

FOR RELEASE
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**SURFACE TRANSPORTATION BOARD DENIES STAY OF EXEMPTION ALLOWING
SAULT STE. MARIE BRIDGE CO. TO ACQUIRE, OPERATE UNION PACIFIC'S "DUCK
CREEK NORTH LINES" IN MICHIGAN & WISCONSIN**

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The Surface Transportation Board (Board) has announced that it has denied a petition by the Inland Steel Company and LTV Steel Company, Inc. (protestants) seeking to stay the effective date of a notice of exemption from Board regulation filed by the Sault Ste. Marie Bridge Company (SSMB) for SSMB's acquisition and operation of approximately 220 miles of Union Pacific Railroad Company (UP) lines (the "Duck Creek North Lines") in the Upper Peninsula of Michigan and northern Wisconsin.

In reaching its decision, the Board stated that: (1) the public interest would not be served in issuing a stay, as the public record in this case shows significant support (in the form of letters from other businesses, local governments, and interested individuals) for SSMB's acquisition and operation of the lines at issue; (2) the protestants have provided no support for their assertion

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that the issuance of a stay would not cause undue hardship to other parties in the case, while in contrast, SSMB claims that it will lose up to \$300,000 daily without consummation of the transaction; (3) the protestants have not demonstrated that they will be irreparably harmed by consummation of the transaction, in particular because their traffic will continue to move under a long-term contract that does not expire until April 1999; and (4) the protestants have not demonstrated a clear likelihood that they will prevail on the merits of their arguments regarding the loss of a viable competitive transportation alternative. The Board said that the protestants have thus failed to satisfy the criteria for a stay of an exemption, and that their arguments thus cannot serve as a reason for the Board to grant the stay.

The Board's decision in Sault Ste. Marie Bridge Company--Acquisition and Operation Exemption--Lines of Union Pacific Railroad Company, STB Finance Docket No. 33290, issued to the public on January 24, 1997, allows the protestants to supplement, by February 20, 1997, petitions they have filed seeking the Board's revocation and rejection of SSMB's exemption. SSMB and UP's reply to those petitions are due on March 7, 1997.

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