

## SURFACE TRANSPORTATION BOARD BEGINS OVERSIGHT PROCEEDING IN UNION PACIFIC-SOUTHERN PACIFIC RAILROAD MERGER

FOR RELEASE Contact: Dennis Watson  
Wednesday, May 7, 1997  
(202) 565-1596  
No. 97-33  
TDD (202) 565-1695

### SURFACE TRANSPORTATION BOARD BEGINS OVERSIGHT PROCEEDING IN UNION PACIFIC-SOUTHERN PACIFIC RAILROAD MERGER

Surface Transportation Board (Board) Chairman Linda J. Morgan today announced that the Board is initiating a proceeding concerning the oversight condition included in its decision approving the merger of the Union Pacific (UP) and Southern Pacific (SP) railroad systems. In the case 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, Finance Docket No. 32760, Decision No. 44, issued to the public on August 12, 1996. In that decision, the Board imposed a five-year oversight requirement to examine whether the conditions imposed on the merger effectively address the competitive issues they were intended to remedy. The Board also retained jurisdiction to impose additional remedial conditions if, and to the extent, it determines that the conditions already imposed have not effectively addressed competitive harms that would have resulted from the merger.

The Board is requesting that persons intending to participate in the oversight proceeding notify the Board of their intent by **May 27, 1997**. A separate "service list" (a list of official participants) will be issued by the Board based on the notices of intent to participate that it receives. Persons who were "parties of record" (official participants) in Finance Docket No. 32760 **will not** automatically be placed on the service list for the oversight proceeding unless they notify the Board of their intent to participate.

As part of the overall oversight requirement, UP-SP and The Burlington Northern and Santa Fe Railway Company (BNSF) are required to file their next quarterly progress reports on July 1, 1997. The Board expects these filings to provide extensive and detailed information regarding the implementation of the merger and BNSF's efforts to be an effective competitor under the conditions imposed. UP-SP and BNSF must disseminate copies of their July 1 progress reports to all parties of

record on the service list in the oversight proceeding. The Board is requesting comments from interested persons on the effects of the merger on competition and the implementation of the conditions imposed to address competitive harms no later than **August 1, 1997**, with replies due **August 20, 1997**. The Board will review the comments and replies and will then determine what further action is appropriate.

The Board gave notice to the public of the oversight proceeding 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 [Oversight], Decision No. 1, STB Finance Docket No. 32760 (Sub-No. 21), issued to the public today, May 7, 1997. Chairman Morgan issued a separate commenting opinion with the notice.

**###**