that will improve efficiency of operations and has generated some new jobs recently in our city, and well in excess of 100 new employees have been hired here in 1998. With Union Pacific's commitment, we view, with optimism, the railroad presence in our area, despite some early operational problems in the merger implementation stage. We are encouraged by Union Pacific's new community involvement in Pine Bluff. Its economic strength bodes well for our citizens and for the long-term health of rail service in our region.

I appreciate the opportunity to express my views on the merger and the positive impact it has on our community.

Sincerely,



Jerry Taylor
Mayor



STB FD-32760 (SUB21) 6-29-98 J ID-189128

VILLAGE OF TOWANDA

P. O. BOX 213

TOWANDA, ILLINOIS 61776

189128

June 22, 1998

Mr. Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, NW, Room 711
Mercury Building
Washington, DC 20323-0001



RE. Finance Docket No. 52760 (Sub. No. 21) - Oversight Proceeding

Dear Mr. Williams:

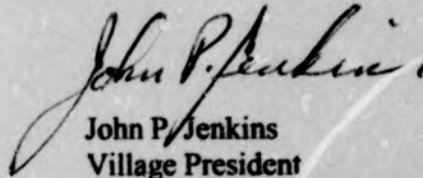
I am the Mayor of Towanda, Illinois, a small town of 600 people on a former Southern Pacific line. I am writing to comment on the progress of the Union Pacific/Southern Pacific merger.

Towanda is located on the former SP line between Chicago and St. Louis. Over the years, this line has been owned by several other railroads. All of the former railroads were unresponsive to our concerns with railroad operations and never worked with us or addressed our concerns.

This has all changed for the better. Recently, we have had two fatal crossing accidents in our town. The Union Pacific has been working with us to make our crossings safer and, hopefully, prevent other accidents.

Union Pacific representatives have come to Towanda; and working together, I believe we will make our town a safer place. The Union Pacific has been more responsive to Towanda than all of the previous railroads combined, and we are very glad the UP/SP merger was approved.

Sincerely,


John P. Jenkins
Village President

cc. Linda Le Crow

ENTERED
Office of the Secretary

JUN 30 1998

Part of
Public Record

STB

FD-32760(SUB21)6-29-98

J

ID-189126

189126

MARION

14 Military Rd. • P.O. Box 652 • Marion, Arkansas 72364 • 870-739-6041

Chamber Of Commerce

ENTERED
Office of the Secretary

JUN 30 1998

Part of
Public Record



June 24, 1998

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

Re: Finance Docket No. 32760 (Sub. No. 21)
Oversight Proceeding

Dear Secretary Williams:

This letter is written to relate the progress of a major intermodal railport project in our area by the Union Pacific Railroad Company. This venture was planned as a result of the merger with Southern Pacific Railroad.

This major state-of-the-art project in Marion, Crittenden County, Arkansas, began in the spring of 1997 and is nearing completion for initial operations. Some \$65 million will have been spent and final development will reach \$85 million and cover nearly 620 acres. As you might imagine, this will dramatically impact our rural area, some 15 miles west of Memphis, Tennessee. Following the merger, Union Pacific planned this rail facility to handle the anticipated business growth due to the merger and because of limited capacity in their existing terminals at Memphis.

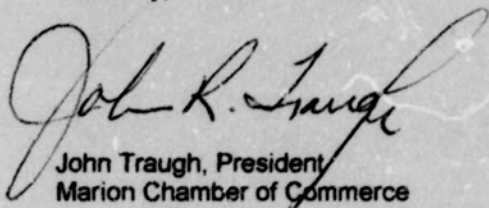
The positive economic impact will be significant in our area and to the state of Arkansas. A fiscal analysis of this Union Pacific project indicates a benefit of \$535 million over 10 years and some \$33 million in taxes to various jurisdictions. This project was made possible by the cooperation of local governments and the state of Arkansas working with Union Pacific and will act as a stimulus to locate future industrial enterprises in our area and throughout Northeast Arkansas.

The railport is centrally located and will conveniently link up with major markets. Warehouse distribution, light manufacturing and freight forwarding facilities are anticipated to develop due to this project, producing more jobs, taxes and economic benefits. We are pleased that the merger has produced this vital investment in our area and that it will further strengthen our rail transportation system, as we are also served by a Burlington Northern Santa Fe line. Union Pacific's investment in Arkansas and in this region recognize our strategic position for additional

business expansion opportunities. We look forward to future expenditures by Union Pacific as it enlarges its presence in this area and provides employment opportunities for our people.

Thank you for allowing me to comment on this very favorable development as a result of the merger of those two railroads.

Sincerely,

A handwritten signature in dark ink, reading "John R. Traugh". The signature is fluid and cursive, with the first name "John" being the most prominent.

John Traugh, President
Marion Chamber of Commerce



STB FD-32760 (SUB21) 6-29-98

J

ID-189127



JOHN SIRACUSA

State Senator
District 21

SENATE
STATE OF LOUISIANA

ENTERED
Office of the Secretary

JUN 30 1998

Part of
Public Record



June 23, 1998

8905 HIGHWAY 90 E
MORGAN CITY, LOUISIANA 70380
(504) 384-0703
LINC: (504) 384-6061

COMMITTEES:

Agriculture
Environment
Natural Resources

Mr. Vernon O. Williams, Secretary
Surface Transportation Board
1925 K. Street, N.W.
Room 700
Washington, DC 20423-0001

RE: FINANCE DOCKET # 32760 (Sub.#21)
Oversight Proceeding

Dear Secretary Williams :

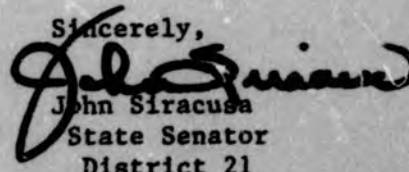
I am a State Senator in Louisiana representing the 21st District. I am writing this letter to express my views on a very positive impact in my area due to the Union Pacific/Southern Pacific merger previously approved by your board.

I have represented my area for over 22 years in the state legislature and this railroad in southern Louisiana (from Avondale to Lake Charles) was previously operated by the Southern Pacific. Since the merger, all kinds of improvements have been made on this line, including extensive replacement of railroad ties, new signals, new railroad crossings and right of way clearances. I discovered that additional significant improvements have been made with new switches in Avondale, new railroad sidings in the Lake Charles area and over \$ 19 million has already been spent on this line. These investments no doubt contribute to rail efficiency and should be a positive factor in safe train operations, which has always been a concern here.

Through the merger, our area now has two major railroads serving our economy (Union Pacific and Burlington Northern Santa-Fe) instead of just a struggling Southern Pacific. This should prove to be a great competitive benefit of the merger. There have been some service related problems since the merger, but due to the investments and improvements in the railroad these should be temporary. We remain confident that the stronger railroad will provide the longterm service benefits that the Southern Pacific was unable to do on its own.

Thanking you, in advance, for the opportunity to convey my thoughts on the benefit of the Union Pacific-Southern Pacific merger in my area, I remain,

Sincerely,


John Siracusa
State Senator
District 21

JS/ggb

STB

FD-32760 (SUB21)

6-29-98

J

ID-189125

189125

City of Marion

MAYOR
FRANK A. FOGLEMAN

CITY ATTORNEY
JAMES C. HALE III

POLICE COURT JUDGE
FRED THORNE

CLERK / TREASURER
FRANK G. BARTON III

14 MILITARY ROAD
MARION, ARKANSAS 72364
PHONE (870) 739-3071
FAX (870) 739-2102

ALDERMEN
SANDERS (SULLY) CARTER
DON HANKS
JIM SPENCE
GARY RASH
RICHARD T. COCKRILL
CLIFF WOOD

ENTERED
Office of the Secretary

JUN 30 1998

Part of
Public Record

June 24, 1998

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

Re: Finance Docket No. 32760 (Sub. No. 21)
Oversight Proceeding

J



Dear Secretary Williams:

This letter is written to relate the progress of a major intermodal railport project in our area by the Union Pacific Railroad Company. This venture was planned as a result of the merger with Southern Pacific Railroad.

This major state-of-the-art project in Marion, Crittenden County, Arkansas, began in the spring of 1997 and is nearing completion for initial operations. Some \$65 million will have been spent and final development will reach \$85 million and cover nearly 620 acres. As you might imagine, this will dramatically impact our rural area, some 15 miles west of Memphis, Tennessee. Following the merger, Union Pacific planned this rail facility to handle the anticipated business growth due to the merger and because of limited capacity in their existing terminals at Memphis.

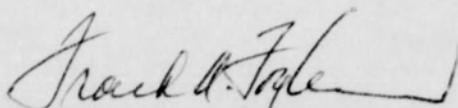
The positive economic impact will be significant in our area and to the state of Arkansas. A fiscal analysis of this Union Pacific project indicates a benefit of \$536 million over 10 years and some \$33 million in taxes to various jurisdictions. This project was made possible by the cooperation of local governments and the state of Arkansas working with Union Pacific and will act as a stimulus to locate future industrial enterprises in our area and throughout Northeast Arkansas.

The railport is centrally located and will conveniently link up with major markets. Warehouse distribution, light manufacturing and freight forwarding facilities are anticipated to develop due to this project, producing more jobs, taxes and economic benefits. We are pleased that the merger has produced this vital investment in our area and that it will further strengthen our rail transportation system, as we are also served by a Burlington Northern Santa Fe line. Union Pacific's investment in Arkansas and in this region recognize our strategic position for additional

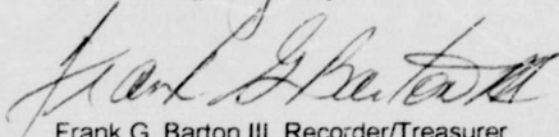
business expansion opportunities. We look forward to future expenditures by Union Pacific as it enlarges its presence in this area and provides employment opportunities for our people.

Thank you for allowing me to comment on this very favorable development as a result of the merger of these two railroads.

Sincerely,



Frank A. Fogleman, Mayor



Frank G. Barton III, Recorder/Treasurer



STB

FD-32760 (SUB21) 6-29-98

J

ID-189124

Wyoming State Legislature

213 State Capitol / Cheyenne, Wyoming 82002 / Telephone 307 / 777-7881

June 20, 1998



Senate

SENATOR VINCENT V. PICARD
Senate District 9 - Albany County
1402 Steele
Laramie, Wyoming 82070
Committees:
Judiciary
Travel, Recreation, Wildlife
and Cultural Resources

Vernon Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Mercury Building, Rm. 711
Washington, DC 20423-0001



Dear Secretary Williams:

Re: Finance Docket No. 32760 (Sub. ²¹No. 7) Oversight Proceeding

The Union Pacific Railroad - Southern Pacific Railroad combination authorized in September of 1996, promised unprecedented opportunities for rail transportation customers, railroad employees, states and cities throughout the west. Wyoming, fortunately, has experienced these opportunities and benefits far more than most states on the merged system.

Since the merger, train routing across Union Pacific's mainline has significantly increased and recent capacity improvement on the Powder River Basin coal line has increased the number of coal trains. The results of these activities, combined with the ongoing upgrading efforts on Union Pacific's rail across Wyoming, have been very positive with regards to economic growth and increased employment.

The diversion of traffic to the mainline, as a result of problems in other parts of UP's system, has served both Union Pacific and the communities along the rail line well. Over seventy-five jobs have been created and numerous local businesses have benefited from the increased employment and rail activity. The State and communities near the Union Pacific Railroad look forward to the opportunities and benefits once the merger efforts are completed and Union Pacific accomplishes its recovery efforts. I am confident that the UP/SP merger, once fully implemented, will provide even more positive economic and employment opportunities for Wyoming.

Sincerely,

ENTERED
Office of the Secretary

JUN 30 1998

Part of
Public Record

Vincent V. Picard
State Senator

cc: Richard M. Hartman

STB

FD-32760 (SUB21)

5-29-98

J

ALABAMA RIVER PULP COMPANY, INC.

P.O. Box 100
Claiborne Mill
Perdue Hill, Alabama 36470
Telephone: (334) 575-2000



A2307  ISO 9002

May 22, 1998

Letter #GW98-119

**Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20006**

**Re: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al.-
Control & Merger - Southern Pacific Rail Corp., et al. Oversight
Proceeding**

Dear Secretary Williams:

My name is Glenn G. Wiegel. I am Manager of Traffic and Sales Distribution for Alabama River Pulp Company, Inc., P. O. Box 100, Claiborne Mill, Perdue Hill, Alabama 36470. My duties include the management and planning of all transportation service for the Alabama River Companies which include Alabama River Pulp Company, Inc., Alabama Pine Pulp Company, Alabama River Newsprint Company and Alabama River Recycling Company, all located on the same complex at Claiborne, Alabama.

Total freight for all four companies is in excess of one million (1,000,000) gross tons of Bleached Kraft woodpulp, standard newsprint and waste paper. We are a user of rail service for transportation of our products between the United States and Mexico and to various destinations within the State of Texas including Houston.

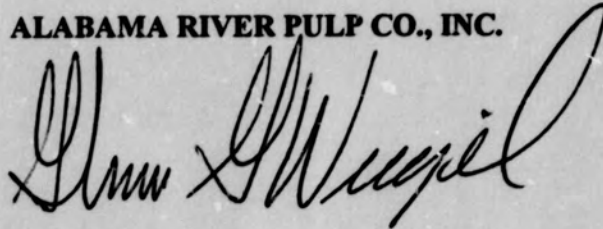
I am writing to advise you of our support for neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Our companies have been and continue to be affected by the problems of the UP/SP. We need a long-term solution to the service problems in South Texas. We believe the implementation of neutral switching and neutral dispatching in Houston is essential to a long term solution. In addition, competing railroads must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

I, Glenn G. Wiegel, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of the Alabama River Companies executed on May 22, 1998.

Sincerely yours,

ALABAMA RIVER PULP CO., INC.

A handwritten signature in black ink, appearing to read "Glenn G. Wiegel", written in a cursive style.

GLENN G. WIEGEL
MANAGER - TRAFFIC/DISTRIBUTION

GGW:jp

STB

FD-32760 (SUB21)

5-11-98

J

OWENS CORNING WORLD HEADQUARTERS
ONE OWENS CORNING PARKWAY
TOLEDO, OHIO 43659
419.248.8000



May 4, 1998

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N. W.
Washington, D. C. 20006

Re: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al. - Control
& Merger - Southern Pacific Rail Corp., et al. Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of Owens Corning to advise you of our general support for neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Owens Corning is a \$5.5 billion dollar global manufacturer of home building materials with two plants located in Houston and a total of five (5) plants in the state of Texas. These facilities all use rail service for movement of raw materials and finished goods globally.

Our company has and continues to experience delivery problems as a direct result of Union Pacific service. We would support a well structured method designed to provide a competitive long term resolution for improved service at Houston.

As a shipper we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. We believe that ensuring the continuation of an effective competitive alternative in south Texas is key to competitive success of the United States in NAFTA Trading.

I Anthony R. Federici state under penalty of perjury that the forgoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Owens Corning, executed on May 4, 1998

Sincerely,

Anthony R. Federici
Transportation Manager
Production Materials

STB

FD-32760 (SUB21)

5-1-98

J

ID-187343

187343



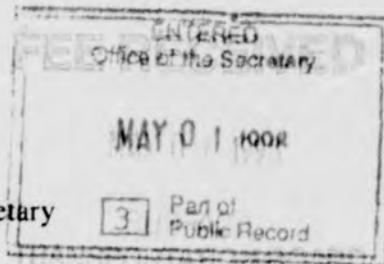
Jefferson Smurfit Corporation

Telephone (618) 463-6000

401 Alton Street
P.O. Box 2276
Alton, IL 62002-2276

J

April 22, 1998



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20006



RE: **FINANCE DOCKET NO 32760 (SUB-NO 21),
UNION PACIFIC CORP, et. al. - CONTROL
& MERGER - SOUTHERN PACIFIC
RAIL CORP., et. al., OVERSIGHT PROCEEDING**

Dear Secretary Williams:

I am writing on behalf of Jefferson Smurfit Corporation, U.S., to advise you of our support of neutral switching and neutral dispatching in Houston, Texas, as well as additional measures to improve efficiency and capacity in Houston, Texas.

Jefferson Smurfit Corporation is a paper packaging corporation operating over 150 manufacturing facilities in the United States. We have over 20,000 employees and spent over 278 million dollars in 1997 for freight. We ship over 125 thousand tons of waste paper into Mexico via rail car and have not found a viable alternative to rail car. We also ship several hundred carloads of paperboard both into and out of Mexico each year.

The rail service problems in south Texas is extremely serious causing us to ship via truck at levels much higher than railcar. The Surface Transportation Board (Board) has recognized the Union Pacific's failure to resolve their problems resulting in the Board implementing Emergency Service Orders.

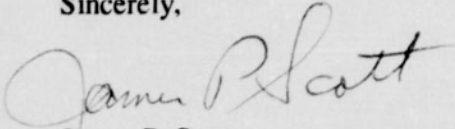
Our company has been and continues to be harmed by the Union Pacific's problems. We need a permanent resolution of these service problems in South Texas. Jefferson Smurfit believes that the implementation of neutral switching and neutral dispatching in Houston is essential to a long term solution. Competing railroads must be permitted to increase their infrastructure in Houston in order to provide competitive rail service for our business.

We have four operating facilities in Texas and as a Texas shipper we understand the importance of ensuring the continued growth and expansion of Trade throughout the NAFTA corridor. We believe that neutral switching and neutral dispatching allowing competing railroads to increase

their infrastructure will ensure continuing competitive success of the United States in NAFTA trading.

I, James P. Scott, Director of Traffic for Jefferson Smurfit Corporation, U.S., state that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Jefferson Smurfit Corporation, executed on April 22, 1998.

Sincerely,

A handwritten signature in cursive script, appearing to read "James P. Scott".

James P. Scott
Director of Traffic

STB

FD-32760 (SUB21)

4-28-98

J

ID-187294

187294

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

DAVID L. MEYER

DIRECT DIAL NUMBER

(202) 662-5582

DIRECT FACSIMILE NUMBER

(202) 778-5582

dmeyer@cov.com

LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE: 44-171-495-5655

FACSIMILE: 44-171-495-3101

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-549-5230

FACSIMILE: 32-2-502-1598

April 28, 1998

J

BY HAND

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



**Re: Finance Docket No. 32760 (Sub-No. 21),
Union Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. -- Oversight**

Dear Secretary Williams:

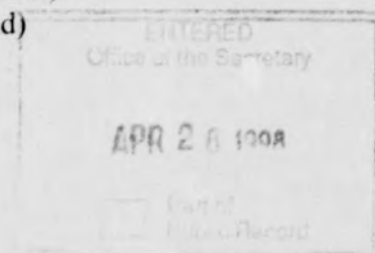
We have received the "Joint Petition of the Texas Mexican Railway and the Kansas City Southern Railway for Protective Order Discovery Guidelines and Appointment of Administrative Law Judge" (TM-9/KCS-9), which was filed on April 22, 1998. UP intends to file a reply to the KCS/Tex Mex Petition on or before May 1, 1998.

Sincerely,

David L. Meyer

Attorney for Union Pacific Railroad
Company

cc: William A. Mullins, Esq. (by hand)
Richard A. Allen, Esq. (by hand)
All Parties of Record



STB

FD-32760 (SUB21)

4-27-98

J

ID-187296

187286



SNAVELY KING MAJOROS O'CONNOR & LEE, INC.
ECONOMIC AND MANAGEMENT CONSULTANTS

April 24, 1998



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

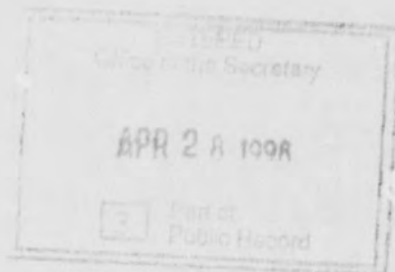
Dear Sir or Madam:

I would like to be listed as a party of record in STB Finance Docket 32760 (Sub-No. 21).
I am a Vice President at Snavely King Majoros O'Connor & Lee, Inc., in which capacity
I serve as an expert witness on matters relating to railroad economics, rate structure, and
rate reasonableness.

