

## **SURFACE TRANSPORTATION BOARD BEGINS PROCEEDING, TO HOLD OCTOBER 27 PUBLIC HEARING, ON RAIL SERVICE PROBLEMS IN WESTERN U.S.**

Surface Transportation Board Chairman Linda J. Morgan announced today that the Board is beginning a proceeding on its own motion and will hold a public hearing on October 27, 1997

, in Washington, D.C. to provide the public the opportunity to report on the status of railroad service in the western United States and to review proposals for solving existing rail service problems. This proceeding will focus on the immediate resolution of those problems.

The hearing will begin at

10:00 a.m. Eastern Time on Monday, October 27, 1997, in the Board's Hearing Room at its offices in the Mercury Building, 1925 K Street, N.W., in Washington.

Persons wishing to appear at the hearing and to make statements to the Board must submit their requests--and the amount of time needed to make their statements--in the form of an original and 10 copies by

October 9, 1997

. The Board will issue a schedule for the hearing, together with a list of speakers and the time allotted to each, by

October 16, 1997

. Copies of speakers' written statements must be filed with the Board by October 23, 1997

. The Board has been made aware of rail service problems in the western part of the nation through formal filings, public accounts, and more recently, informal communications made to the Board's Office of Compliance and Enforcement by affected persons and entities. These service problems most recently have involved the lines of the "Union Pacific" (UP) and "Southern Pacific" (SP) railroads. Based on the information received to date, the Board believes it appropriate to hold a public hearing on the issue of rail service in the West, problems in the delivery of that service, and solutions, both governmental and non-governmental, that have been offered or might be offered to remedy such problems.

In making its announcement, the Board emphasized that the proceeding it has instituted and the public hearing it has scheduled are being conducted separately and apart from the Board's ongoing oversight proceeding entitled

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 (Sub-No. 21). In that case, the focus is on whether conditions imposed by the Board in its August 1996 approval of the merger of the UP and SP have been successful in resolving competitive problems that the Board found would exist as a result of its approval of the merger in the absence of such conditions. The Board noted, however, that parties to the oversight proceeding have commented on service problems on the UP-SP system, and both UP-SP and The Burlington Northern and Santa Fe Railway Company, in their most recent (October 1, 1997) quarterly reports filed in the oversight proceeding, have separately put forth proposals to resolve existing service problems. Given the immediacy of these problems, the Board is instituting this proceeding to focus specifically on rail service problems that have arisen in the western part of the country.

The Board encourages interested persons and parties to coordinate the presentations of their points of view through the selection of an individual to appear at the hearing on behalf of their interests so that the opportunity for input may be maximized. At this hearing, the Board intends to concentrate more on operational, resource, and customer service matters than on legal issues, and it would be helpful if speakers are individuals able to address such matters.

The Board instituted the proceeding concerning rail service in the West and announced that a public hearing would be held in the case entitled

Rail Service in the Western United States

, STB Ex Parte No. 573, in a decision issued to the public on October 2, 1997.

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