

**SURFACE TRANSPORTATION BOARD GRANTS PETITION FOR ENFORCEMENT OF UP-SP MERGER CONDITION
OPENING SAN ANTONIO TRANSLOADING FACILITY TO ACCESS BY BNSF**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has granted a petition by The Burlington Northern and Santa Fe Railway Company (BNSF) to enforce a condition of the UP-SP merger approved by the Board in 1996. The merger condition was part of the parties' settlement agreement and gives BNSF the right to serve all existing and future transfer or transloading facilities at locations in the combined UP-SP territory where post-merger competition declined from two railroads to only one railroad. Under the settlement agreement, San Antonio, Texas, was such a "2-to-1" location. At issue was whether the facility operated by South Texas Liquid Terminal, Inc. (STL Terminal) was situated within the boundaries or switching limits of San Antonio.

The Board concluded that, notwithstanding UP-SP's claim that BNSF had relied on obsolete mileage information in its petition, BNSF had shown that STL Terminal was within the San Antonio switching limits at the time the parties entered into their settlement agreement and, thus, that BNSF has a right to serve the STL Terminal facility. In its decision, the Board reminded that, as was agreed to by UP and BNSF and imposed by the Board, the parties should arbitrate any future disputes under their settlement agreement before presenting them to the Board.

The Board's decision was issued to the public on October 5, 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. 81.

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