Thank you very much.

Sincerely,

Joe Plaistow
Joseph J. Plaistow



STB

FD-32760 (SUB21)

4-27-98

J



Office of the Chairman

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

FILE IN DOCKET

FD-32760

(Sub-21)

April 27, 1998

Mr. Warren R. Benton
2501 Sheffield Dr.
Pine Bluff, AR 71603

Dear Mr. Benton:

Thank you for your letter regarding the Union Pacific/Southern Pacific Railroad (UP/SP). As you may know, the Surface Transportation Board (Board) has been involved in an unprecedented way in the rail service emergency in the West, principally involving the UP/SP. In addition, the Board has ongoing oversight of the UP/SP merger.

Specifically, with respect to the rail service emergency in the West, on October 27 and December 3, 1997, the Board held public hearings regarding the service problems in the western United States and possible solutions. Reflecting the record compiled on the rail service problems in the West, the Board issued emergency service order decisions on October 31 and December 4, 1997, setting forth specific steps directed by the Board to facilitate a resolution of the service emergency in the West. These orders contained reporting and other requirements directed at UP/SP covering a broad range of service matters.

In a further decision in the service order proceeding, we requested shipper groups to advise the Board by February 20, 1998, as to their members' service levels during the 4-month period ending February 6, 1998. Review of these filings made it clear that our service order needed be continued, and it has been extended until August 2, 1998, unless amended. The Board has indicated that it will remain involved in this matter until it believes that service has improved satisfactorily.

Regarding oversight of the UP/SP merger, in its most recent order, the Board initiated a proceeding to examine further the problems in the Houston and Gulf Coast areas. I am enclosing a copy of the Board's press release announcing that decision. Because this case is pending before the Board, it would be inappropriate for me to comment further.

I appreciate your interest in this matter, and I am having your letter and my response placed in the formal docket for the merger oversight proceeding.

Sincerely,

Linda J. Morgan
Linda J. Morgan

Enclosure

3-6-98

To: SURFACE TRANSPORTATION BOARD

FILE IN DOCKET

C/O

DEAR MRS. MORGAN,

YOU NEED TO CAREFULLY READ AND HEED THE ENCLOSED WRITINGS BECAUSE THEY SURFACELY COME FROM THE LORD JESUS CHRIST BY WAY OF HIS MESSENGER, WHICH I AM.

THE LORD JESUS CHRIST HAS LEVIED A CURSE AGAINST THE UNION PACIFIC RAILROAD FOR THE REASONS HEREIN, AND WILL NOT BE LIFTED UNLESS STRONG MEASURES ARE TAKEN TO HELP THE LOCOMOTIVE ENGINEER ON THE UPSP RAILROAD AS WELL AS OTHERS WHO ARE SUFFERING.

CHRIST INSTRUCTED ME TO WRITE YOU AND ENCLOSE THE LETTERS AND PROPHECIES WHICH ARE COMING TO PASS BEFORE YOUR EYES.

I HOPE YOU ARE A BELIEVER IN JESUS CHRIST BECAUSE IF YOU'RE NOT WHAT LIES HEREIN SHOULD MAKE ONE OUT OF YOU.

With Respect

His messenger
Wanda J. Jester

John 5:24

CHAIRMAN, MORGAN

MAR 11 3 14 PM '98

RECEIVED
SURFACE TRANSPORTATION BOARD

April 25, 1995

Southern Pacific Company
c/o Marvin Taylor

Dear Sir:

I have been an employee for the Southern Pacific Railroad in engine service for the past 29 years. The stress, pressure and responsibilities that go along with performing the duties of a locomotive engineer have been and are mentally and emotionally disabling to me. I have had two nervous breakdowns and have been hospitalized numerous times in Little Rock and in Pine Bluff because of this. I know that my problems are heavily railroad stress related.

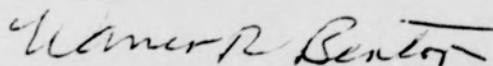
I have been away from the railroad for over two months and am regaining my health. But sure as I go back the same thing will happen all over again. The Lord has seen me through these difficult times.

The only way I could stand the stress before was to take medication. I have been taking medication for this condition for years but the side effects have begun to impair my alertness, judgment and memory.

The only course I see to pursue at this time is to put this matter in your hands and the BLE and hope you will take care of me in this matter.

Sincerely,

Warren R. Benton

A handwritten signature in cursive script that reads "Warren R. Benton". The signature is written in dark ink and is positioned below the typed name.

Oct 12, 1995

MATTHEW 7:2

TO: SOUTHERN PACIFIC RAILROAD
AND ALL ITS OFFICIALS

C/O MARVIN TAYLOR

DEAR SIRS:

THE LORD JESUS CHRIST, WHOM I SERVE, HAS INSTRUCTED ME TO ADVISE YOU THAT IF YOU DON'T DO SOMETHING VERY SUBSTANTIAL TO ELIMINATE THE UNDOE STRESS AND PRESSURE THAT HAS BEEN PLACED ON THESE COTTON BELT ENGINEERS, HE IS GOING TO MEASURE IT ALL BACK TO YOU IN DOUBLE PORTIONS! JESUS CHRIST IS TAKING UP THE CAUSE OF THESE GOOD MEN!

IN HIS NAME

Wm. L. Benton

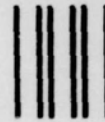
REPENT OR PERISH! YOU CHOOSE!

THIS WAS DELIVERED BY CERTIFIED MAIL IN THE ORIGINAL
11-2-95 AND RECEIVED BY DAN F. KINSHAM

WLB
9-30-97

UNITED STATES POSTAL SERVICE

Official Business



PENALTY FOR PRIVATE
USE TO AVOID PAYMENT
OF POSTAGE, \$300



Print your name, address and ZIP Code here

WARREN R. BENTON
2501 SHEFFIELD
PINE BLUFF, ARK.

71603

SENDER:

- Complete items **and/or 2** for **additional services**.
- Complete items **3**, and **4a & b**.
- Print your **name and address on the reverse** of this form so that we can return this card to you.
- Attach this form to the **front of the mailpiece**, or on the back if space does not permit.
- Write **"Return Receipt Requested"** on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

S. R. R. A. 12000

4a. Article Number

2176276107

4b. Service Type

- ☐ Registered
☒ Certified
☐ Express Mail
- ☐ Insured
☐ COD
☐ Return Receipt for Merchandise

7. Date of Delivery

11-2-95

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Signature (Agent) Walter E. Kuehn

Thank you for using Return Receipt Service.

UP has been plagued with train derailments and gridlock problems since completing its purchase of longtime rival Southern Pacific Railroad more than a year ago.

SEPT. 17, 1946

Sunday, January 11, 1998

UP Steel
Beginning 1977 74
End of 1977 62
-12

TO: THE UNION PACIFIC AND SOUTHERN PACIFIC
TRAINROAD, ALL ITS OFFICERS AND STOCKHOLDERS.

THE SOUTHERN PACIFIC TRAINROAD, who you hold
JOINT RESPONSIBILITY WITH THROUGH MERGER, HAS
REJECTED THE WORD OF THE LORD JESUS CHRIST
AND DISOBEYED ONE OF HIS MESSENGERS, WHICH
I AM.

THE SP HASN'T MADE THE FIRST EFFORT TO
SATISFY ME OR MAKE PEACE WITH ME ON
THE MATTERS CONCERNING US.

UNLESS YOU MOVE QUICKLY TO TEMPER
THE SITUATION LET ME ADVISE YOU WHAT
CHRIST IS GOING TO DO TO YOU.

GOD ALMIGHTY IS GOING TO LEVY A CURSE
AGAINST THE BOTH OF YOU. YOUR STOCK IS
GOING TO DROP DRASTICALLY IN 1997 AND
AGAIN IN 1998. THE LORD JESUS CHRIST IS
GOING TO FASHION SETBACKS AND FINANCIAL
DISASTERS AGAINST YOU.

YOU ARE GOING TO LEARN THAT HE HAS
ALL POWER IN HEAVEN AND ON EARTH AND
HE RULES IN THE AFFAIRS OF MEN. I HOPE
YOU MAKE THE RIGHT DECISION FOR YOUR
OWN SAKE AND YOUR COMPANY.

JAMES 5/14

IN HIS NAME

Wm R Rector

P.S. ITS NOT LIKE THE LORD HASN'T WARNED YOU!
THIS WAS DELIVERED 9-18-96 AND PREPARED BY J.A. CARR
W.R. 9-30-97

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

Thank you for using Return Receipt Service.

3. Article Addressed to:

S.P. Railroads

4a. Article Number

P 528 479 926

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

5-18-96

5. Received By (Print Name)

J. A. Carr

6. Signature (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

P 528 479 926

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to		<i>UNION PACIFIC</i>
Street & Number		
Post Office, State, & ZIP Code		<i>71601</i>
Postage	\$	
Certified Fee		
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, & Address of Sender		
TOTAL Postage & Fees		<i>2.52</i>
Postmark or Date		<i>SEP 18 1996</i>
		<i>USPS</i>

PS Form 3800 April 1995

C/O CHARLES ALEXANDER - UP RAILROAD
AND RONNIE STONE - BLE

TO: UPSP RAILROAD, ITS OFFICERS, STOCKHOLDERS
AND THE BLE.

BEFORE I BEGIN I HAVE A STATEMENT AND A
QUESTION FOR YOU. THE LORD JESUS CHRIST IS
PROTECTING ME, WHOSE PROTECTING YOU?

THOSE SEVEN DEATHS IN TEXAS AND KANSAS
HAVE BEEN CHARGED TO YOUR ACCOUNTS BECAUSE
OF YOUR GREED, CONVICTION, SELF SAVING AND
COLD INDIFFERENCE TO THE SUFFERING OF
THE LOCOMOTIVE ENGINEERS AND OTHERS.
SEVEN PEOPLE DIED FOR ^{YOUR} GREED WITH THEIR LIVES.
YOU WILL GIVE AN ACCOUNT TO HIM WHO SITS
ABOVE ^{THE} UNDA OF THE EARTH.

LOOK AT WHAT HAS BEFALLEN YOU ACCORDING
TO GOD'S WORD OF PROPHECY TO YOU, WHICH
YOU HAVE DISREGARDED AND SNUBBED YOUR
NOSE AT AND BLASPHEMED ONE OF HIS
MESSANGERS, WHICH I AM. IS HE NOT MEASURING
YOUR GUILT BACK TO YOU IN DOUBLE PORTIONS
AS HE SAID HE WOULD? LOOK AROUND YOU.

YOU SEE THERE IS A GOD IN HEAVEN AND
HE INDEED TAKES IN YOUR AFFAIRS.

YOU HAVE TIME TO TRIFLE I HAVE AS UP TO
YOU AS GOD'S CURSE WILL REMAIN ON YOUR
MERGERS UNTIL YOU DO SO. HE HAS ALSO
INSTRUCTED ME TO TELL YOU HIS CURSE

WILL NOT BE LIFTED EXCEPT AT MY WORD.
YOU BETTER HOPE I STAY AROUND!

HOW MANY MILLIONS OR EVEN BILLIONS
IDRIVE YOU DOWN IN STOCK MARKET IN THE
PAST FEW WEEKS. IS THE END IN SIGHT?

YOU NEED THE MERCY OF GOD OR
YOU'RE MARRIED WITH SURELY PERISH.
MAY BE TOO LATE, ONLY GOD KNOWS!

REPENT, AND BELIEVE IN THE GOSPEL
IDEAL, IS NOT A FUN PLACE, I KNOW
I'VE BEEN THERE.

CHRIST DIED FOR SINS, ONCE FOR ALL!
HE IS FULL OF MERCY BUT WILL BY
NO MEANS PERMIT THE WICKED!
TAKE HEED! FOR THE TIME IS SHORT!

In Christ
His messenger
Walter R. Benter

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services* (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

UPSP TRAINROAD
PINE ISLAND

4a. Article Number

2302626511

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

10-1-97

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X A McNamee

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 302 626 511

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Union Pacific R.R.	
Street & Number	
1400 E. 2nd	
Post Office, State, & ZIP Code	
Pine Bluff, AR 71601	
Postage	\$ 55
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 300
Postmark or Date	

PS Form 3800, April 1995

STB

FD-32760 (SUB21)

4-14-98

J

ID E STATES



Office of the Chairman

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

FILE IN DOCKET

FD-32760

April 14, 1998

(Sub-21)

The Honorable Gene Seaman
Texas House of Representatives
P.O. Box 2910
Austin, TX 78768-0672

Re: Rail Service in Texas

Dear Representative Seaman:

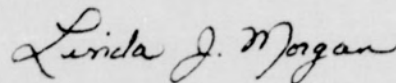
Thank you for your recent letter regarding the quality of service provided by the railroads serving Texas. In particular, you express your concern about the inability of the Burlington Northern and Santa Fe Railway Company (BNSF) to provide real competition for the Union Pacific/Southern Pacific Transportation Company (UP/SP), even after the existing service emergency is resolved. You ask the Board to take steps to assure that a third carrier will continue to be available to serve Texas after the crisis is over.

As I am sure you are aware, over the past several months, the Board has taken several steps to address both the immediate service emergency and the longer-term questions about how best to ensure quality service at reasonable rates in Houston and the surrounding areas. Our orders in the emergency service proceeding have sought to provide additional service options for the area, but in a way that would relieve congestion and would not interfere with UP/SP's own service recovery efforts. Looking to the longer term, our most recent decision in the service order proceeding directed UP/SP and other parties to meet to address infrastructure concerns, and to report back to the Board during May and June of this year. Finally with respect to service involving Texas, on April 1, 1998, the Board initiated a proceeding to consider proposals, including the proposal suggested by the Texas Mexican Railway (Tex Mex), for permanently altering the rail landscape in the Houston/Gulf Coast area.

More broadly, on April 3 and 4 of this year, at the request of Senators John McCain and Kay Bailey Hutchison, the Board held extensive informational hearings on the general issues of competition and access in the railroad industry. The Board heard from a variety of interests, including several from Texas, about their concerns with the railroad industry today, and their vision of how it ought to be. These hearings represented an important step in advancing the dialogue about the types of concerns that you raise in your letter, and I feel certain that they will produce positive changes in the way in which railroads and their shippers interact.

For your information, I have enclosed copies of the press releases describing the decisions I have discussed and the hearings that we recently held. I am having your letter and my response placed in the formal docket for the UP/SP oversight proceeding dealing with the Houston/Gulf Coast area. I appreciate the concerns that you raise in your letter, which were shared by many shippers and governmental interests at our hearings. If I can be of assistance to you in this or any other matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Linda J. Morgan".

Linda J. Morgan

Enclosures



TEXAS HOUSE OF REPRESENTATIVES
GENE SEAMAN

STATE REPRESENTATIVE, DISTRICT 32

Aransas, Calhoun, Jackson & Nueces Counties

FILE IN DOCKET

The Honorable Linda Morgan
Chairman
Surface Transportation Board
1925 K Street NW, Room 711
Washington, D.C. 20423

Re: Rail Mess in Texas

Dear Chairman Morgan:

My name is Gene Seaman and I am the State Representative for District 32. This district includes the Port of Corpus Christi.

As a free market Republican, I believe in the power of competition. I was concerned when the UPSP merger was proposed because it was clear that it was going to produce enormous market power in the hands of one railroad. I was skeptical then and even more skeptical now about the extent to which BNSF could provide real competition.

I have grown increasingly concerned with the economic damage being suffered by my district and by this state in the wake of this merger.

I understand that you have kept extensive jurisdiction and that while you have been exercising it, you and your Board have been tentative and continue to give UP more and more time.

Please take immediate steps to make permanent the provisions of your Emergency Service Order so that shippers can have confidence that they can do business with a third railroad that will be in the market permanently, not temporarily.

I am a big believer in the benefits of competition, which usually means lower prices and better service. I am concerned that even when service levels get restored to something like the pre-merger levels of service, UPSP will extract enormous monopoly profits from many captive shippers in an attempt to recoup their losses. That is not fair and that is not right.

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAR 3 5 24 PM '98
CHAIRMAN MORGAN

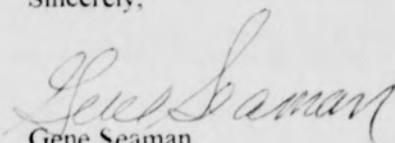


Ms. Linda Morgan
February 27, 1998
Page 2

Tex-Mex Railroad is part of our culture here. It is now part of the NAFTA Railway System, which is a 6,500 mile system that offers great potential to NAFTA trade and to shippers all along its line. However, the weak link is in the Houston area, which has become the epicenter of this terrible rail crisis. If you will make permanent the provisions of your Emergency Service Order and take a few other steps to ensure real rail competition in the Houston area, I believe you'll accomplish your goal of curing these problems that have arisen in the wake of the merger, as well as meet your goal of helping to expand capacity and infrastructure in this critically important part of Texas, which obviously play a critically important role in whether the entire rail system of the Western United States will operate efficiently and effectively.

A real third competitor will keep UP and BN honest and provide tremendous benefits to the shippers in the area served by the UPSP merged companies.

Sincerely,



Gene Seaman
State Representative

cc: Senator Phil Gramm
Senator Kay Bailey Hutchison
Governor George Bush
Congressman Solomon Ortiz
Commissioner Charles Matthews
Senator Carlos Truan
Representative Judy Hawley

STB

FD-32760 (SUB21)

4-14-98

J

ID-PUBLIC



Office of the Chairman

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

FILE IN DOCKET

FN- 32760

April 14, 1998

Ms. Leanna Gaskins
2426 Bush St.
San Francisco, CA 94115

Dear Ms. Gaskins:

Thank you for your letter regarding the implementation of the merger of the Union Pacific (UP) and Southern Pacific (SP) railroad systems. In particular, you express concern that UP is taking action that will result in the irretrievable loss of the Modoc route in California and the Tennessee Pass route in Colorado.

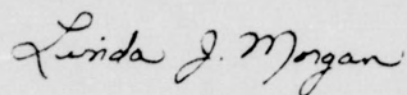
As you may know, the Surface Transportation Board (Board) approved the merger application of the UP and SP in a decision issued on August 12, 1996. As part of that process, the Board granted an exemption petition for the abandonment of a portion of the SP Modoc Subdivision line, subject to public use and trail use/rail banking conditions. While the public use condition for that line has expired, negotiations are continuing between UP and a trail use proponent that would preserve, or rail bank, the right-of-way so that rail service may be reactivated over that corridor should the need arise in the future.

With regard to the Tennessee Pass route, the Board denied, specifically in response to capacity concerns, abandonment authority sought for two segments of that line. Instead, the Board granted discontinuance authority so that the line would be preserved intact until UP/SP can demonstrate that overhead traffic on that line has been successfully rerouted.

In addition to the many mitigation measures imposed by the Board to address harms that otherwise would have resulted from the merger, the Board has provided for a 5-year oversight process to focus on whether the conditions it imposed have effectively addressed those harms. The Board has now entered the second year of its oversight process, which is docketed at the agency as STB Finance Docket No. 32760 (Sub-No. 21). You may become a party to that proceeding and participate formally in the oversight process.

I hope that this information is helpful to you. I certainly share your concern over present and future capacity and infrastructure needs of our Nation's railroads and assure you that the Board will continue to monitor these areas closely.

Sincerely,

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

Linda J. Morgan

2426 Bush St.
San Francisco, CA 94115

February 19, 1998

Office of the Chairman
Surface Transportation Board
1925 K St., N.W.
Washington, DC 20423-0001

Dear Madame Chairman:

I am writing to express my profound concern about the actions being taken by the Union Pacific Railroad in abandoning and dismantling major portions of the former Southern Pacific Railroad system. My understanding is that your oversight of the merger of these two railroads includes the power to revisit any and all decisions that have been made in the merger, and I would like to ask you to consider putting a halt to the destruction of the Southern Pacific system.

