

**SURFACE TRANSPORTATION BOARD DENIES REQUEST TO RESCIND ORDER
REQUIRING UP/SP AND BNSF TO PRIORITIZE GRAIN TRAFFIC IN RAIL SERVICE
EMERGENCY IN THE WEST**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has denied a request that it rescind its service order that, among other things, required the Union Pacific Railroad Company/Southern Pacific Transportation Company (UP/SP) and the Burlington Northern and Santa Fe Railway Company (BNSF) to meet with agricultural organizations and to prioritize their transportation of grain. The Board first issued a service order imposing specific requirements on the railroads serving the West on October 31, 1997, after finding that there is a transportation emergency that has had substantial adverse effects on shippers and on rail service in a broad region of the United States (see "Surface Transportation Board News" release No. 97-92, issued October 31, 1997). In a supplemental decision issued on December 4, 1997, the Board found that, while service is showing signs of improvement, the service recovery to date is not broad enough in scope, and it imposed further requirements on UP/SP and BNSF (see "Surface Transportation Board News," release No. 97-102, issued on December 5, 1997).

Noting in its December 4 decision that substantial quantities of grain are "on the ground" and at risk, the Board directed both UP/SP and BNSF to consult with agricultural interests and to establish priorities for the shipping of grain. UP/SP and BNSF have, in fact, initiated meetings with representatives of various state agricultural associations, so that they can finalize the prioritization process. One agricultural group, however, the Pacific Northwest Grain and Feed Association, Inc., asked the Board to rescind the December 4 order, asserting that most of the grain on the ground of its members has already been transported, and that prioritization will not promote sound planning by grain shippers.

In an order decided December 12, 1997, and released to the public on December 15, 1997, the Board denied the request. The Board noted that all of its actions addressing the crisis in the West have been designed to provide the broadest possible relief with the least dislocation possible, and that it did not itself set priorities for grain, but rather directed UP/SP and BNSF to do so after consulting with affected shipper groups. Under those circumstances, the Board found, its order would promote the overall service recovery without unfairly disadvantaging any party, and that there was thus no basis for rescinding it.

The Board's decision was issued today in the case entitled *Joint Petition For Service Order, Supplemental Order No. 1 to STB Service Order No. 1518*.

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