

PUBLIC & MEDIA ADVISORY: SURFACE TRANSPORTATION BOARD APPROVES SETTLEMENT BETWEEN UNION PACIFIC RAILROAD AND WICHITA/SEDGWICK COUNTY, KS, CONCERNING ENVIRONMENTAL MITIGATION ISSUES IN UP/SP MERGER

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that Union Pacific Railroad Company (UP) and the City of Wichita, KS, and Sedgwick County, KS, (Wichita/Sedgwick) have reached an agreement on a final environmental mitigation plan for UP's operations in the Wichita/Sedgwick area as a result of the UP/SP merger approved by the Board in 1996.

As part of its approval of the UP/SP merger, the Board had required its Section of Environmental Analysis (SEA) to conduct a further, more focused study to arrive at a specific mitigation plan for Wichita, so as to assure that localized environmental issues unique to that community are effectively addressed. SEA issued a Preliminary Mitigation Plan in September 1997. In December 1997, the Board granted a joint request by UP and Wichita/Sedgwick to toll the mitigation study while they pursued a negotiated arrangement.

The negotiations were successful and the Board has granted the joint request of UP and Wichita/Sedgwick to approve their negotiated agreement and impose it as a condition to the Board's approval of the UP/SP merger in lieu of other mitigation in the Wichita/Sedgwick area that could have been imposed under the mitigation study. The Board's action resolves the pending environmental mitigation issues as to Wichita/Sedgwick and obviates the need for the Board to issue a Final Mitigation Plan with respect to Wichita/Sedgwick.

The Board's decision was issued to the public on July 8, 1998, in Union Pacific Corporation, Union Pacific Railroad Company, and Missouri Pacific Railroad Company -Control and Merger - Southern Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp., and The Denver and Rio Grande Western Railroad Company, Finance Docket No. 32760 (Decision No. 80).

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