There are two major reasons for my concern. First, it grows more and more clear that Union Pacific is not able to accurately forecast the needs of its customers or its own railroad operations. And second, it is also growing clear that Union Pacific had a hidden agenda with its acquisition of Southern Pacific, and that was primarily to remove the Southern Pacific as a competitor. This purpose is reflected in Union Pacific's inordinate haste to abandon and dismantle whole sections of the Southern Pacific system.

Union Pacific's performance since the merger was completed has convinced most observers that the company failed overwhelmingly to take into account the complexity of the task of integrating a system as large and varied as Southern Pacific. Since they have demonstrated such a dangerous lack of understanding of the consequences of their actions, it seems to me the only prudent course is to halt all abandonments and forbid the dismantling of any portions of the Southern Pacific until it can be determined that this merger will in fact succeed. If Union Pacific is allowed to destroy Southern Pacific, it will no longer be possible to revisit the merger decisions or to reverse what may be very serious mistakes.

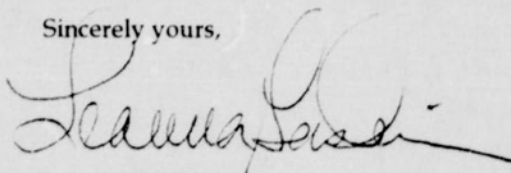
When the Burlington Northern Railroad closed its Stamperie Pass line, the company had the foresight to recognize a possible future need for that route. Although portions were sold to another company, none of the rail was removed. Thus, when the need to re-open the route became apparent, it was still possible to do so, albeit at quite a lot of expense. But if whole routes are abandoned and the rails taken up, how can those routes ever be returned to service again?

My specific immediate concern is with the Modoc route in California and the Tennessee Pass route in Colorado, as well as its eastward continuation over the former Missouri Pacific. These are potentially critical outlets, which have been needed in the recent past and will almost certainly be needed again. In view of the kind of congestion Union Pacific has created in Texas and the neighboring areas, with its catastrophic effect on shipping throughout the country, it seems shortsighted to assume any potential connecting route is surplus. If Union Pacific is allowed to destroy these routes irretrievably, I believe it will be a major error that their company and our country will soon regret.

So, my plea is that you will consider taking action to prevent the hasty abandonment and removal of any major portion of the Southern Pacific system. At least, Union Pacific should solve their other very serious problems and demonstrate that they understand the system they are trying to run before being allowed to tear up sections of it.

Thank you very much for your attention to this matter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Leanna Gaskins', with a long horizontal flourish extending to the right.

Leanna Gaskins

STB

FD-32760 (SUB21)

/4-13-98

J

ID-PUBLIC



Office of the Chairman

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

FILE IN DOCKET

FD-32760
(Sub-21)

April 13, 1998

Mr. Johnny S. Wright
2523 Franz Ln.
Elko, NV 89801

Dear Mr. Wright:

Thank you for your letter regarding the Union Pacific/Southern Pacific Railroad (UP/SP). As you may know, the Surface Transportation Board (Board) has been involved in ongoing oversight of the UP/SP merger.

In your letter, you indicate that for your work area UP/SP has refused to honor the labor protective conditions known as New York Dock. In order to respond to your letter, I contacted a representative of the UP/SP, and they informed me that New York Dock conditions went into effect in your area in June 1997. If you are having a problem receiving benefits or compensation under those conditions, you may wish to speak to your union representative.

I appreciate your interest in this matter, and I am having your letter and my response placed in the formal docket for the merger oversight proceeding.

Sincerely,

Linda J. Morgan
Linda J. Morgan

FILE IN DOCKET

March 11, 1998

The Honorable Linda J. Morgan
Surface Transportation Board
Washington, D.C. 20423-0001

RECEIVED
SURFACE TRANSPORTATION
BOARD
MAR 17 3 24 PM '98
OFFICE OF
CHAIRMAN MORGAN

Dear Ms. Morgan

I've written you in the past opposing the UP/Sy merger. The UP had all the wrong reasons for the merger: ambition, greed, and monetary gain, lacking the knowledge to make this merger work smoothly.

While all men/women are created with equal rights under the law except on the UP property, and along with the Surface Transportation Board authorizing the merger, the railroad got what it wanted!

I lost my job and now have bad credit rating unable to meet my obligation.

I was assured by your letter dated December 11, 1995, and also May 7, 1997 that the Commission typically imposes the New York dock protective agreement.

The UP has refused to honor the New York dock saying they didn't implement that part of the merger once the STB approves the merger.

By the UP refusal to honor the New York dock the

UP has created a major source of upsets, anxieties and frustrations, frayed tempers and exhaustion among the up sp employees.

So it is my opinion The Surface transportation board became a Co-conspirator along with the up in destroying our jobs and family life, and the death of a co-worker and friend.

The up got what they wanted now make them honor the terms of the merger, and live up to their commitments, and pay the new york dock!

The Union Pacific claim of team work is a farce a tactic used to impress the gullable, we're oppressed and treated lower than a snakes belly.

I'd to know what The STB plan on doing for the labor force.

I await your reply on this matter.

Sincerely
Johnny S. Wright
2523 Franz Ln.
Elko NV. 89801

SRB FD 32760 (Sub 21) 4-13-98 J 187113

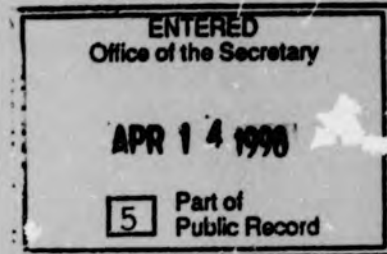
187113

CONDEA Vista Company
900 Threadneedle
Houston, Texas 77079-2990
(281) 588-3000



March 27, 1998

Mr. Verno W. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, NW
Washington, DC 20006



Re: Finance Docket No. 32760 (Sub-No. 21)
Union Pacific Corp. et al -Control & Merger
Southern Pacific Rail Corp. et al -Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of CONDEA Vista Company to advise you of our support of Texas Mexican Railway Company's ("Tex Mex") and Kansas City Southern Railway Company's proposed plan for the Houston area. Specifically, we support neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

CONDEA Vista Company is a petrochemical company, with sales of approximately \$1 Billion, headquartered in Houston. We operate, among others, production sites in Louisiana, Mississippi, and Oklahoma. Houston, Texas serves as the primary focus of our export/import operations. Approximately 80% of our products are moved by rail. We use Tex Mex/KCS for moving shipments into and out of Mexico and into and out of Houston. The Tex Mex/KCS service is essential to our transportation needs. In addition, the trackage rights granted to Tex Mex in the UP/SP merger are vital to our operations.

However, the fact that there is no neutral dispatching or switching in Houston, and the fact that Tex Mex does not have yard space or sufficient infrastructure, makes it impossible for Tex Mex/KCS to provide the integral service and competitive alternatives we need. The trackage rights granted to Tex Mex need to be improved, changed, and broadened and Tex Mex/KCS needs to be permitted to increase their infrastructure in the Houston area so that Tex Mex/KCS can provide more efficient and competitive rail service for our traffic. Importantly, Tex Mex/KCS has a proven commitment of service for both big and small shippers into and out of the Mexican market. International trade routes such as Tex Mex/KCS's through South Texas must be preserved and permitted to prosper.

The current rail service crisis in South Texas is monumental. The Surface Transportation Board ("Board") has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of their Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in South Texas is not back to normal and that UP will no longer attempt to predict when normal service will return.

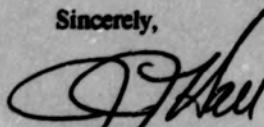
Our company has been and continues to be hurt by UP's problems. We need more than a short term fix. We need a long term solution to the service problems in South Texas. CONDEA Vista Company believes that the implementation of the Tex Mex/KCS proposed plan for South Texas which includes neutral switching and neutral dispatching in Houston, is essential to a long term solution. In addition, we believe that Tex Mex and KCS must

be permitted to increased their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a shipper, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in South Texas is key to our success and the competitive success of the United States in NAFTA trading. The Tex Mex/KCS proposed plan will foster these goals.

I, James J. Hall, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of CONDEA Vista Company, executed on this the 27th day of March, 1998.

Sincerely,



James J. Hall
Manager
Distribution

/ccp

STB

FD

32760

(Sub 21)

4-7-98

J

Dear Sirs:

FD 32760- SUB-21

We are writing to you in regards to several matters concerning the Union Pacific Railroad and the carman specifically at Pocatello, Idaho, and probably other points around the Union Pacific Property.

I am a carman at the Union Pacific. At this time, I am speaking not only for myself, but for other Railroad employees who work side by side with myself. At the present time, and over the past year, we have went through many major changes on the Union Pacific and specifically at Pocatello, Idaho. I am sorry to say that none of these have been a plus for either the Railroad or for the employees.

The Surface Transportation Board is doing what they can or think what they are doing is right. I and other employees would have to strongly disagree. For example, the merger between the Union Pacific and the Southern Pacific should have never taken place. That started this whole mess we are faced with today.

The bad decision making that the Union Pacific Railroad officials have made and continue to make at this time are jeopardizing us as employees, our jobs, and our self well being. In other words, many jobs are to be lost.

One issue that all employees here at the Union Pacific are very concerned with and upset tremendously with is that of SAFETY. Since January 1, 1998, Union Pacific has cut off or eliminated all overtime work. They also refuse to fill vacancies as a result of carmen being off due to vacation, illness, absent, or on other assignment. In other words, we are working very short handed. We are presently working with skeleton crews and not filling vacancies leaves us even shorter.

At the present time, it is especially very dangerous for employees to work under-staffed. Working with moving trains, having to hurry while performing your duties because of being under staffed, not only creates unsafe conditions, but also brings with it a state of mind. Overworked because of not filling vacancies and working alone and doing work that normally is that of two persons has an effect on both body and mind. you're tired daily and your mind is not right. This also creates accidents and possibly death. I do not believe the Union Pacific will fill vacancies until someone is fatally injured,

Many rules the Union Pacific and its employees lived and died for in the past have now gone out the window. SAFETY FIRST is definitely not their first priority, although the Union Pacific still says it is.

Another issue is that of performing duties which are not ordinarily your own. Doing duties that you were never trained for.

The last issue I wish to address is the matter of classroom workshops set up by the Union Pacific. In the past, before the UP-SP merger, employees were to attend mandatory classes on company time, during your regular assigned shift and not on your rest days. These classes were




scheduled during your regular 40 hour work week which employees attended on a time to time basis. If a class was voluntary, an employee would make arrangements and possibly attend on his off time, possibly on his day off.

Now the Union Pacific Railroad are making mandatory classes and requiring that these classes be attended on an employees rest day or another shift. they are willing to pay only straight time, even though they are requiring more than eight hours in a day or coming in on a rest day that would make you working in excess of 40 hours in a week. Once again, this affects a persons personal life. There is no regard for the employees family or private life. This causes stress, fatigue, and can impact a persons SAFETY.

The bottom line to all of this, and once again, I speak for many employees whose signatures are attached. The direction the Union Pacific is taking in its present course, CEO's Shareholders, etc., has made many, many bad decisions. Since the UP-SP merger, you can see their ugly face showing. There is much greed at the higher level, and that will be their downfall. Many, many blue collar UP employees at the present time have to suffer because of their bad decision making and their large appetite for greed.

Please look this over very carefully, and if you would respond, I will anxiously wait for your answer.

Yours truly,

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

Jerry Aldous
3925 Sandpiper Dr.
Pocatello, Idaho
83201

NAME	ADDRESS	UNION
Ray Lewis	1435 Magnificent	6094
Chen W. Smith	456 Wayne Poc. Id.	6094
B. T. Condemn	155 Hillcrest A.P.	6094
H. L. Cutler	Box 72 N Morgan Rd. Poc.	6094
W. J. Raliff	1393 Cottage	6094
A. J. Smith	4860 Freedom	6094
R. D. Reck	841 Dahl	6094
J. L. Crystal	2242 Oliver	6094
D. R. Birch	5030 S. Old Hwy 91	6094
B. S. Howell	980 E Hwy 38	6094
B. T. Manning	777 Natalie	6094
E. H. Dahmer	5290 Mohawk	6094
A. D. Griffith	168 Jacob Pocatello	6094
E. A. Helt	13410 N. Yellowstone Poc. Id.	6094
R. R. DeVita	13710 N. Hawthorne, Poc. Id.	6094
D. E. Hanner	5018 Whiskey Pk. Id.	6094
J. J. Tawson	1510 Bench Rd. A-3 Poc. Id. 83201	6094
John Chankelaw	114 S 5th Pocatello	6094
C. R. Johnson	337 W. Hayden Poc. Id.	6094
D. J. Zaccardi	5025 Constitution Club Id.	6094
B. J. Bennett	385 900W Blackfoot	6094
J. D. Houghton	614 V Eldredge Pocatello Id.	6094
W. R. Murphy	205 N Darfield Pocatello Id.	6094
M. Smith	5700 Hiko Poc.	6094
M. J. Albrecht	4948 Rebecca Chubbuck Id.	6094
Mark Simpson	1025 Lucille Pocatello Id.	6094
Steven D. Pratt	2780 Bannock Hwy Poc. Id.	6094
Dan F. Smith	245 Monroe Ave. FHS	6094

J.C. Lounsbury	878 Reed Am Falls.	6094
Steve Hudson	2172 S. Old Hwy 91 Inkorn	6094
W.M. A. Brown	Box 798 Fat Hill	6094
David A. Brown	3925 Sandpiper P.O. Ind.	6094

STB

FD-32760 (SUB21)

4-3-98

J

ID-PUBLIC

Jeremiah 18: 7-11

4-3-98

C/O ANDY GEDLICK

FILE IN DOCKET

FD-32160 (Rev. 2-11)

TO THE UPSP RAILROAD AND ALL ITS OFFICERS
STOCKHOLDERS AND THE BUREAU

THE LORD JESUS CHRIST, WHOM I SERVE, HAS
INSTRUCTED ME TO LIFT THE CURSE WHICH HE
LEDGED AGAINST YOU. THAT IS THE UPSP RAILROAD.

HE IS A GOD WHO DOES NOT STAY ANGRY
FOREVER, BECAUSE IF HE DID WE WOULD ALL
BE DESTROYED. HE IS A MERCIFUL GOD WHO
COMES TO THE AID OF THE WEAKNESS. THAT'S
WHY THE UPSP HAS BEEN, IN A WEAKNESS
POSITION, BECAUSE OF ITS MANY SINS.

CHRIST HAS HUMILIATED YOU BEFORE THIS NATION
AND BROUGHT YOU LOW BUT IS GOING TO
SHOW LOVE AND MERCY TO YOU.

THANKS TO THE MEN AND WOMEN OF FAITH
WHO WORK FOR YOU AND FOR THEIR SAKE
GOD IS GOING TO TURN THINGS AROUND FOR
YOU. TWENTY YOU'RE EMPLOYEES FINISHY UNLESS
SOMETHING WORSE BEFALLS YOU.

THE LORD JESUS CHRIST CAME TO SAVE
SINNERS AND GAVE HIS LIFE IN EXCHANGE
FOR THE SINS OF MANY. GOD RAISED HIM
FROM THE DEAD AND GAVE HIM POWER AND
AUTHORITY TO HIM WHO NONE IS WORTHY TO
THINK OF IT.

P.S. GOD IS NOT MOOTED!

Warren Benson
Christ's Messenger

4-3-98

Dear Mr Yedlick,

As the Lord Jesus Christ has determined
for this letter to be delivered to you
please take it to heart and deliver
it through the proper channels as a
copy is going to the Southern Translators
Board.

God Bless you
and Trust Christ to
save and deliver
you.

Wanda Isenor

STB

FD

32760

(Sub 21)

3-27-98

J

LaRoche Industries Inc.

1100 JOHNSON FERRY ROAD N.E.
ATLANTA, GA 30342-1708
(404) 851-0300

March 16, 1998



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D. C. 20006

32760

Re: Finance Docket No. ~~3260~~ (Sub-No. 21), Union Pacific
Corp., et al. - Control & Merger - Southern Pacific Rail
Corp., et al. Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of LaRoche Industries Inc., to advise you of our support of Texas Mexican Railway Company's ("Tex Mex") and Kansas City Southern Railway Company's proposed plan for the Houston area. Specifically, LaRoche Industries Inc. supports neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Our company is a shipper of freight traffic into Houston and Mexico from various geographic regions. We have major plants located in Louisiana, Missouri, Alabama, Utah and Illinois, and have shipped as many as 35 cars, per month into Mexico. We ship over 11,000 car loads, per year and use all the major rail carriers. We currently do not have the option to use Tex Mex/KCS on some of our shipments into Houston or Mexico. However, if the Tex Mex/KCS plan is adopted by the STB, we would use their service more. We have some shipments moving from Louisiana to Mexico moving via KCS-Bmont - Tex Mex through Laredo and service has been very good.

The current rail service crisis in south Texas is monumental. The Board has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of their Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in south Texas is not back to normal and the UP will no longer attempt to predict when normal service will return.

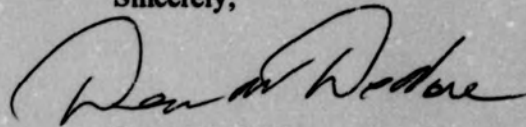
Our company has been and continues to be hurt by UP's problems. We need more than a short term fix. We need a long term solution to the service problems in south Texas. LaRoche Industries Inc. believes that the implementation of the Tex Mex/KCS proposed plan for south Texas, which includes neutral switching and neutral dispatching in

Houston, is essential to a long term solution. In addition, we believe that competing railroads, such as Tex Mex and KCS, must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a shipper, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in south Texas is key to our success and the competitive success of the United States in NAFTA trading. The Tex-Mex/KCS proposed plan will foster these goals.

I, Dean W. DeVore, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of LaRoche Industries Inc., executed on March 16, 1998.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dean W. DeVore", written in a cursive style.

Dean W. DeVore
Manager Transportation

DWD/sk

STB FD

32760

(Sub 21)

3-27-98

J



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

Office of Compliance and Enforcement

October 6, 1997

Mr. Robert B. McDonald
Chief Executive Officer and President
Great Lakes Chemical Corporation
P.O. Box 2200
One Great Lakes Boulevard
West Lafayette, Indiana 47906

Dear Mr. McDonald:

Chairman Morgan has requested that I respond to your September 22, 1997 letter to her regarding the rail service problems you are experiencing with the Union Pacific Railroad Company (UP) at your El Dorado, Arkansas facility.

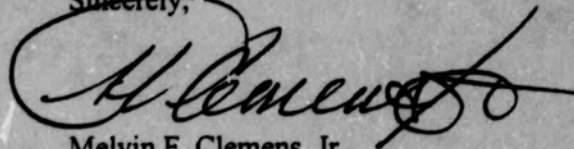
As you know, the Board approved the merger of the Union Pacific Railroad Company (UP) and the Southern Pacific Transportation Company approximately one year ago. During the merger process and since its approval, the Board has shown a clear interest in the level and quality of service provided to the shippers on UP, both in terms of the Board's conditioning and oversight of the implementation of the merger and its conditions, and in terms of this office's direct involvement in facilitating the resolution of individual rail service complaints.

In regard to rail service complaints, this office has opened a direct line of communication with high level UP officials and we are encouraged by UP's prompt responses to shippers. In an effort to be of assistance, a member of my staff has contacted your office to request specific rail car movement information so that we might be of assistance to you with the carrier. We have not had a response. If such information is not readily available, you may consider making your concerns known at a public hearing to be held by the Board on October 27, 1997, in Washington, DC. A copy of the hearing notice is enclosed for your information. In addition, I will request that your letter to Chairman Morgan be included in the correspondence section of the oversight proceeding docket so that your support of the Chemical Manufacturers Association comments will be noted.

Robert B. McDonald, Page 2.

On behalf of Chairman Morgan, I thank you for bringing your concerns to the Board's attention, and I assure you that the Board will continue to monitor this situation closely.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. Clemens, Jr.", with a large, stylized flourish at the end.

