

**SURFACE TRANSPORTATION BOARD HOLDS IN ABEYANCE ENVIRONMENTAL
MITIGATION STUDY ON "UNION PACIFIC" RAIL OPERATIONS IN WICHITA &
SEDGWICK CO., KS, TO FACILITATE NEGOTIATIONS**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has granted the joint request of the Union Pacific Railroad Company (UP) and Wichita, Kansas/Sedgwick County, Kansas (Wichita/Sedgwick) to toll (hold in abeyance) all proceedings in the ongoing, 18-month environmental mitigation study for Wichita/Sedgwick undertaken as part of the Board's approval of the merger of the UP and "Southern Pacific" (SP) railroad systems In Decision No. 44 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*, STB Finance Docket No. 32760, issued to the public on August 12, 1996.. Consistent with the Board's commitment to facilitating appropriate private-sector resolution wherever possible, the request was granted based on representations to the Board that the parties are engaged in ongoing, good-faith negotiations concerning matters at issue in the mitigation study.

The Board's 1996 approval of the UP-SP merger was subject to numerous environmental and other conditions. Two of those conditions focused on further mitigation studies to arrive at specifically tailored mitigation plans for Wichita and Reno, Nevada, to ensure that localized environmental issues unique to those communities would be addressed effectively. The studies were to be completed within 18 months of merger consummation (January 1998). On September 15, 1997, the Board's Section of Environmental Analysis (SEA) issued a Preliminary Mitigation Plan for Wichita, comments were due on October 15, 1997, and SEA accordingly began preparation of a Final Mitigation Plan (FMP) for Wichita/Sedgwick. In a November 25, 1997 letter, UP and Wichita/Sedgwick jointly requested that the Board toll all proceedings in the 18-month mitigation study because of negotiations that, while not complete, may obviate the need for SEA to issue an FMP for Wichita/Sedgwick.

The Board issued its decision today in Decision No. 76 in STB Finance Docket No. 32760.

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