Melvin F. Clemens, Jr.
Director

Enclosure

cc: Chairman Morgan



Great Lakes Chemical Corporation

P. O. BOX 2200 • ONE GREAT LAKES BOULEVARD • WEST LAFAYETTE, INDIANA 47906 • TELEPHONE 317-497-6100 • FAX 317-497-6180

September 22, 1997

Ms. Linda Morgan
Chairman, Surface Transportation Board
1925 K Street N.W. #700
Washington D.C. 20423

Dear Ms. Morgan:

Beginning in mid-August, railcar movements of chlorine by the Union Pacific (UP) to our El Dorado, AR manufacturing plants have been severely delayed. Either cars were detained in the yard in North Little Rock, diverted to another yard in Salem, IL or held on sidings like Higgins, AR. At one point we were down to four days inventory and in danger of running out with no alternative mode of transport. A plant shutdown can cause irreparable harm to Great Lakes.

The cause of the disruption seems to be a combination of a shortage of engines and crews and labor disputes between the UP and the unions.

In the Chemical Manufacturers Association (CMA) joint comments (with the Society of the Plastics Industry, Inc.) to the Surface Transportation Board (Finance Docket No. 32760), concern was raised about severe service deficiencies in the Houston and Texas Gulf areas. We believe the geography of concern should be extended to include Arkansas and the surrounding area.

Great Lakes reinforces the CMA's comments about the need for oversight and development and implementation of meaningful metrics to determine the quality of service and timeliness to ensure prompt implementation of corrective action.

Rail mergers are promoted as improving efficiencies and reducing costs. On the contrary, this merger has led to degradation in the quality of service resulting in plant shutdowns and additional cost to industry.

Great Lakes is highly dependent on the railroad to transport raw materials to our plants and ship finished goods to customers. We urge you to review the performance of the merger and institute appropriate metrics to ensure that Union Pacific provides the necessary service to support Great Lakes and the chemical industry. Any future mergers should be put "on hold" until service is restored by the UP and a complete investigation identifies the actions which could have prevented this catastrophe. Anything less would put the Chemical Industry and American Industry, in general, at risk!

Sincerely,

Robert B. McDonald
Chief Executive Officer and President

RBM:ksu

cc: Fred Webber, CMA

ROBERT B. McDONALD

President and
Chief Executive Officer

CHAIRMAN MORGAN

1 50 PM '97

RECEIVED
SURFACE TRANSPORTATION BOARD

OFFICE OF COMPLIANCE
AND ENFORCEMENT
DIRECTOR'S OFFICE

Oct 3 4 36 PM '97

RECEIVED
SURFACE TRANSPORTATION BOARD

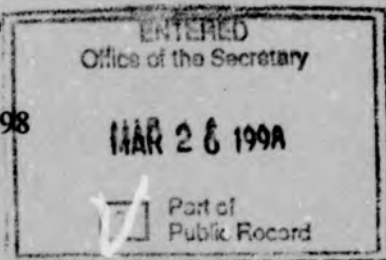
STB FD 32760 (Sub 21) 3-26-98 J 186637

186637

AMERIPOL SYNPOL CORPORATION

P.O. BOX 667
121st MAIN STREET
PORT NECHES, TEXAS 77651

March 17, 1998



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, DC 20006

RE: Finance docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al.-Control & Merger -
Southern Pacific Rail Corp., et a. Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of Ameripol Synpol Corporation to advise you of our support of Texas Mexican Railway Company's (Tex Mex) and Kansas City Southern Railway Company's proposed plan for the Houston area. Specifically, Ameripol Synpol supports neutral switching and neutral dispatching in Houston as well as additional measures aimed at obtaining efficiency and capacity enhancement in Houston.

Ameripol Synpol Corporation is a Delaware corporation with headquarters located in Port Neches, Texas. Along with its wholly owned subsidiaries, Engineered Carbons, Inc. and Mallard Creek Polymers, Ameripol Synpol Corporation is the world's largest manufacturer of SBR synthetic rubber and a major manufacturer of carbon black and SBR latex. Ameripol Synpol Corporation services a worldwide market with consolidated annual sales in the range of \$550,000,000. Our customers include many of the world's largest tire, industrial product and consumer product companies. We have five plants in Texas and North Carolina and employ approximately 1,200 people. Our Port Neches, Texas plant has been producing synthetic rubber since 1943. As a privately held corporation, we do not publish financial statement.

Our production requirement includes 15-20 rail hopper cars of carbon black per month. Shipments originate Laredo, Texas with final destination, Port Neches, Texas routed Tex Mex Beaumont KCS. We use Tex Mex/KCS for moving this traffic out of Mexico and into and out of Houston. Currently, transit time is 14 days. The Tex Mex/KCS service is essential to our transportation needs. In addition, the trackage rights granted to Tex Mex in the UP/SP merger are vital to our operations.

However, the fact that there is no neutral dispatching or switching in Houston, and the fact that Tex Mex does not have yard space or sufficient infrastructure, makes it impossible for Tex Mex/KCS to provide the integral service and competitive alternatives we need. The trackage rights granted to Tex Mex need to be improved, changed and broadened and Tex Mex/KCS need to be permitted to increase their infrastructure in the Houston area so that Tex Mex/KCS can provide more efficient and competitive rail service for our traffic. Importantly, Tex Mex/KCS has a proven commitment of service for both big and small shippers into and out of the Mexican market. International trade routes such as Tex Mex/KCS's through south Texas be preserved and permitted to prosper.

The current rail service crisis in south Texas is monumental. The Surface Transportation Board (Board) has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of their Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in south Texas is not back to normal and that UP will no longer attempt to predict when normal service will return.

Our Company has been and continues to be hurt by UP's problems. We need more than a short-term fix. We need a long-term solution to the service problems in south Texas. Ameripol Synpol Corporation believes that the implementation of the Tex Mex/KCS proposed plan for south Texas which includes neutral switching and neutral dispatching in Houston, is essential to a long-term solution. In addition, we believe that Tex Mex and KCS must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a Texas shipper, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in south Texas is key to our success and the competitive success of the United States in NAFTA trading. The Tex Mex/KCS proposed plan will foster these goals.

I, Michael L. McClintock, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Ameripol Synpol Corporation, executed on March, 17, 1998.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael L. McClintock", written in a cursive style.

M. L. McClintock
Corporate Traffic Manager

WBV:MLM:ldr (8011MLM.WPD)

STB FD 32760 (Sub 21) 3-25-98 J 186613

186613

CITGO Petroleum Corporation
TRANSPORTATION DEPARTMENT



P.O. Box 40
Tulsa, Oklahoma 74102

March 18, 1998



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N. W.
Washington, D. C. 20006

Re: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al. - Control & Merger - Southern Pacific Rail Corp., et al. Oversight Proceeding

Dear Mr. Williams:

I am writing on behalf of CITGO PETROLEUM Corporation, to advise you of our support for neutral switching and neutral dispatch in Houston, TX. As well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

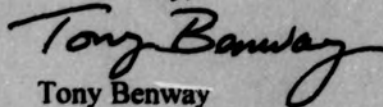
As the Corporate Transportation Operations Manager for CITGO Petroleum Corporation, I am responsible for the coordination and arrangements for tank car shipments for CITGO. CITGO Petroleum Corporation is a domestic petroleum refining, marketing, and transportation company with 5,000 employees, 6 major manufacturing facilities, ownership in 52 product terminals and a supplier of motor fuels to more than 13,000 independent CITGO branded outlets. CITGO'S largest refinery is located near the Houston area in West Lake Charles, LA. Securing competitive rail service is essential to our ability to effectively service our customers as well as develop new market opportunities.

Our company has been and continues to be hurt by UP's service problems. We need more than a short term fix. We need a long term solution to the service problems in south Texas. I strongly urge the STB to lift all service restrictions on the Tex Mex, giving it full local service access in the greater Houston area on a permanent basis. Full access would provide for a viable third rail competitor in Houston that could connect with other carriers in Beaumont, including the Union Pacific, BNSF, and The Kansas City Southern. Competing railroads must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a rail shipper currently into Mexico, we understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in south Texas is key to our success and the competitive success of the United States in NAFTA trading. Neutral switching, neutral dispatching and permitting competing railroads to increase their infrastructure will foster these goals.

I, Tony Benway, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of CITGO Petroleum corporation, executed on March 18, 1998.

Sincerely,

A handwritten signature in cursive script that reads "Tony Benway".

Tony Benway

Corporate Transportation Operations Manager

STB FD 32760 (Sub 21) 3-25-98 J 186612



Reagent Chemical & Research, Inc.

1300 POST OAK BLVD. • SUITE 680 • HOUSTON, TEXAS 77056
OFFICE: (713) 626-1843 • FAX (713) 968-0051

185612

March 18, 1998



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20006

Re: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al
– Control & Merger – Southern Pacific Rail Corp., et al. Oversight
Proceeding

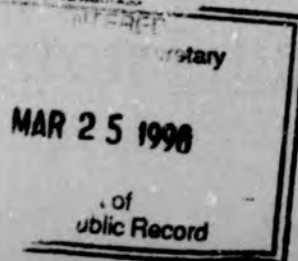
Dear Secretary Williams:

I am writing on behalf of Reagent Chemical to advise you of our support of a proposal that calls for neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Reagent Chemical is the largest marketer of Hydrochloric Acid (HCL) in the United States. We operate the largest private fleet of rubber lined tank cars and tank trailers. The predominance of our production is in the Gulf Coast and 60% of our customers are located in the Western United States. We ship approximately 5,000 carloads and 8,000 truckloads of HCL annually in all areas of the country.

The rail service crisis in the Gulf Coast is monumental. The Surface Transportation Board (STB) has rightfully recognized the Union Pacific's (UP) inability to solve the service problem, at least in the short term, and implemented their Emergency Service orders. In fact, the UP even recently admitted publicly that its service in the Gulf Coast is not back to normal and they will no longer attempt to predict when normal service will return.

Our company has been and continues to be hurt by UP's problems. We need more than a short-term fix. We need a long-term solution to the service problems in the Gulf Coast. Reagent Chemical believes that the implementation of neutral switching and neutral dispatching in Houston is essential to a long-term solution. In addition, competing railroads must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

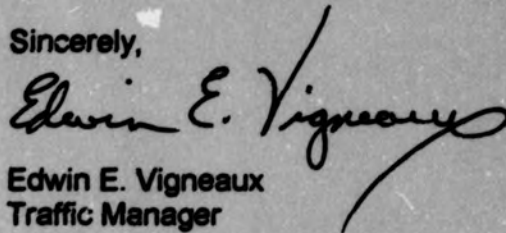


Mr. Vernon A. Williams
March 18, 1998
Page Two

Reagent Chemical has always been a staunch supporter of increased rail competition in all areas of the United States, but particularly along the Gulf Coast. Competition is the one factor that forces entities to perform at their highest level of competence. Less or no competition allows companies to provide whatever service they want at whatever they want to charge their customers, with little or no recourse by those customers.

I, Edwin E. Vigneaux, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Reagent Chemical, executed on March 11, 1998.

Sincerely,

A handwritten signature in cursive script, reading "Edwin E. Vigneaux". The signature is written in dark ink and is positioned above the printed name and title.

Edwin E. Vigneaux
Traffic Manager

STB FD 32760 (Sub 21) 3-23-98 J 186572



P.O. Box 4454
Houston, Texas 77210-4454
Telephone (713) 321-4111
Fax (713) 321-5460

March 20, 1998

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, DC 20006



184572
Lyondell
LUBRICANTS

J

RE: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of Lyondell-Citgo Refining Company, Ltd. (LCR), to advise you of our support for neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

LCR ships 24,000 and 27,000 gallon railcars containing petroleum lubricating products all over the United States and Mexico.

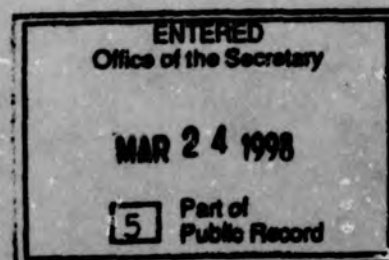
The rail service crisis in south Texas is monumental. The Surface Transportation Board ("Board") has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of their Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in south Texas is not back to normal and that UP will no longer attempt to predict when normal service will return.

Our company has been and continues to be hurt by UP's problems. We need more than a short term fix. We need a long term solution to the service problems in south Texas. LCR believes that the implementation of neutral switching and neutral dispatching in Houston is essential to a long term solution. In addition, competing railroads must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a Texas petroleum lubricating oil shipper, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in south Texas is key to our success and the competitive success of the United States in NAFTA trading. Neutral switching, neutral dispatching and permitting competing railroads to increase their infrastructure will foster these goals.

Sincerely yours,

Charles P. Halvorson
Manager, Transportation & Base Oil Purchases





MEMBER

P.O. Box 4454
Houston, Texas 77210-4454
Telephone (713) 321-4111
Fax (713) 321-5460



March 20, 1998



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, DC 20006

RE: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of Lyondell-Citgo Refining Company, Ltd. (LCR), to advise you of our support of Texas Mexican Railway Company's ("Tex Mex") and Kansas City Southern Railway Company's proposed plan for the Houston area. Specifically, LCR supports neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Our company is currently a shipper on the Tex Mex and KCS lines. We ship 24,000 and 27,000 gallon railcars containing petroleum lubricating products all over the United States and Mexico. We currently use Tex Mex/KCS for moving shipments in and out of Houston. The Tex Mex/KCS service is essential to our transportation needs. In addition, the trackage rights granted to Tex Mex in the UP/SP merger are vital to our operations.

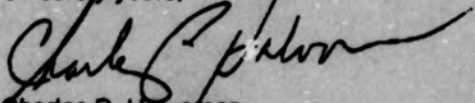
However, the fact that there is no neutral dispatching or switching in Houston, and the fact that Tex Mex does not have yard space or sufficient infrastructure, makes it impossible for Tex Mex/KCS to provide the integral service and competitive alternatives we need. The trackage rights granted to Tex Mex need to be improved, changed and broadened; and Tex Mex/KCS need to be permitted to increase their infrastructure in the Houston area so that Tex Mex/KCS can provide more efficient and competitive rail service for our traffic. Importantly, Tex Mex/KCS has a proven commitment of service for both big and small shippers into and out of the Mexican market. International trade routes such as Tex Mex/KCS's through south Texas must be preserved and permitted to prosper.

The current rail service crisis in Texas is monumental. The Surface Transportation Board ("Board") has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of their Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in south Texas is not back to normal and that UP will no longer attempt to predict when normal service will return.

Our company has been and continues to be hurt by UP's problems. We need more than a short term fix. We need a long term solution to the service problems in south Texas. LCR believes that the implementation of the Tex Mex/KCS proposed plan for south Texas, which includes neutral switching and neutral dispatching in Houston is essential to a long term solution. In addition, we believe that Tex Mex/KCS must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a Texas petroleum lubricating oil shipper, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in south Texas is key to our success and the competitive success of the United States in NAFTA trading. Neutral switching, neutral dispatching and permitting competing railroads to increase their infrastructure will foster these goals.

Sincerely yours,



Charles P. Halvorson
Manager, Transportation & Base Oil Purchases

STB FD

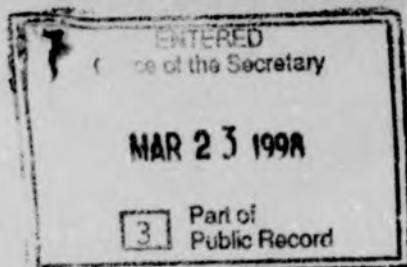
32760

(Sub 21)

3-23-98

J

186557



HUNTSMAN



March 20, 1998

186557

Mr. Vernon A. Williams
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20006

Re: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al. - Control & Merger - Southern Pacific Rail Corp., et al. Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of Huntsman Corporation, to advise you of our support for neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Huntsman is the nation's largest privately-held chemical company with annual sales exceeding \$5 billion. We currently ship in excess of three billion pounds per year via rail, with 20% of that volume originating on Union Pacific lines. Our annual rail freight budget (including approximately 50 cars/mo. to Mexico) exceeds \$60 million. Many of our customers are equipped only to receive shipments via rail where trucks and barges are not an option.

The rail service crisis in south Texas is monumental. The Surface Transportation Board ("Board") has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of its Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in south Texas is not back to normal and that UP will no longer attempt to predict when normal service will return.

Huntsman has been and continues to be hurt by UP's problems. We need more than a short term fix. We need a long term solution to the service problems in south Texas. Huntsman believes that the implementation of neutral switching and neutral dispatching in Houston is essential to a long term solution. In addition, competing railroads must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a Texas shipper of chemicals and plastics, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive

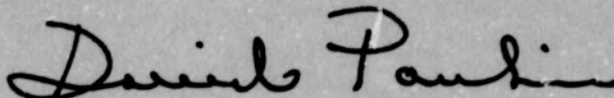
HUNTSMAN CORPORATION

3040 Post Oak Boulevard • Houston, Texas 77056 • 713-235-5000 • Fax 713-235-6416

alternative in south Texas is key to our success and the competitive success of the United States in NAFTA trading. Neutral switching, neutral dispatching and permitting competing railroads to increase their infrastructure will foster these goals.

I, David Parkin, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Huntsman, executed on March 20, 1998.

Sincerely yours,



(u)

David Parkin
Director-Transportation & Logistics

DP/rtj

n:/o/rtj/stbkcs 3-20.doc

STB FD 32760 (Sub 21) 3-19-98 J 186523



J

186523

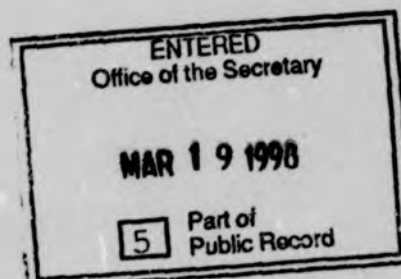
P.O. Box 10312
148 East Main Street
Rock Hill, SC 29730
(803) 327-3663
Fax (803) 327-3661

Bareco Products

George A. Anderson

March 18, 1998

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, DC 20006



Re: Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corp., et al. --
Control & Merger - Southern Pacific Rail Corp., et al. Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of Bareco Products to advise you of our support of Texas Mexican Railway Company's ("Tex Mex") and Kansas City Southern Railway Company's proposed plan for the Houston area. Specifically, Bareco Products supports neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Bareco Products, a Pennzoil / Baker Petrolite Partnership, is a marketer of paraffin, microcrystalline and synthetic waxes. Bareco has 28 employees and ships from Pennzoil's plant in Shreveport, LA. We also ship from plants in Reno / Rouseville, PA, and Barnsdall, OK. During the period 1997, Bareco had freight expenditures in excess of 2 million dollars and rail car movements of more than 400. We use Tex Mex/KCS for moving shipments into and out of Mexico and into and out of Houston. The Tex Mex/KCS service is essential to our transportation needs. In addition, the trackage rights granted to Tex Mex in the UP / SP merger are vital to our operations.

However, the fact that there is no neutral dispatching or switching in Houston, and the fact that Tex Mex does not have yard space or sufficient infrastructure, makes it impossible for Tex Mex/KCS to provide the integral service and competitive alternatives we need. The trackage rights granted to Tex Mex need to be improved, changed and broadened and Tex Mex/KCS need to be permitted to increase their infrastructure in the Houston area so that Tex Mex/KCS can provide more efficient and competitive rail service for our traffic. Importantly, Tex Mex/KCS has proven commitment of service for both big and small shippers into and out of the Mexican market. International trade routes such as Tex Mex/KCS's through south Texas must be preserved and permitted to prosper.

Surface Transportation Board
March 16, 1998
Page Two

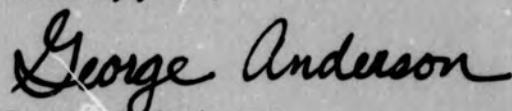
The current rail service crisis in south Texas is monumental. The Surface Transportation Board ("Board") has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of the Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in south Texas is not back to normal and that UP will no longer attempt to predict when normal service will return.

Our company has been and continues to be hurt by UP's problems. We need more than a short term fix. We need a long term solution to the service problems in south Texas. Bareco believes that the implementation of the Tex Mex/KCS proposed plan for south Texas, which includes neutral switching and neutral dispatching in Houston, is essential to a long term solution. In addition, we believe that Tex Mex and KCS must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a Louisiana petroleum product shipper, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in south Texas is key to our success and competitive success of the United States in NAFTA trading. The Tex Mex/KCS proposed plan will foster these goals.

I, George A. Anderson, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Bareco Products, executed on March 16, 1998.

Sincerely yours,

A handwritten signature in cursive script that reads "George Anderson".

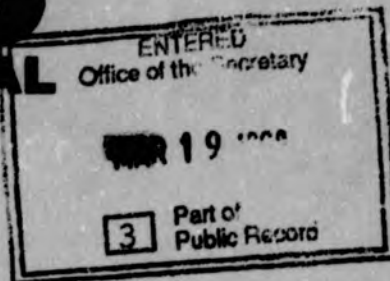
George A. Anderson
Manager, Supply & Distribution

STB FD 32760 (Sub 21) 3-18-98 J 186531

AXIS INTERNATIONAL

March 10, 1998

Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street N.W.
Washington, D.C. 20006



Re: Finance Docket No. 32760 (Sub-No. 21), *Union Pacific Corp., et. al. -- Control & Merger -- Southern Pacific Rail Corp., et. al. Oversight Proceeding*

Dear Secretary Williams:

I am writing on behalf of Axis International to advise you of our support for neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

Axis International is a Houston-based NVOCC with primary trade lanes in Southeast Asia, the Far East, and Australia. As such, much of the freight we handle is moved via rail out of Houston to the West Coast. However, the rail service crisis in South Texas has caused considerable disruption in the services Axis provides to its customers.

The Surface Transportation Board ("Board") has recognized UP's inability to solve its problems in the short term with its implementation of its Emergency Service Orders. However, UP cannot predict when it will resume normal operations, and our customers will continue to suffer until a long term solution is implemented.

Axis believes that the implementation of neutral switching and neutral dispatching in Houston is essential to a long term solution. In addition, competing railroads must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service.

I, Peter Van Etten, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of Axis International, executed this 10th day of March 1998.

Sincerely,

Peter Van Etten
President
Axis International



650 N. Sam Houston Pkwy East
Suite 520
Houston, Texas 77060

E-mail| axis@axisintl.com
Web| <http://axisintl.com>

Phone| 281.820.5200
Fax| 281.820.5252
Toll-Free| 800.377-1346

STB FD 32760 (Sub 21) 3-18-98 J 186518

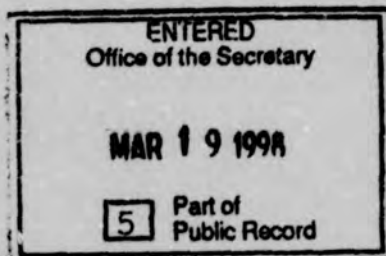
Vinyl Building Products Group

CertainTeed Corporation
P.O. Box 253
Sulphur, LA 70664
(318) 892-1441

186518

CertainTeed 

March 12, 1998



Mr. Vernon A. Williams, Secretary
Surface Transportation Board
Suite 700
1925 K Street, N.W.
Washington, D.C. 20006

Re: Finance Docket No. 32760 (Sub-No.21), Union Pacific Corp., et al, --Control
& Merger -- Southern Pacific Rail Corp., et al, Oversight Proceeding

Dear Secretary Williams:

I am writing on behalf of CertainTeed, Corporation, Sulphur, LA, to advise you of our support for neutral switching and neutral dispatching in Houston, as well as additional measures aimed at obtaining efficiency and capacity enhancements in Houston.

CertainTeed produces 450 million pounds of poly vinyl chloride (PVC, plastics) per year, which is shipped to 6 different CertainTeed locations:

Grinnell, IA	Jackson, MI	McPherson, KS,	Waco, TX
Williamsport, MD	Social Circle, GA		

We ship about 260 cars a year to the Grinnell plant; 375 to the Jackson plant, 550 to the McPherson plant, 275 to the Waco plant, 350 to the Williamsport plant, and about 450 to the Social Circle, GA, plant. Grinnell, McPherson and Waco are serviced by Union Pacific. Due to the location of these plants, trucks are not a viable option for CertainTeed.

The plant employs about 75 people and has an annual freight expenditure of approximately five million dollars.

The rail service crisis in south Texas is monumental. The Surface Transportation Board ("Board") has rightfully recognized UP's inability to solve the problem, at least in the short term, through the Board's implementation of their Emergency Service Orders. In fact, even UP has recently admitted publicly that its service in south Texas is not back to normal and that the UP will no longer attempt to predict when normal service will return.

Page 2.

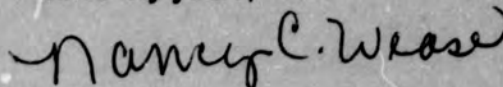
Mr. Vernon A. Williams, Secretary
Surface Transportation Board
March 11, 1998

Our company has been and continues to be hurt by UP's problems. We need more than a short term fix. We need a long term solution to the service problems in south Texas. CertainTeed believes the implementation of neutral switching and neutral dispatching in Houston is essential to a long term solution. In addition, competing railroads must be permitted to increase their infrastructure in the Houston area in order to provide more efficient and competitive rail service for our traffic.

As a shipper who has freight moving through Texas, we also understand the importance of ensuring the continued and expanding growth in trade throughout the NAFTA corridor. Importantly, we believe that ensuring the continuation of an effective competitive alternative in south Texas is key to our success and the competitive success of the United States in NAFTA trading. Neutral switching, neutral dispatching and permitting competing railroads to increase their infrastructure will foster these goals.

I, Nancy C. Wease, state under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified to file this statement on behalf of CertainTeed Corporation, Vinyl Building Products, Sulphur, LA, executed on this day, Thursday, March 12, 1998.

Sincerely yours,

A handwritten signature in cursive script that reads "Nancy C. Wease".

Nancy C. Wease
Traffic Manager
CertainTeed Corporation

STB

FD

32760 (Sub 21)

1-14-98

J



FD-32760 Sub 21

RAILROAD COMMISSION OF TEXAS

P.O. BOX 12967
AUSTIN, TEXAS 78711-2967
512/463-7140
FAX 512/463-7161

CHARLES R. MATTHEWS
CHAIRMAN

January 8, 1998

Mr. Michael K. Stewart
Vice President, Government Affairs
Texas Aggregates & Concrete Association
6633 Hwy 290 E., Suite 204
Austin, Texas 78723



OFFICE OF
GENERAL COUNSEL
JAN 14 1998

JAN 14 1998

RECEIVED
SURFACE TRANSPORTATION
BOARD

Dear Mr. Stewart:

I was surprised and amazed by your letter of January 5, 1998, regarding Union Pacific's rail service. If the views expressed in your letter truly represent those of the construction materials industry, then it would appear that your industry has boundless patience with UP, for as your letter observes the industry already has been tagged with an estimated loss of \$110 million in revenue due to UP's service problems.

Moreover, I question your assumption that UP's service has improved in the past two weeks. UP's filing with the Surface Transportation Board belie any such improvement. Indeed, on December 22, 1997, UP's filing for that week stated flatly: *"Over the last two weeks, UP/SP experienced a deterioration in service in the Gulf Coast area."* Most recently, on January 5, 1998, the UP advised the Surface Transportation Board that "As at the outset of this crisis, the railroad is experiencing problems in the Houston area . . ."

An index we have compiled, called the "clogged car count," dramatically illustrates UP's woes (see enclosed graphs). UP's system slows down when the number of cars exceed 310,000. As the enclosed graphs show, UP's car count bottomed at 332,000 the week of December 5, 1997, and has been rising since.

As regards concern of some of your members about governmental interference in UP's affairs, I would point out that this nation is in the current predicament of a raging crisis in rail service because of a governmental action - the approval of the UP/SP merger by the U.S. Surface Transportation Board (STB). But, the STB recognized that there were risks associated with the merger and for that reason retained oversight for a five year period in order to make any needed changes. At the Railroad Commission, we are not suggesting that the UP/SP merger should be undone. Rather, we are strongly of the view that some

Mr. Michael K. Stewart

January 8, 1998

Page 2

relatively minor changes need to be made by the STB in its oversight capacity to improve the workings of the merger. STB approval of the merger was predicated on the assumption that extensive use of trackage rights granted by UP to BNSF would enable BNSF to provide competitive service. This was a nice theory, but it hasn't worked in practice -- at least not for service in Houston and the Gulf Coast area.

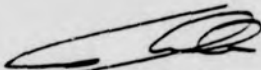
Importantly, it would now appear that BNSF has also finally concluded that additional time is not going to lead to improved rail service. BNSF recently made a potentially very *significant* filing with the Surface Transportation Board. By filing dated January 2, 1998, BNSF stated (at page 2):

"Because of conditions under which BNSF conducts its operations on UP lines, BNSF has reservations about its ability long-term to fulfill the competitive role that BNSF and the Board anticipated pursuant to the trackage rights conditions imposed on the UP/SP merger. BNSF's operational experiences to date, in light of the cost and unreliability of service over the trackage rights lines, raise serious questions as to whether BNSF will be able to provide rail customers viable long-term competitive service, particularly in south Texas and along the Gulf Coast."

Thus, while we will have to await further filings by BNSF, it appears BNSF's position on the usefulness and validity of extensive trackage rights grants -- on which the STB relied heavily in approving the UP/SP merger -- is in the process of changing.

Mike, this transportation crisis has already cost the state's economy somewhere in the neighborhood of \$1 billion, and we are intent on trying to do something about that. Accordingly, we are moving ahead with a filing at the Surface Transportation Board to try to get the Board to implement some changes that will bring additional transportation resources to bear on Texas's needs. We would appreciate your support for our proposal. So if you change your mind, please let us know.

Sincerely,



Charles R. Matthews
Chairman

Enclosure

cc: Commissioner Barry Williamson
Commissioner Carole Keeton Rylander

Mr. Mike K. Stewart

January 8, 1998

Page 3

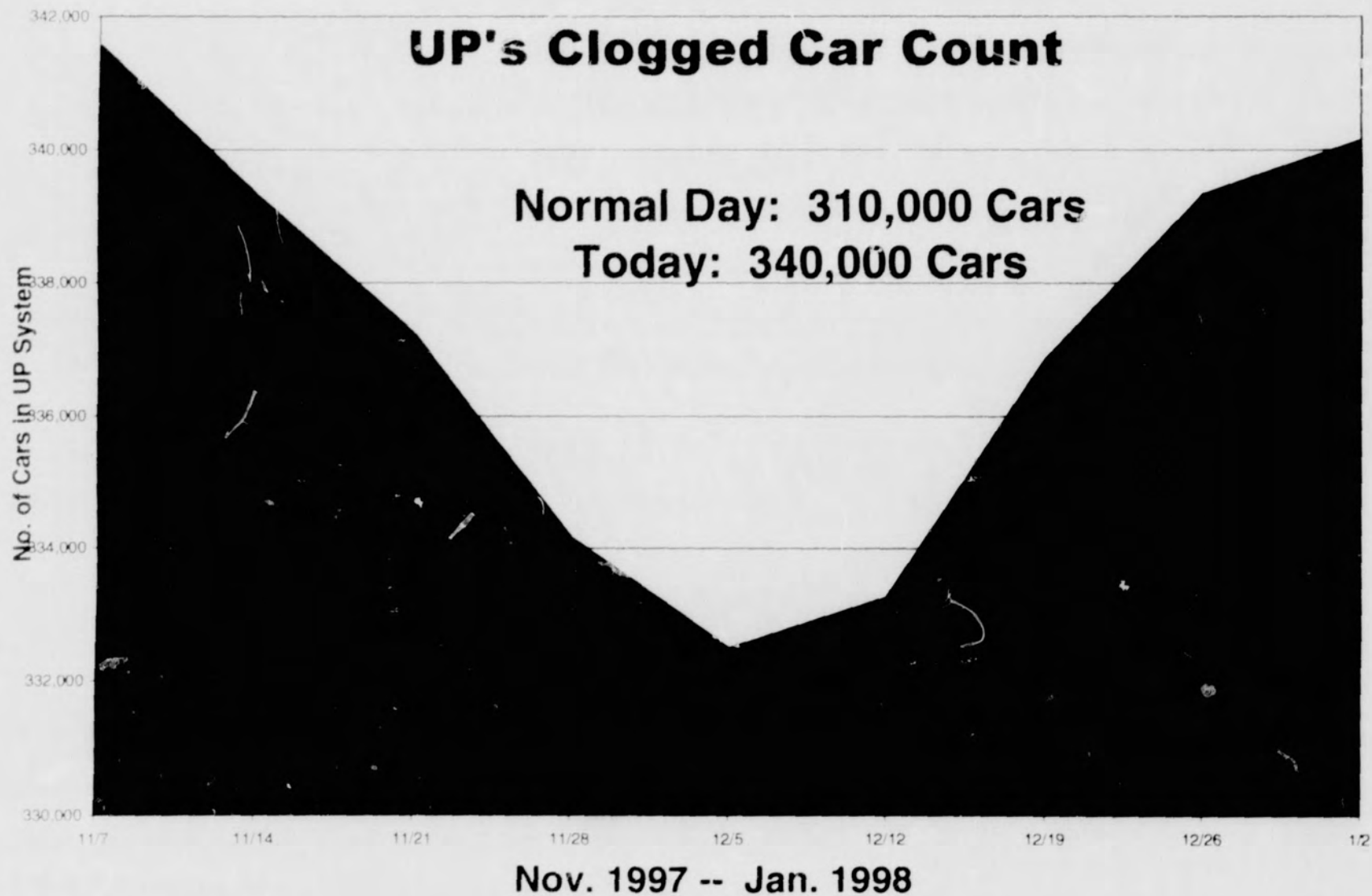
✓ Chairman Linda J. Morgan, Surface Transportation Board
Vice Chairman Gus A. Owen, Surface Transportation Board
John Houston, Chairman, TACA
Raul Tamez, Alamo Cement Company
Leonard Neeper, Capitol Cement Company
Tom Gillespie, Gifford-Hill & Company
Pat Wootton, Vulcan Materials Company
Gary Burns, Cemex U.S.A.
Tommy Valenta, TXI
Clifford Hahne, Pioneer Concrete of Texas, Inc.
Bob R. Beard, President, TACA

**Union Pacific Weekly Service
Measurement Car Inventory**
(Reported to Surface Trans. Board)

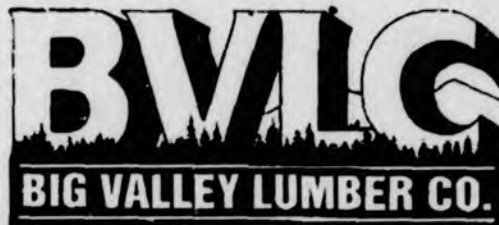
**Charles R. Matthews,
Chairman**

Railroad Commission of Texas

January 6, 1998



STB FD 32760 (Sub 21) 1-8-98 J 185139



American Manufacturer of Quality Wood Products

P.O. BOX 617 BIEBER, CALIFORNIA 96009 PHONE (916) 294-5221 FAX (916) 294-5676



ENTERED
Office of the Secretary

JAN 12 1998

5 Part of
Public Record

October 24, 1997

The Surface Transportation Board
Suite 760
1925 K Street Northwest
Washington, DC 20423-0001
Secretary, Vernon A. Williams

Dear Board Members

FD32760 SUB 21

My name is Tim Decoito and I am The Vice President and Sales Manager for Big Valley Lumber Company in Bieber, California. I am writing this letter in hopes of resolving a competitive access problem that has developed between the BNSF and UP railroads which serve our sawmills.

Located in northeastern California away from any major highway, rail service to our mills is a major factor in our ability to keep our products moving to all market regions throughout the country. Having rail service from two major rail carriers has been a big plus for our sales program. It has allowed us to have a competitive rate structure into almost all regions of the country, along with giving us alternate routes to take in times when one railroad is experiencing a car flow problem or a line closure. The recent purchase of the Bieber to Keddie Jct. Line by the BNSF from the UP has now eliminated our ability to ship competitively via two railroads. Being served now only by the BNSF, we are unable to ship into UP locations due to rates that have been established to get UP equipment from our location in Bieber on the BNSF to UP switching points in Klamath Falls, Ore. or Stockton and Sacramento, Ca.

Big Valley Lumber understands the desire of the BNSF to get a monetary return on its purchase of the Bieber Keddie Jct. Line, but we also believe that certain details have been overlooked in this acquisition. BVLC has been very supportive of both the acquisition of the AT&SF by the BN and SP by the UP. We told both railroads that we would support these acquisitions as long as a competitive rate structure was maintained and that we would continue to be served by both the BN and the UP. Both railroads confirmed that these demands would be met since rules of the mergers were to protect those companies that had two line service before an acquisition. Clearly this has not happened for BVLC while two line service was maintained at other locations.

Since the Keddie Jct. Line purchase, we have waited for the BNSF and UP to work out an agreement beneficial to all parties involved. The current agreement has definitely limited our competitive access which is vital to the survival of our company. We ask the STB, as part of the oversight process, to consider mandating a ton-mile or haulage rate comparable with that offered other "2 to 1" customers. We also urge you to protect routes that are most efficient in the movement of equipment rather than all cars moving north to Klamath Falls, Ore. Furthermore, we are aware that the Surface Transportation Board has acted in the interest of maintaining competitive status for all customers who had access to two or more railroads prior to these mergers. We firmly believe that this did not happen in the case of Big Valley Lumber and urge the Board to act in a manner consistent with your handling of other "2 to 1" situations.

We thank you in advance for your consideration

Tim Decoito

Tim DeCoito

STB FD 32760 (Sub 21) 11-26-97 J 184252

184252

ORIGINAL

LAW OFFICES
 MCCARTHY, SWEENEY & HARKAWAY, P. C.
 1750 PENNSYLVANIA AVE., N. W.
 WASHINGTON, D. C. 20006
 TELEPHONE (202) 393-5710
 TELECOPIER (202) 393-5721

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

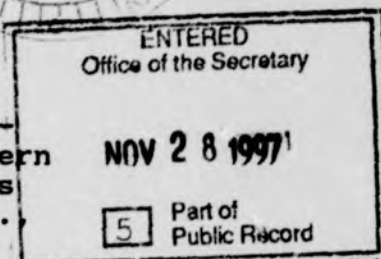
ANDREW P. GOLDSTEIN
 Counsel

November 25, 1997

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



Re: Finance Docket No. 32760, ^{SUB 21}
 Union Pacific Corporation, Union Pacific
 Railroad Company, And Missouri Pacific
 Railroad Company -- Control And Merger --
 Southern Pacific Rail Corporation, Southern
 Pacific Transportation Company, St. Louis
 Southwestern Railway Company, SPCSL Corp.
 And The Denver And Rio Grande Western
 Railroad Company



Dear Secretary Williams:

Union Pacific Corporation, et al. ("UP")^{1/}, jointly with
 Wichita, Kansas and Sedgwick County, Kansas ("Wichita/Sedgwick")
 request the Surface Transportation Board ("Board") to issue an
 order tolling all proceedings in the 18-month mitigation study
 required by Decision No. 44.^{2/} In support of this request, UP
 and Wichita/Sedgwick state as follows:

1) UP and Wichita/Sedgwick are engaged in good faith
 negotiations concerning the matters to be addressed by the
 mitigation study and such negotiations, while not complete, may

^{1/} As used herein, "UP" refers to all of the entities listed in
 the reference line.

^{2/} See Ordering Paragraph 62 (incorporating the environmental
 mitigation conditions set forth in Appendix G) and paragraphs
 23a-23d of Appendix G.

obviate the need for the issuance of a final mitigation plan by the Board's Section of Environmental Analysis ("SEA").

2) UP commits itself to adhere to the train count limitation contained in paragraph 23a of Appendix G until such time as the Board issues either a decision imposing mitigation as contemplated by paragraph 23d of Appendix G or the Board takes other action as contemplated by paragraph 23d.

3) Should UP and Wichita/Sedgwick reach agreement on a final mitigation plan, UP and Wichita/Sedgwick will immediately notify SEA as required by paragraph 23d.

4) Should either UP or Wichita/Sedgwick believe that a continuation of the requested tolling period is no longer appropriate, such party will so inform the Board.

Respectfully submitted,

J. Michael Hemmer by s/h
J. Michael Hemmer
Covington & Burling
1201 Pennsylvania Ave., N.W.
Washington, D.C. 20044-7566
(202) 662-5578

Counsel for
Union Pacific Railroad Company

Steven J. Kalish
Steven J. Kalish
McCarthy, Sweeney
& Harkaway, P.C.
1750 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 393-5710

Attorney for
Wichita, Kansas
Sedgwick County, Kansas

cc: Elaine Kaiser

STB

FD

32760

(Sub 21)

10-28-97

J

183623

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N.W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

TIMOTHY C. HESTER

DIRECT DIAL NUMBER

(202) 662-5324

DIRECT FACSIMILE NUMBER

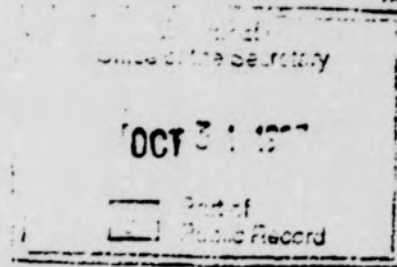
(202) 778-5324



October 28, 1997

By Hand

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



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

Dear Secretary Williams:

183622

183623

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

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

Thank you for your assistance.

Sincerely,

Timothy C. Hester

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

STB

FD

32760

(Sub 21)

/ 10-27-97

J

**J. E. SCHULTZ
P.O. BOX 183
EAGLE, CO 81631**



RE: Finance Docket 32760 Sub. 21

October 16, 1997

**Vernon Williams, Secretary
Surface Transportation Board
1925 K. Street N.W., Room 700
Washington D.C. 20423**

Dear Sir:

I am a Locomotive Engineer employed by Union Pacific Railroad. My current location is Minturn, Colorado, where I have been employed for the past eighteen years in helper service on the Tennessee Pass line.

This letter is to inform you that the Union Pacific Railroad is ignoring the Surface Transportation Board mandate of the employee protective conditions contained in the Oregon Short Line Agreement Goshen 360 I.C.C. 91 (1979). The Engineers and Conductors have been adversely affected by the Union Pacific Railroad transactions and of this date have been denied the dismissal allowance and separation allowance set forth by the Oregon Short Line Agreement. The Union Pacific Railroad will not even recognize that the Engineers and Conductors of Minturn, Colorado are covered by the Oregon Short Line. What good is a government mandate if the Union Pacific Railroad chooses to ignore it?

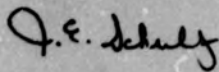
On August 23, 1997 Union Pacific Railroad stopped running through freight on the Tennessee Pass Line. At that time my engineer position was eliminated. I am enclosing the notices which were posted in Minturn, Colorado. I am also enclosing a letter I received from the head of Labor Relations that states the Notices in Minturn were incorrect and were superseded by Notice 18-W. Notice 18-W was never posted in

Minturn, Union Pacific is in violation of the 90 day posting. This notice, which I have enclosed, does not even include Minturn, Colorado or the Tennessee Pass Line.

On 10/10/97 I received a letter (enclosed) from the Director of Crew Management stating I will be fired if I do not exercise my seniority.

It is my opinion that Union Pacific Railroad is not honoring the Surface Transportation Board mandate. Your urgent response in regard to this issue would be greatly appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. E. Schultz".

J. E. Schultz

August 29, 1996

Notice 13W-BLE

MR C L JAMES
GENERAL CHAIRMAN BLE
P O BOX 7443
294 SIFFORD COURT
PUEBLO WEST CO 81007

Dear Sir:

The U.S. Department of Transportation, Surface Transportation Board ("STB") approved the merger of the Union Pacific Corporation ("UPC"), Union Pacific Railroad Company/Missouri Pacific Railroad Company (collectively referred to as "UP") and Southern Pacific Rail Corporation, Southern Pacific Transportation Company ("SPT"), St. Louis Southwestern Railway Company ("SSW"), SPCSL Corp., and the Denver & Rio Grande Western Railroad Company ("DRGW") (collectively referred to as "SP") in Finance Docket No. 32760. As part of the merger application and approval, Union Pacific/Southern Pacific was authorized to abandon a portion of SP's Tennessee Pass mainline from Malta, Colorado at M.P. 271.0 to Canon City, Colorado at M.P. 162.0, a total of 109 miles.

In approving this abandonment, the Surface Transportation Board imposed the employee protection conditions set forth in Oregon Short Line Railroad - Abandonment Goshen, 360 I.C.C. 91, (1979). Should any employees be adversely affected by this transaction, they will be entitled to the protection imposed. Notices similar to the attached will be posted at locations accessible to interested employees as information and in compliance with the notice provisions of Oregon Short Line protective conditions. Accordingly, pursuant to Carrier's letter dated August 29, 1996, this transaction will be discussed during merger negotiations.

Sincerely,

W. E. Loomis
W. E. Loomis *WEL*
Director-Labor Relations

Attachment #1, Page 2

NOTICE

THE SURFACE TRANSPORTATION BOARD APPROVED THE MERGER OF UNION PACIFIC AND SOUTHERN PACIFIC IN FINANCE DOCKET 32760. AS PART OF THE MERGER APPLICATION AND APPROVAL, UP/SP WAS AUTHORIZED TO ABANDON A PORTION OF SP'S TENNESSEE PASS MAINLINE FROM MALTA, COLORADO AT M.P. 271.0 TO CANON CITY, COLORADO AT M.P. 162.0, A TOTAL OF 109 MILES.

IN APPROVING THIS ABANDONMENT, THE SURFACE TRANSPORTATION BOARD IMPOSED THE EMPLOYEE PROTECTIVE CONDITIONS SET FORTH IN OREGON SHORT LINE RAILROAD - ABANDONMENT GOSHEN, 360 I.C.C. 91, 1979.

Sept. 6, 1996

(DATE)

W. J. Holtzman Jr.

(SUPERINTENDENT)

August 29, 1996

Notice 12W-BLE

MR C L JAMES
GENERAL CHAIRMAN BLE
P O BOX 7443
294 SIFFORD COURT
PUEBLO WEST CO 81007

Dear Sir:

The U.S. Department of Transportation, Surface Transportation Board ("STB") approved the merger of the Union Pacific Corporation ("UPC"), Union Pacific Railroad Company/Missouri Pacific Railroad Company (collectively referred to as "UP") and Southern Pacific Rail Corporation, Southern Pacific Transportation Company ("SPT"), St. Louis Southwestern Railway Company ("SSW"), SPCSL Corp., and the Denver & Rio Grande Western Railroad Company ("DRGW") (collectively referred to as "SP") in Finance Docket No. 32760. As part of the merger application and approval, Union Pacific/Southern Pacific was authorized to abandon a portion of SP's Tennessee Pass mainline from Sage, Colorado at M.P. 335.0 to Malta, Colorado at M.P. 271.0 to Leadville, Colorado at M.P. 276.1 for a total of 69.1 miles.

In approving this abandonment, the Surface Transportation Board imposed the employee protection conditions set forth in Oregon Short Line Railroad - Abandonment Goshen, 360 I.C.C. 91, (1979). Should any employees be adversely affected by this transaction, they will be entitled to the protection imposed. Notices similar to the attached will be posted at locations accessible to interested employees as information and in compliance with the notice provisions of Oregon Short Line protective conditions. Accordingly, pursuant to Carrier's letter dated August 29, 1996, this transaction will be discussed during merger negotiations.

Sincerely,

W. E. Loomis
W. E. Loomis *DL*
Director-Labor Relations

NOTICE

THE SURFACE TRANSPORTATION BOARD APPROVED THE MERGER OF UNION PACIFIC AND SOUTHERN PACIFIC IN FINANCE DOCKET 32760. AS PART OF THE MERGER APPLICATION AND APPROVAL, UP/SP WAS AUTHORIZED TO ABANDON A PORTION OF SP'S TENNESSEE PASS MAINLINE FROM SAGE, COLORADO AT M.P. 335.0 TO MALTA, COLORADO AT M.P. 271.0 TO LEADVILLE, COLORADO AT M.P. 276.1 FOR A TOTAL OF 69.1 MILES.

IN APPROVING THIS ABANDONMENT, THE SURFACE TRANSPORTATION BOARD IMPOSED THE EMPLOYEE PROTECTIVE CONDITIONS SET FORTH IN OREGON SHORT LINE RAILROAD - ABANDONMENT GOSHEN, 360 I.C.C. 91, 1979.

Sept 6, 1996
(DATE)

W. J. Holtzman Jr.
(SUPERINTENDENT)

UNION PACIFIC RAILROAD COMPANY



1418 DODGE STREET
OMAHA, NEBRASKA 68179

September 20, 1996
18W-BLE

Mr. D.E. Penning
General Chairman BLE
12531 Missouri Bottom Road
Hazelwood MO 63042

Mr. M.A. Young
General Chairman BLE
1620 Central Ave #201
Cheyenne WY 82001

Mr. C.L. James
General Chairman BLE
PO Box 7443
294 Sifford Court
Pueblo West CO 81007

Gentlemen:

The U.S. Department of Transportation, Surface Transportation Board (STB), approved in Finance Docket 32760 the common control and merger of the rail carriers controlled by Union Pacific Corporation (Union Pacific Railroad and Missouri Pacific Railroad), collectively referred to as "UP" and the rail carriers controlled by Southern Pacific Corporation (Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corporation, and the Denver and Rio Grande Western Railroad Company), collectively referred to as "SP". The STB in its approval of the aforesaid Finance Docket has imposed the employee protective conditions set forth in New York Docket 360 ICC 60.

Therefore, pursuant to Section 4 of New York Docket, notice is hereby given to implement that portion of the merger transaction which is set forth in Exhibit "A", attached. As you will note from reviewing the Exhibit, this merger transaction will affect employees, work and work locations and will obviously require the consolidation of employees under a single collective bargaining agreement.

Notice

**TO ALL TRAIN, ENGINE AND YARD SERVICE EMPLOYEES WORKING
ON THE TERRITORIES:**

UNION PACIFIC

- DENVER TO OAKLEY INCLUDING OAKLEY**
- DENVER TO CHEYENNE NOT INCLUDING
CHEYENNE**
- PUEBLO TO HORACE**
- DENVER TERMINAL**

SOUTHERN PACIFIC

- DENVER TO AND INCLUDING GRAND
JUNCTION**
- GRAND JUNCTION TO MONTROSE AND OLIVER**
- PUEBLO TO DALHART NOT INCLUDING
DALHART BUT INCLUDING PUEBLO, TO
SOUTH FORK, TO DOTSERO AND TO DENVER**
- DENVER TERMINAL**

**(THE ABOVE INCLUDES ALL MAIN AND BRANCH LINES, INDUSTRIAL LEADS AND
STATIONS BETWEEN THE POINTS IDENTIFIED)**

**WHO ARE REPRESENTED BY THE
BROTHERHOOD OF LOCOMOTIVE ENGINEERS
OR THE
UNITED TRANSPORTATION UNION**

The U.S. Department of Transportation, Surface Transportation Board (STB), in Finance Docket No. 32760, has approved the merger of the Union Pacific Railroad Company/Missouri Pacific Railroad Company (collectively referred to as "UP") with the Southern Pacific Transportation Company, the SPCSL, Corp., the St. Louis-Southwestern Railway Company and the Denver and Rio Grande Western Railroad Company (collectively referred to as "SP").

UNION PACIFIC

1416 Dodge St. WT008

Omaha, NE 68179

402-997-3500

Fax: 402-997-3351

October 7, 1997

Certified Mail - Return Receipt Requested

Mr. J. E. Schultz
Box 183
Eagle, CO 81631

RE: Displacement

Mr. Schultz,

It has come to my attention that you have not made a seniority move since the job changes at Minturn, Co. on August 23, 1997. Under the current agreement you were required to place yourself within 15 days. Since the matter has just come to my attention I will allow you ten (10) days to place yourself or until 12:01 a.m., Saturday, October 18, 1997.

Should you fail to protect your seniority I will have no choice but to terminate your seniority and remove your name from all seniority list.

Robert S. Ferrell

Robert S. Ferrell
Director CMS Central Region

L. A. LAMBERT
GENERAL DIRECTOR-
LABOR RELATIONS-OPERATING-NORTH

UNION PACIFIC RAILROAD COMPANY

1416 DODGE STREET
OMAHA, NEBRASKA 68179-0001
(402) 271-3796



September 15, 1997

W110.61-8

MR J E SCHULTZ
P.O. BOX 183
EAGLE CO 81631

Dear Mr. Schultz:

This refers to your letter of August 25, 1997, in which you state you will "accept a buy-out \$120,000 plus all accrued vacation and personal leave days for 1997/1998, and waive all rights to take legal action against Union Pacific Railroad".

Your letter is based on the mistaken belief that portions of the Tennessee Pass mainline were abandoned, citing two notices issued August 29, 1996. These notices were incorrect and superseded by Notice 18W dated September 20, 1996 addressed to the UTU and BLE General Chairmen involved, which stated only that there would be a "cessation of service on portions of that line." The Surface Transportation Board, in approving the overall UP/SP Merger had denied the authority to abandon the Tennessee Pass "until applicants demonstrate that the overhead traffic over the Tennessee Pass line has been successfully rerouted." The earlier notices were in error.

The employees working over the Tennessee Pass line territory, and all other employees in the Denver area were merged into the Denver Hub Merged Roster. You are one of those employees and as a result are entitled to exercise your seniority in this hub. If relocation is necessary, you are entitled to moving benefits as explained in the Merger Agreement. You have not been deprived of employment by the merger and are therefore not entitled to a "dismissal allowance" under New York Dock protective conditions 360 ICC 60.

Your threat of legal action is without foundation both in fact and in law and your proffer of settlement is of course denied. Under New York Dock protective provisions disputes are specifically referable to arbitration, not to individual lawsuits. If you have further questions, Carrier suggests contacting your union General Chairman.

Yours truly,

A handwritten signature in dark ink, appearing to read 'L. A. Lambert', with a long, sweeping horizontal stroke extending to the right.

L A LAMBERT

STB

FD

32760

(Sub 21)

9-16-97

Jl



united transportation union

CALIFORNIA LEGISLATIVE BOARD, AFL - CIO

1005 - 12th STREET, SUITE 4 • SACRAMENTO, CALIFORNIA 95814-3820 • (916) 441-2051 • FAX (916) 441-2054

September 10, 1997

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



FD-32760
Sub 21

Dear Mr. Williams:

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

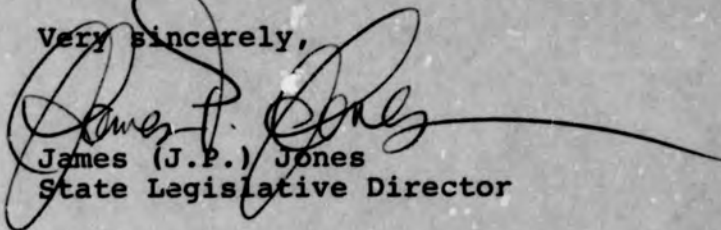
Prior to the approval of the merger, all interchange between UPRR and SPTC, in the greater Southern California area, was done at West Colton, California. This was accomplished by movements West Colton to Yermo and visa versa by UPRR operating crews. Now all of the UPRR traffic for Los Angeles is interchanged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

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

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

I shall await your reply to this request.

Very sincerely,


James (J.P.) Jones
State Legislative Director

JPJ/lw

STB FD-32760 (SUB 21) ID-180799 7-25-97 J

186 799

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

J

MAIN TELEPHONE
202-463-2000
MAIN FAX
202-861-0473

KELLEY E. O'BRIEN
202-778-0607

July 25, 1997



VIA HAND DELIVERY

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

Re: Finance Docket No. 32760 (Sub.-No.21), Union
Pacific Corp., et al.-- Control & Merger--Southern
Pacific Rail Corp., et al. (Oversight)

Dear Secretary Williams:

Enclosed for filing in the above-captioned docket are the original and twenty-five (25) copies of a letter that was served on all parties of record.

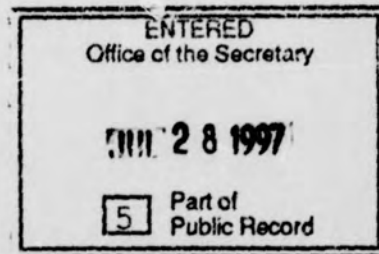
I would appreciate it if you would date-stamp the enclosed extra copy and return it to the messenger for our files.

Sincerely,

Kelley E. O'Brien
Kelley E. O'Brien

Enclosures

cc: All Parties of Record



180799

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

ERIKA Z. JONES

DIRECT DIAL (202) 778-0642

ejones@mayerbrown.com

MAIN TELEPHONE
202-463-2000

MAIN FAX
202-661-0473

July 25, 1997



To All Parties of Record:

Re: Finance Docket No. 32760 (Sub.-No. 21), Union Pacific Corp., *et al.* --
Control & Merger -- Southern Pacific Rail Corp., *et al.* (Oversight)

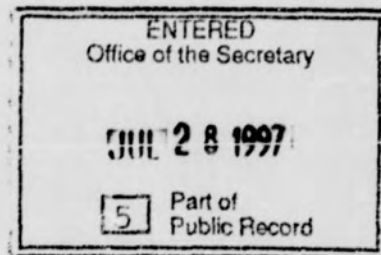
On behalf of The Burlington Northern and Santa Fe Railway Company, we request that, if you will be making an August 1 filing, you arrange for us to receive a copy on or before August 1, through hand delivery or other means. In return for this courtesy, we will hand deliver copies of our August 1 filing to any party upon request. Please direct such requests to Kelley O'Brien at (202) 778-0607.

Thank you for your cooperation and assistance.

Sincerely,

Erika Z. Jones

cc: Hon. Vernon A. Williams



STB FD-32760 (SUB 21) ID-180775 7-24-97 J

180775

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

TELEPHONE 202 662-6000

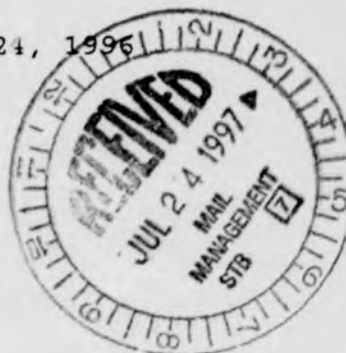
FACSIMILE 202 662-6291

ENTERED
Office of the Secretary

JUL 25 1997

5 Part of
Public Record

July 24, 1997



ARVID E. ROACH II

DIRECT DIAL NUMBER

202 662-5388

DIRECT FACSIMILE

202 778-5388

LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE 44 (71) 495-5655

FACSIMILE 44 (71) 495-3101

BRUSSELS OFFICE

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE 32-2-549-5230

FACSIMILE 32-2-502-1598

BY HAND

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

Re: Finance Docket No. 32760 (Sub-No. 21), Union
Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. (Oversight)

Dear Secretary Williams:

We are in receipt of a July 22, 1997 letter on behalf of the National Industrial Transportation League and several other parties requesting a two-week extension of the August 1 deadline for their submission of comments in this oversight proceeding.^{1/}

This request for a delay is completely unwarranted. The Board provided all parties with 12 weeks' notice of the August 1 deadline. See UP/SP Oversight, Decision No. 1, served May 7, 1997. This gave all parties more than enough time to develop their comments or to provide a more timely explanation of any need for more time.

Applicants have taken every possible step to cooperate with parties and provide them with any information necessary to participate in these proceedings. On July 1, Applicants filed and served (including service by hand on these parties' Washington counsel) a detailed report on the merger and condition implementation. On July 2, Applicants voluntarily responded (again with immediate service by hand) to 29 discovery requests propounded by the very same parties

^{1/} Applicants did not receive a copy of this letter until today, when it arrived by regular mail.

Hon. Vernon A. Williams
July 24, 1997
Page 2

who are now calling for additional time and placed additional responsive information in a document depository.

Applicants are unaware of any "ongoing process of obtaining information from the railroads" about merger implementation. Applicants have not received any follow-up discovery requests, and only two parties have even visited the document depository. KCS visited on July 14, two weeks after the depository was established. Tex Mex, the only other party to visit the depository, did not do so until July 22, three weeks after the depository was established. None of the other parties to the extension request has even inquired about the depository. And none the parties to the extension request has ever told Applicants that the information provided by the Applicants in their voluntary discovery responses and document depository was insufficient to allow them to file comments by August 1, or that they needed a single additional fact or document.

In its July 16 letter to the Board requesting an extension of time, USDA pointed to a very specific reason -- one beyond its control -- why it required a two week extension. The request by NIT League and the other parties to the July 22 extension request is very different. NIT League and the others do not point to any concrete reason why they need more time or say what they hope to accomplish in the additional time.^{2/} If anything, the fact that the only two parties to this request even to visit Applicants' document depository waited for weeks to do so suggests that their desire for an extension simply results from their prior lack of initiative.

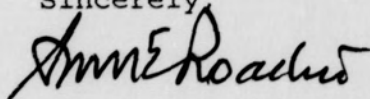
Applicants did not formally oppose USDA's request, but asked the Board to make clear that it would not freely grant extensions of time in these proceedings. And the Board did so, reiterating "the importance of adhering to any schedule adopted for this proceeding." UP/SP Oversight, Decision No. 5, served July 22, 1995, p. 1. Granting the present extension request would clearly be inconstant with the interests of all concerned, as recognized by Chairman Morgan,

^{2/} The fact that some of these parties may participate in USDA's field hearings does not explain why those parties cannot submit their own comments by August 1.

Hon. Vernon A. Williams
July 24, 1997
Page 3

in concluding these proceedings "in a timely and efficient manner." Decision No. 1, served May 7, 1997, p. 9.

Sincerely,

A handwritten signature in dark ink, appearing to read "Arvid E. Roach II". The signature is fluid and cursive, with the first name "Arvid" being more prominent.

Arvid E. Roach II

Attorney for Union Pacific
Corporation, Union Pacific
Railroad Company, Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company and St. Louis
Southwestern Railway Company

cc: All Parties of Record

STB

FD-32760 (SUB 21)

7-24-97 J

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6200

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT FACSIMILE

(202) 778-5288

LECONFIELD HOUSE
CURZON STREET
LONDON W1V 6AS
ENGLAND

TELEPHONE: 44-01-495-8888
FACSIMILE: 44-01-495-3101

BRUSSELS OFFICE
KUNSTLAAN 44 AVENUE DES ARTS
BRUSSELS 1040 BELGIUM
TELEPHONE: 32-2-548-8230
FACSIMILE: 32-2-508-1888



July 22, 1997

To All Parties of Record:

Re: Finance Docket No. 32760 (Sub-No. 21), Union
Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. (Oversight)

In light of the very limited time that Applicants
have to respond to parties' August 1 filings in the above-
captioned matter, we ask that, if you will be making a filing,
you arrange, through hand delivery or other means, for us to
receive three copies on Friday, August 1.

In addition, we ask that you serve three copies each
on:

James V. Dolan, Esq.
Paul A. Conley, Jr., Esq.
Louise A. Rinn, Esq.
Law Department
Union Pacific Railroad Company
Southern Pacific Transportation
Company
1416 Dodge Street
Omaha, NE 68179

Carl W. Von Bernuth, Esq.
Richard J. Ressler, Esq.
Union Pacific Corporation
Martin Tower
Eighth and Eaton Avenues
Bethlehem, PA 18018

Thank you for your cooperation.

Sincerely,

Arvid E. Roach II

cc: Hon. Vernon A. Williams

STB FD-32760 (SUB 21) ID-180691 7-18-97 J

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE (202) 662-6291

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT FACSIMILE

(202) 778-5388

July 18, 1996

LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE 44-171-495-5655

FACSIMILE 44-171-495-3101

BRUSSELS OFFICE

MUNSTLAAN 44 AVENUE DES ARTS

1050 BRUSSELS 1040 BELGIUM

TELEPHONE 32-2-546-5230

FACSIMILE 32-2-546-5230



BY HAND

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

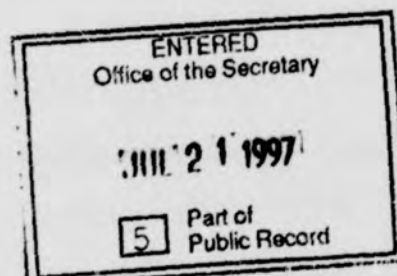
Re: Finance Docket No. 32760 (Sub-No. 21), Union
Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. (Oversight)

Dear Secretary Williams:

We are in receipt of USDA's July 16, 1997 letter requesting a two-week extension of the August 1 deadline for its submission of comments in this oversight proceeding.

Applicants believe that USDA's showing of need is marginal. The Board provided all parties with three months' notice of the August 1 deadline, which should have given parties more than sufficient time to develop their comments, or to provide a more timely explanation of their need for more time.

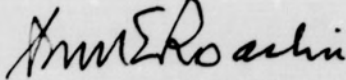
While Applicants will not formally oppose USDA's request -- provided that Board grants Applicants an additional two weeks to respond to any comments that USDA files -- it is Applicants' hope that the Board will make clear that it will not freely grant extensions of time in these proceedings. Such extensions would be inconsistent with the interests of all concerned, as recognized by Chairman Morgan, in concluding



Hon. Vernon A. Williams
July 18, 1997
Page 2

these proceedings "in a timely and efficient manner."
Decision No. 1, served May 7, 1997, p. 9.

Sincerely,



Arvid E. Roach II

Attorney for Union Pacific
Corporation, Union Pacific
Railroad Company, Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company and St. Louis
Southwestern Railway Company

cc: All Parties of Record

STB

FD

32760

(Sub 21)

6-26-97

J

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT FACSIMILE

(202) 778-5388

June 26, 1997

LECONFIELD HOUSE

CURZON STREET

LONDON W1Y 8AS

ENGLAND

TELEPHONE: 44-(71)-495-5855

FACSIMILE: 44-(71)-495-3101

BRUSSELS OFFICE

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-549-5230

FACSIMILE: 32-2-502-1598

BY FACSIMILE

William A. Mullins, Esq.
Troutman Sanders
Suite 640 - North Building
601 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2994

Nicholas J. DiMichael, Esq.
Donelan, Cleary, Wood & Maser, P.C.
Suite 750
1100 New York Avenue, N.W.
Washington, D.C. 20005-3934



Re: Finance Docket No. 32760 (Sub-No. 21) Union
Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. (Oversight)

Dear Bill and Nick:

This will clarify one point in my letter of June 20. In light of Instruction 8 in the "Consolidated Information and Discovery Requests to Union Pacific" that you served on June 17 in the above-referenced proceeding, we understand that all of the information that the primary applicants produce to the parties submitting the Consolidated Requests will be subject to the protective order that was in effect during the merger case. If our understanding is incorrect, please let us know.

Sincerely,

Arvid E. Roach II

Arvid E. Roach II

cc (by hand): Hon. Vernon A. Williams

ST'B

FD-32760 (SUB21)

6-13-97

J



June 9, 1997

Secretary of Commission
Surface Transportation Board
1925 K Street NW, Room 714
Washington, DC 20423-0001

Dear Secretary of Commission:

The Pacific NorthWest Economic Region (PNWER) desires to participate in the proceedings regarding the competitive conditions concerning trackage rights since the mergers of the Union Pacific/Southern Pacific and Burlington Northern/Sante Fe railway companies. PNWER requests an extension to notify the Board of our intent to comment. Our organization did not become aware of the May 27, 1997 deadline for filing notices of intent until after that deadline had past.

This region is the most trade dependent region in North America, as such, it is critically dependent on access to competitive freight rail transportation. The success of our economy, especially international port gateways, is directly linked to transportation infrastructure. If you require further information, contact me directly at (206) 389-3226 or by electronic mail, davids@pnwer.org.

PNWER is a statutory public/private partnership of the American states of Washington, Oregon, Idaho, Montana and Alaska, and the Canadian provinces of Alberta and British Columbia. With a combined population of almost 18 million people and a annual gross domestic product in excess of \$350 billion, this region represents the 10th largest economy in the world. Competitive freight transportation is critical to our continued success.

Sincerely,

David W. Sherrod, Director
Trade & Transportation, PNWER

Copy: Senator Murray
Congressman Metcalf
Dick Clairmont, FRA NW Region

dws/CTG/STB-FRA ltr June 9

PNWER, First Interstate Center, 999 3rd Avenue, Suite 1060, Seattle, WA 98104
Tel: (206) 464-7298 / Fax: (206) 464-6859 / Email: pnwer@pnwer.org / Internet: www.pnwer.org

STB

FD-32760 (SUB 21)

6-12-97

J



Pacific NorthWest Economic Region

June 9, 1997

Secretary of Commission
Surface Transportation Board
1925 K Street NW, Room 714
Washington, DC 20423-0001

Dear Secretary of Commission:

The Pacific NorthWest Economic Region (PNWER) desires to participate in the proceedings regarding the competitive conditions concerning trackage rights since the mergers of the Union Pacific/Southern Pacific and Burlington Northern/Sante Fe railway companies. PNWER requests an extension to notify the Board of our intent to comment. Our organization did not become aware of the May 27, 1997 deadline for filing notices of intent until after that deadline had past.

This region is the most trade dependent region in North America, as such, it is critically dependent on access to competitive freight rail transportation. The success of our economy, especially international port gateways, is directly linked to transportation infrastructure. If you require further information, contact me directly at (206) 389-3226 or by electronic mail, davids@pnwer.org.

PNWER is a statutory public/private partnership of the American states of Washington, Oregon, Idaho, Montana and Alaska, and the Canadian provinces of Alberta and British Columbia. With a combined population of almost 18 million people and a annual gross domestic product in excess of \$350 billion, this region represents the 10th largest economy in the world. Competitive freight transportation is critical to our continued success.

Sincerely,

David W. Sherrod, Director
Trade & Transportation, PNWER

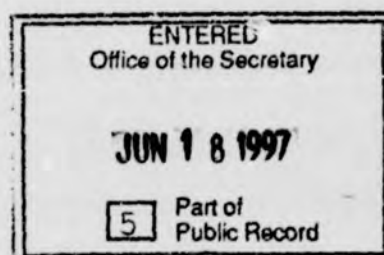
Copy: Senator Murray
Congressman Metcalf
Dick Clairmont, FRA NW Region

dws/CTG/STB-FRA ltr June 9

PNWER, First Interstate Center, 999 3rd Avenue, Suite 1060, Seattle, WA 98104
Tel: (206) 464-7298 / Fax: (206) 464-6859 / Email: pnwer@pnwer.org / Internet: www.pnwer.org



FD32760 SUB 21



STB

FD

32760

(Sub 21)

5-27-97

J

GREATER HOUSTON PORT BUREAU, INC.

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 19, 1997

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423



Dear Mr. Williams:

Re: Decision No. 1, STB Finance Docket No. 32760, Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company - - Control and Merger - - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company.

Reference the above-styled proceeding, the Surface Transportation Board ("Board") has issued notice that it is initiating an oversight proceeding and is requesting that persons intending to participate notify the Board of their intent by May 27.

The Greater Houston Port Bureau, Inc. is comprised of members engaged in all facets of intrastate, interstate, and international commerce. Many members are significant users of rail transportation and, therefore, have a direct and substantial interest in the instant proceeding.

We, therefore, request that the undersigned be included on the Board's service list.

Thank you for your attention to our request.

Sincerely yours,

John D. Burke
Executive Vice President
Registered Practitioner

JUN 12 1997

ADD TO SERVICE LIST ONLY

JDB/clc

STB FD-32760 (SUB 21) ID-181542 8-27-97 J



181542

PORT OF OAKLAND

August 13, 1997

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 "K" Street, NW
Washington, D.C. 20423-0001



Re: Finance Docket # 32760 (Sub. No.21)

Dear Secretary Williams:

We understand that the Surface Transportation Board is reviewing the effects of the merger of Union Pacific Railroad with Southern Pacific Transportation and wish to provide our observations and to advise you of our plans.

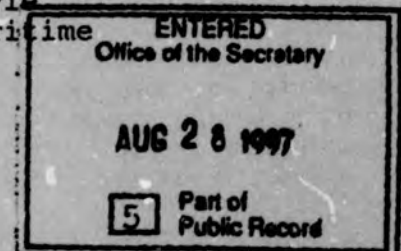
Rail service to the Port of Oakland has continued to be adequate since the merger. Intermodal business at the Port of Oakland continues to be served by BNSF through their intermodal terminal in Richmond, California. Our ocean carrier customers have continued to urge us to renew our efforts to establish a Joint Intermodal Terminal (JIT) to provide service from both railroads. Currently, we are in final planning of a Phase I JIT which will bring BNSF service directly into the Port. The Union Pacific is cooperating in this effort and BNSF will be using trackage rights gained in the merger. We expect that this will result in a very positive effect on international shipments through our Port via BNSF.

Union Pacific has and continues to cooperate with us as we move forward with the development of the JIT, which is in accordance with the understanding reached at the time of the merger.

Sincerely,

Raymond A. Boyle
Acting Director Maritime

cc: All parties of record



STB

FD-32760 (SUB21)

/ 8-25-97

J

MAN of N.Y.
W.R. NYKORCHUCK & CO., INC.
P.O. BOX 677
ALBANY, NEW YORK 12201
TELEPHONE 518-432-0992
FAX 518-432-0995



Secretary of the Board
Surface Transportation Board
1925 K Street N.W. Room 700
Washington, D.C. 20423

Re: FD #32760 Sub 21 & Oversight Proceeding Open to Public Comments.

We originally wrote this letter on August 7th but decided to allow the UP-SP Railroad some time to respond, but our last conversation was on August 12th with Bill Eilbracht. UP's buy out of the the SP Railroad is antitrust, anticompetitive and an egregious attempt to control the free market pricing and movement of rail cars.

July 11, 1997 we ordered two rail cars of Delmonte Catsup to be shipped Rule 11 under the following routing provided by the UP-SP Railroad:

Ca. to Chicago	SP-L0072109	MET-SSWN-0003
" " " "	"	SP-SSWN-0006
" " " "	"	STE-SSW-0001
Chicago to Albany	APD	CPRS-D-28653

Delmonte ordered the first rail in for loading under the above quotation and the car was placed by the MET, loaded and released to the MET by Delmonte. The MET Railroad then advised Delmonte that they had improper routing and would not pull the car. Delmonte then contacted Larry Maday their UP-SP representative and were told that the rate would probably not be honored and that we would be quoted a circular rate, but no one contacted us. When this happened we contacted Paul Graham in your enforcement division for assistance and within a very short time period Jack Philips from the UP-SP Railroad contacted us. Mr. Philips and I worked out an arrangement where he would protect our two movements at the rate in the above quotation and would continue that rate on UP-SP car originations and increase the rate \$250.00 per car when originating on a short line railroad and he would have his assistant contact me to finalize the deal. Gary Plata from the UP-SP did contact us a short time later and had no knowledge of the arrangement made with Mr. Philips and told me they could not do the deal. I told him to go back to Mr. Philips and verify the arrangement and call me back when he had all the information. Mr. Plata did call back and told me that all was on hold until Monday, August 11th when Bill Eilbracht would be back.

It was obvious that a bait and switch ploy was used by the UP-SP to solve only the immediate loaded box car problem and that they were not negotiating in good faith for an ongoing relationship, so we ended up canceling both orders.

We would be glad to make available our quotations with the UP and SP railroads, that go back over three years, as evidence of their unwillingness today, to quote competitive rates or even quote rates. There is nothing unusual in our attempt to do business with this railroad, the economies of scale produced by the merger of these two railroads should have produced lower than ever prices, certainly lower than the levels at which we were willing to do business.

It is our opinion that this merger is an attempt to control and raise prices and should not be allowed to continue.

Sincerely,

William R. Nykorchuck

cc: Bill Eilbracht, UP-SP Railroad

STB

FD

32760

(Sub 21)

8-22-97

J



PORT OF OAKLAND

August 13, 1997



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 "K" Street, NW
Washington, D.C. 20423-0001

Re: Finance Docket # 32760 (Sub. No.21)

Dear Secretary Williams:

We understand that the Surface Transportation Board is reviewing the effects of the merger of Union Pacific Railroad with Southern Pacific Transportation and wish to provide our observations and to advise you of our plans.

Rail service to the Port of Oakland has continued to be adequate since the merger. Intermodal business at the Port of Oakland continues to be served by BNSF through their intermodal terminal in Richmond, California. Our ocean carrier customers have continued to urge us to renew our efforts to establish a Joint Intermodal Terminal (JIT) to provide service from both railroads. Currently, we are in final planning of a Phase I JIT which will bring BNSF service directly into the Port. The Union Pacific is cooperating in this effort and BNSF will be using trackage rights gained in the merger. We expect that this will result in a very positive effect on international shipments through our Port via BNSF.

Union Pacific has and continues to cooperate with us as we move forward with the development of the JIT, which is in accordance with the understanding reached at the time of the merger.

Sincerely,

Raymond A. Boyle
Acting Director Maritime

cc: All parties of record

STB

FD

32760

(Sub 21)

8-20-97

J

MAN of N.Y.

W.R. NYKORCHUCK & CO. INC.

P.O. BOX 677

ALBANY, NEW YORK 12201

TELEPHONE 518-432-0992

FAX 518-432-0995

Secretary of the Board
Surface Transportation Board
1925 K Street N.W. Room 700
Washington, D.C. 20423

Re: FD #32760 Sub 21 & Oversight Proceeding Open to Public Comments.

We originally wrote this letter on August 7th but decided to allow the UP-SP Railroad some time to respond, but our last conversation was on August 12th with Bill Eilbracht. UP's buy out of the the SP Railroad is antitrust, anticompetitive and an egregious attempt to control the free market pricing and movement of rail cars.

July 11, 1997 we ordered two rail cars of Delmonte Catsup to be shipped Rule 11 under the following routing provided by the UP-SP Railroad:

Ca. to Chicago	SP-L0072109	MET-SSWN-0003
" " " " "		SP-SSWN-0006
" " " " "		STE-SSW-0001
Chicago to Albany	APD	CPRS-D-28653

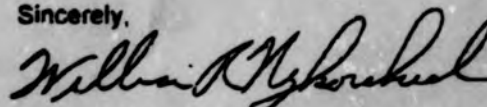
Delmonte ordered the first rail in for loading under the above quotation and the car was placed by the MET, loaded and released to the MET by Delmonte. The MET Railroad then advised Delmonte that they had improper routing and would not pull the car. Delmonte then contacted Larry Maday their UP-SP representative and were told that the rate would probably not be honored and that we would be quoted a circular rate, but no one contacted us. When this happened we contacted Paul Graham in your enforcement division for assistance and within a very short time period Jack Philips from the UP-SP Railroad contacted us. Mr. Philips and I worked out an arrangement where he would protect our two movements at the rate in the above quotation and would continue that rate on UP-SP car originations and increase the rate \$250.00 per car when originating on a short line railroad and he would have his assistant contact me to finalize the deal. Gary Plata from the UP-SP did contact us a short time later and had no knowledge of the arrangement made with Mr. Philips and told me they could not do the deal. I told him to go back to Mr. Philips and verify the arrangement and call me back when he had all the information. Mr. Plata did call back and told me that all was on hold until Monday, August 11th when Bill Eilbracht would be back.

It was obvious that a bait and switch ploy was used by the UP-SP to solve only the immediate loaded box car problem and that they were not negotiating in good faith for an ongoing relationship, so we ended up canceling both orders.

We would be glad to make available our quotations with the UP and SP railroads, that go back over three years, as evidence of their unwillingness today, to quote competitive rates or even quote rates. There is nothing unusual in our attempt to do business with this railroad, the economies of scale produced by the merger of these two railroads should have produced lower than ever prices, certainly lower than the levels at which we were willing to do business.

It is our opinion that this merger is an attempt to control and raise prices and should not be allowed to continue.

Sincerely,



William R. Nykorchuck

cc: Bill Eilbracht, UP-SP Railroad

STB

FD-32760 (SUB 21)

8-18-97

J

DONELAN, CLEARY, WOOD & MASER, P.C.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 750

1100 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-3934

OFFICE: (202) 371-9500

TELECOPIER: (202) 371-0900

August 14, 1997

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



Re: Finance Docket No. 32760 (Sub. No. 21)

Dear Erika:

This is in response to your letter of August 11, 1997, and confirms that, on behalf of the consolidated group, the tapes that you have supplied us, and the tapes that you will be supplying us, will be treated as "Highly Confidential" and that the production of these tapes satisfies the pending information requests.

Sincerely,

Nicholas J. DiMichael
Nicholas J. DiMichael

cc: Secretary Williams
STB

STB

FD-32760 (SUB 21)

8-13-97 J

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

ERIKA Z. JONES

DIRECT DIAL (202) 778-0842
ejones@mayerbrown.com

MAIN TELEPHONE
202-463-2000
MAIN FAX
202-661-0473

August 13, 1997

BY HAND DELIVERY

Frederic L. Wood, Esq.
Donelan, Cleary, Wood & Maser, P.C.
Suite 750
1100 New York Avenue, N.W.
Washington, D.C. 20005-3934



Re: Finance Docket No. 32760 (Su: No. 21)

Dear Rick:

Enclosed please find one set of cartridges reflecting BNSF traffic tape data from the first half of 1997. The record layout for these tapes is the same as that attached to my August 11, 1997 letter accompanying the 1995 and 1996 cartridges.

As indicated in my August 11 letter, should you or other members of the consolidated group that developed the discovery requests desire additional copies of the BNSF traffic tapes, arrangements for additional copies can be made by contacting Al Carlson at Klick, Kent & Allen, 703-683-1120. We are willing to make copies of the traffic tapes available to any participant in the oversight proceeding, subject to the classification of the tapes as Highly Confidential under the protective order governing this proceeding.

I continue to await confirmation that you agree, on behalf of the consolidated group, that the tapes will be treated as Highly Confidential and that the production of these tapes satisfies the pending information requests.

Sincerely,

Erika Z. Jones

Enclosures

cc: Secretary Williams
Surface Transportation Board

STB

FD

32760

(Sub 21)

8-13-97

J



Office of the Chairman

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

*Filed in
Docket
FD-32760
(Sub-21)*

August 13, 1997

Mr. Robert C. Freas
Sr. Vice President, Marketing
Franklin Industrial Minerals
612 Tenth Avenue, North
Nashville, TN 37203

179990

Re: STB Finance Docket No. 32760 (Sub-No. 21), Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company--Control and Merger--Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company [Oversight]

Dear Mr. Freas:

This responds to your letter regarding the difficulties your company has recently experienced with rail service provided by The Burlington Northern and Santa Fe Railway Company (BNSF). You note that, in connection with the common control of the "UP" rail carriers formerly controlled by Union Pacific Corporation and the "SP" rail carriers formerly controlled by Southern Pacific Rail Corporation, BNSF received extensive trackage rights over various UP/SP lines; and you indicate that BNSF's ability to provide service to "pre-existing" customers such as Franklin Industrial Minerals has been adversely impacted by BNSF's efforts to operate its new UP/SP trackage rights.

As you may know, by decision served May 7, 1997, in STB Finance Docket No. 32760 (Sub-No. 21), the Surface Transportation Board (Board) instituted a proceeding to implement the oversight condition it imposed when it approved UP/SP common control. The decision instituting the oversight proceeding, which was published in the Federal Register on May 7, 1997 (at 62 FR 25014), provided: that any person intending to participate in the oversight proceeding file a notice of intent to participate by May 27, 1997; and that any person wishing to file comments in the oversight proceeding file such comments by August 1, 1997, and serve such comments on all other persons who had previously filed notices of intent to participate. Numerous comments were filed by interested persons on August 1, 1997.

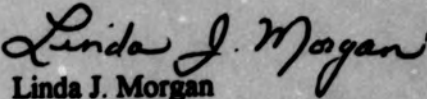
Because the oversight proceeding is now pending before the Board, I cannot discuss the specific merits of your criticism of BNSF's service to its "pre-existing" customers. I can assure you, however, that the Board will afford full consideration to all comments that have been filed in the oversight proceeding.

Mr. Robert C. Freas
Page 2

If you would like to receive a copy of any decision(s) issued by the Board in the oversight proceeding, I suggest that you make advance arrangements with the Board's copy contractor, DC News & Data, Inc. (DC News), to receive copies of any such decision(s). DC News will handle the collection of charges and the mailing and/or faxing of decisions to persons who request this service. The telephone number for DC News is: (202) 289-4357.

I am having your letter made a part of the public docket in the oversight proceeding. I appreciate your interest in this matter, and if I may be of further assistance, please do not hesitate to contact me.

Sincerely,


Linda J. Morgan

FRANKLIN INDUSTRIAL MINERALS



July 24, 1997

HEADQUARTERS
612 TENTH AVENUE, NORTH
NASHVILLE, TENNESSEE 37203
615-259-4227

Ms. Linda Morgan, Chairperson
Surface Transportation Board
Office of Congressional & External Affairs
1201 Constitution Ave., NW
Washington, DC 20423

RE: Finance Docket No. 32760
The Burlington Northern and Santa Fe Railroad Company Quarterly Progress Report

Dear Madame Chairperson:

I am writing to you in response to the above referenced filing, and would request that this letter be considered an addendum to the BNSF Quarterly Progress Report.

Franklin Industrial Minerals does not dispute the BNSF report, particularly in terms of their aggressive efforts to utilize trackage rights obtained as a result of the UP/SP merger. However, that effort and the success attained have been at the considerable expense of existing, non-trackage rights customers. This is true in terms of actual economic cost and in terms of a significant deterioration of rail service.

Franklin Industrial Minerals originates 4000 to 4500 cars per year on the Santa Fe, now the BNSF. Prior to the UP/SP merger, rail service on the newly merged BNSF was approximately the same as previously realized on the Santa Fe. However, subsequent service has progressively deteriorated to the point that we are now more than 200 cars behind on fulfilling customer orders. We have forfeited approximately 40,000 tons of product sales to our competition due to BNSF service failures and have had to shut down our plant twice due to non-service from the BNSF. Cars sit two and three days waiting to be pulled from our plant, and empties sit for as long as two weeks without being returned by the BNSF.

We have discussed this at length with the railroad and have gone to Fort Worth to meet face to face about their continued and increasing service failures. The answer we get consistently is - "We don't have power to pull your cars. Our engines have been diverted to service customers on our newly acquired UP/SP trackage." The Burlington Northern and Santa Fe both asked their customers for support when they proposed their merger and again when they solicited trackage rights on the UP/SP: most of us provided that requested support. Now, that support has come back to haunt us as the BNSF has at least partially, abandoned their existing customer base.

Additionally, they have added insults to injury by returning empties to us in large bunches and then charging demurrage when the cars are not loaded in 24 hours. We have always turned cars quickly and haven't received demurrage bills for several years. Unfortunately, we recently received one for \$23,000 that was a direct result of the BNSF inconsistent service and non-performance.

In conclusion, we don't object to the rail mergers which have taken place. What we do object to is having our ability to operate our business responsibly, negatively impacted by railroad service failures. It is

OFFICE OF
CHAIRMAN MORGAN

JUL 29 3 25 PM '97

RECEIVED
SURFACE TRANSPORTATION
BOARD

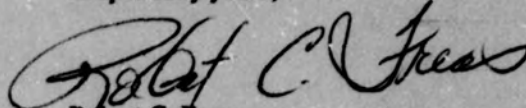
Ms. Linda Morgan, Chairperson

- 2 -

July 24, 1997

our firm belief that the BNSF, and any other merged rail system, must be required by the Surface Transportation Board to provide a level of service to pre-existing customers that is commensurate with that which they had prior to the merger irrespective of necessity to utilize trackage rights. If the potentially competing railroad, in this case the BNSF, does not have adequate power or equipment to immediately utilize new trackage rights, such as that acquired on the UP/SP merger, then the STB must provide adequate time for them to acquire that additional power. If that is not done then the resultant impact to preexisting customers can be disastrous as has been the case with Franklin.

Respectfully yours,



Robert C. Freas
Sr. Vice President, Marketing

RCF/adc
Enclosure

cc: Peter J. Rickershauser, VP Marketing UP/SP Lines

STB

FD-32760 (SUB 21)

8-11-97 J

MAYER, BROWN & PLATT

2000 PENNSYLVANIA AVENUE, N.W.

WASHINGTON, D.C. 20006-1882

ERIKA Z. JONES

DIRECT DIAL (202) 778-0642

ejones@mayerbrown.com



August 11, 1997

BY HAND DELIVERY

Frederic L. Wood, Esq.
Donelan, Cleary, Wood & Maser, P.C.
Suite 750
1100 New York Avenue, N.W.
Washington, D.C. 20005-3934

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

Dear Rick:

This letter confirms our recent discussions in response to your letter of July 21, 1997 regarding the "Consolidated Information and Discovery Requests" served by Bill Mullins of Troutman, Sanders on June 17, and to which we responded on July 2, 1997.

As you know, BNSF has been willing to cooperate informally with reasonable requests from shippers and others for information as part of the oversight process, although BNSF does not believe that formal discovery is authorized or appropriate at this stage of the proceeding. In our discussions, we agreed that, if BNSF produced traffic tapes from 1995 forward, which would include data fields substantially identical to those produced by BNSF during the UP/SP merger proceeding, the proponents of the consolidated discovery requests would consider the pending requests satisfied.

The purpose of this letter is to advise you that BNSF traffic tapes for 1995 and 1996 are now available, and one set of cartridges reflecting these data is enclosed with this letter. We expect that traffic tapes for the first half of 1997 will be available at the end of this week, and one set of cartridges reflecting that data will be forwarded to you as soon as they are available. The record layout for these tapes is attached to this letter for your information. Should you or other members of the consolidated group that developed the discovery requests desire additional copies of the BNSF traffic tapes, arrangements for additional copies can be made by contacting Al Carlson at Klick, Kent & Allen, 703-683-1120. While we are providing the enclosed cartridges (and the cartridges of 1997 traffic that we will forward to you at the end of this week)

Frederic L. Wood, Esq.
August 11, 1997
Page 2

at no charge, we will ask to be reimbursed for the costs of duplicating additional copies. We are willing to make copies of the traffic tapes available to any participant in the oversight proceeding, subject to the classification of the tapes as Highly Confidential under the protective order governing this proceeding.

We would appreciate knowing that you agree, on behalf of the consolidated group, that the tapes will be treated as Highly Confidential and that the production of these tapes satisfies the pending information requests.

Sincerely,

Erika Z. Jones ^{YEO}

Erika Z. Jones

Enclosures

cc: Secretary Williams
Surface Transportation Board

1995/1996 BNSF WAYBILL DATA

DSN = KKA001.UPSP.BNSF.YR9596.DATA

LRECL = 176

RECFM = FB

BLKSIZE = 32736

14,321,683 RECORDS

RECORD DESCRIPTION

	START	LENGTH	
ACCT YEAR	1	2	
ACCT MONTH	3	2	
WB NUMBER	5	6	
WB DATE	11	8	(yyyymmdd)
CAR INITIAL	19	4	
CAR NUMBER	23	10	
AAR CAR TYPE	33	4	
STCC	37	7	
ORIG RR	44	4	
ORIG FSAC	48	6	
RR FROM	54	4	
JCT ON FSAC	58	6	
RR TO	64	4	
JCT OFF FSAC	68	6	
TERM RR	74	4	
TERM FSAC	78	6	
IMPORT EXPORT CODE	84	2	
CARS	86	3	PACKED DECIMAL
TONS	89	6	PACKED DECIMAL
REV	95	6	PACKED DECIMAL
WAYBILL TYPE	101	1	
SHIPPER	102	26	
CONSIGNEE	128	26	
COMPANY CODE	154	1	B = BN, S = ATSF
FILLER	155	22	

STB

FD-32760 (SUB 21)

8-11-97 J

SLOVER & LOFTUS

ATTORNEYS AT LAW

1994 SEVENTEENTH STREET, N. W.

WASHINGTON, D. C. 20006

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

August 6, 1997

808 347-7170



VIA TELECOPIER

Ms. Ann K. Quinlan
Assistant Secretary
Surface Transportation Board
1925 K Street, N.W., Room 705
Washington, D.C. 20423-0001

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

Dear Ms. Quinlan:

By way of confirmation of our conversation this afternoon, the Comments recently filed under seal in the above-referenced proceeding by The Lower Colorado River Authority and the City of Austin, Texas (LCRA-8) and by The Empire District Electric Company (EDEC-03) were designated as including Confidential material, but in fact, included Highly Confidential material.

We understand, however, that the Board treats Confidential and Highly Confidential material in the same fashion, and that as a result, this mis-designation will not affect the handling of our filings.

Thank you for your assistance in this matter.

Sincerely,

Andrew B. Kolesar III

Andrew B. Kolesar III

STB FD-32760 (SUB 21) ID-181133 8-8-97 J

181133

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT FACSIMILE

(202) 778-5388

August 8, 1997

LECONFIELD HOUSE

CURSON STREET

LONDON W1T 6AS

ENGLAND

TELEPHONE: 44-01-495-8888

FACSIMILE: 44-01-495-3101

BRUSSELS OFFICE

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-549-5830

FACSIMILE: 32-2-708-1888

BY HAND

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



Re: Finance Docket No. 32760 (Sub-No. 21), Union
 Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. (Oversight)

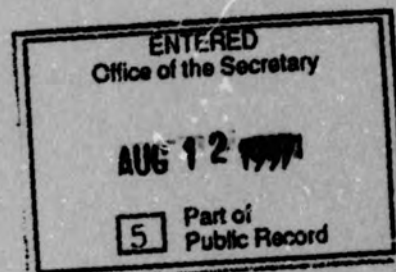
Dear Secretary Williams:

We are in receipt of the Joint Petition of The Burlington Northern and Santa Fe Railway Company and the Lower Colorado River Authority and the City of Austin for Enforcement of Merger Condition, filed August 6, 1997. We intend to respond to this petition on or before Wednesday, August 13.

Sincerely,

Arvid E. Roach II

cc: All Parties of Record



STB FD-32760 (SUB 21) ID-180900 8-1-97 J

180900

COVINGTON & BURLING

1201 PENNSYLVANIA AVENUE, N. W.

P.O. BOX 7566

WASHINGTON, D.C. 20044-7566

(202) 662-6000

FACSIMILE: (202) 662-6291

ARVID E. ROACH II

DIRECT DIAL NUMBER

(202) 662-5388

DIRECT FACSIMILE

(202) 778-5388

August 1, 1997

LONDON HOUSE

CURZON STREET

LONDON W1T 6AS

ENGLAND

TELEPHONE: 44-171-495-8885

FACSIMILE: 44-171-495-3101

BRUSSELS OFFICE

KUNSTLAAN 44 AVENUE DES ARTS

BRUSSELS 1040 BELGIUM

TELEPHONE: 32-2-549-9230

FACSIMILE: 32-2-549-1538



BY HAND

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

Re: Finance Docket No. 32760 (Sub-No. 21), Union
Pacific Corp., et al. -- Control & Merger --
Southern Pacific Rail Corp., et al. (Oversight)

Dear Secretary Williams:

We are in receipt of Oregon Department of Transportation's July 23, 1997 letter stating that it was not served with a copy of UP's July 1 filing and requesting a two-week extension of the August 1 deadline for its submission of comments in this oversight proceeding.

Oregon DOT is correct that there was a delay in serving the July 1 report on it. This was because, if Oregon DOT filed a notice of intent to participate in the oversight proceeding, it did not serve the notice on us, nor did we find one in the docket, and because, as the result of a clerical error, Oregon DOT's address was not transferred from the Board's service list to our mailing list. We did serve Oregon DOT as soon as it contacted us to request a copy.

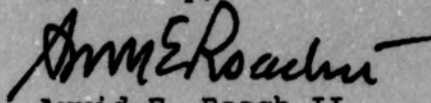
Oregon DOT acknowledges it received service of BNSF's July 1 report, and it was surely aware that Applicants were required to make a July 1 filing. Thus, it is unclear why Oregon DOT waited three weeks to request a copy of

ENTERED Office of the Secretary
AUG - 4 1997
5 Part of Public Record

Hon. Vernon A. Williams
August 1, 1997
Page 2

Applicants' report. Nonetheless, Applicants apologize for their mistake and take no position on Oregon DOT's request.

Sincerely,



Arvid E. Roach II

Attorney for Union Pacific
Corporation, Union Pacific
Railroad Company, Southern
Pacific Rail Corporation,
Southern Pacific Transportation
Company and St. Louis
Southwestern Railway Company

cc: All Parties of Record

STB

FD-32760 (SUB 21)

8-1-97

J



Supreme Rice Mill, Inc.

Box 490 • Crowley, Louisiana 70527 • USA • Phone (318) 783-5222 • Fax (318) 783-3204

August 1, 1997



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

VIA FAX 202-565-9004 and UPS Next Day Airbill #2178682250

RE: STB Finance Docket No. 32760 (Sub-No.21)

As a Party Of Record (POR) in above-mentioned oversight proceedings, we, Supreme Rice Mill, Inc. located in Crowley, Louisiana, do hereby submit the following comments. These comments are relative to the effects of the UP/SP merger on our business.

1. Since the merger of UP and SP Railroads and the subsequent sale of mainline tracks from Iowa Junction, Louisiana to Avondale, Louisiana our three-day-per-week switches have been greatly reduced or, in some cases, non-existent. This is due to the fact that there has been a tremendous increase in rail traffic from Houston, Texas to New Orleans, Louisiana. The time frame between Union Pacific and Burlington Northern Railroads for the usage of mainline rails from Lake Charles, Louisiana to Crowley, Louisiana is non-existent because of a lack of cooperation between the two railroads. Each railroad continually places blame on the other for the problems that we are encountering. Consequently, our switches are either non-existent or terminally slow.

For example, a switching crew has a 12-hour maximum working shift. A crew begins work at 1:00 p.m. They have only 12 hours to complete the specific jobs scheduled for that shift. Bringing empty cars in for loading here at Supreme Rice Mill and taking loaded cars out are on their scheduled tasks. They are unable to complete these jobs during this 12-hour period in which case the crew "dies" or runs out of time before switching is completed. When it reaches 1:00 a.m. on the following day, the crew ceases work. It normally takes another 24 - 48 hours before we are able to have a switch completed.

This has greatly affected our business. We generally average 10 - 12 cars per week for one customer, Anheuser-Busch, which we ship to their various



breweries. Meeting Anheuser's specifications depends on freshness of product, which we pride ourselves in. We have recently been unloading cars of rice that did not make the switch so that we can truck rice to Anheuser in the essence of time. Anheuser has been placing orders for truck shipments of rice to their Houston, Texas and Jacksonville, Florida breweries. Since rail shipments are not making it in on time. This has had a devastating effect on our business and also on our customer's business.

2. Another major concern of ours since this merger is the fact that we have lost competition. We were under the impression that the Burlington Northern would be able to serve us directly, therefore offer another option. However, we have just been informed by our customer that the Burlington Northern does not have sufficient equipment to serve them. It seems that any competition for UP/SP Railroad is simply not there. We were originally informed that there would be competition after the merger. We are already experiencing inconsistencies in rail rates and increases in rates which our industry cannot withstand.

The problems encountered since the rail merger have had a devastating effect on our business, as well as that of our customers. We cannot continue to run our business with the lack of service we are now experiencing.

Sincerely,

SUPREME RICE MILL, INC.

Georgette M. Dugas
Georgette M. Dugas

Stephen M. Hoffpauir

Stephen M. Hoffpauir