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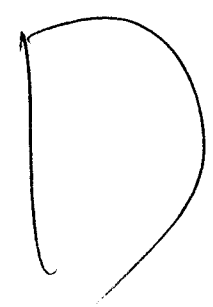
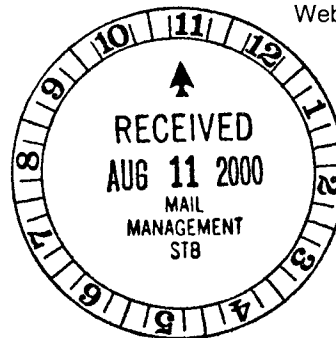
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August 10, 2000

199481



VIA FEDERAL EXPRESS

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W., Room 700
Washington, DC 20006

Re: **Docket No. 42052**
Union Pacific Railroad Company -- Petition for Declaratory
Order -- Unilaterally Imposed Interchange Charges

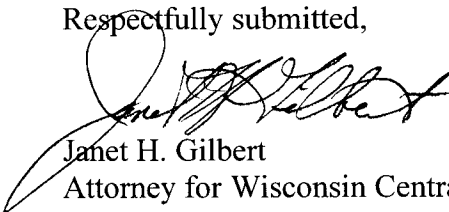
Dear Secretary Williams:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the **Comments of Wisconsin Central Ltd.**, dated August 10, 2000.

One extra copy of this transmittal letter is included as well. I would request that you date-stamp that copy to show receipt of this filing and return it to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter. Kind regards.

Respectfully submitted,


Janet H. Gilbert
Attorney for Wisconsin Central - North American Properties

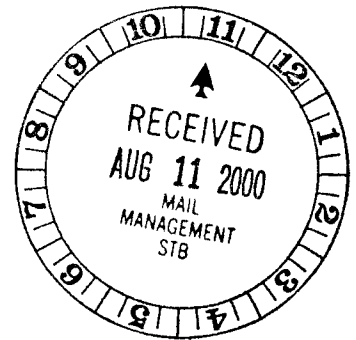
JHG:tjl
Enclosures

cc: Parties on Certificate of Service

199481

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. 42052



UNION PACIFIC RAILROAD COMPANY
-- PETITION FOR DECLARATORY ORDER --
UNILATERALLY IMPOSED INTERCHANGE CHARGES

**COMMENTS OF
WISCONSIN CENTRAL LTD.**

Janet H. Gilbert
Vice President & General Counsel
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(847) 318-4691

**ATTORNEY FOR WISCONSIN CENTRAL
LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY
AND WISCONSIN CHICAGO LINK LTD.**

Dated: August 10, 2000

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. 42052

UNION PACIFIC RAILROAD COMPANY
-- PETITION FOR DECLARATORY ORDER --
UNILATERALLY IMPOSED INTERCHANGE CHARGES

**COMMENTS OF
WISCONSIN CENTRAL LTD.**

Pursuant to the decision served June 13, 2000 instituting the above-captioned proceeding, Wisconsin Central Ltd. ("WCL"), on behalf of itself and its affiliate carriers, Fox Valley & Western Ltd., Sault Ste. Marie Bridge Company and Wisconsin Chicago Link Ltd., files these comments regarding tariff charges imposed on rail carriers that refuse to accept traffic when offered in interchange. WCL supports the concept of such tariffs generally, and the challenged tariff of the Indiana Harbor Belt Railroad Company ("IHB") specifically.

WCL and its affiliate carriers operate approximately 2850 miles of light and medium-density rail lines in the states of Wisconsin, Michigan, Illinois and Minnesota. Chicago is by far the most important interchange point for these carriers and their customers. WCL does not have a major yard facility in the Chicago area, and does not have an ownership interest in any of the major Chicago switching carriers. WCL is thus heavily dependent on the facilities and services of other carriers -- both line-haul railroads and switching/terminal railroads -- for the efficient and impartial handling of its traffic through the Chicago switching district.

WCL uses the intermediate switching services of both IHB and The Belt Railway Company of Chicago ("BRC") to interchange traffic with certain other carriers in the Chicago terminal. Pursuant to overhead trackage rights on IHB, The Baltimore & Ohio Chicago Terminal

Railroad Company and several other lines, WCL also has direct interchanges with a number of railroads in Chicago. In each of these instances, when a connecting carrier refuses to accept traffic in interchange from us, WCL is left to hold such trains any where and any way that it can. Since the nearest yard with any significant capacity to hold trains for WCL is Fond du Lac, Wisconsin, approximately 150 miles north of Chicago that usually means trains end up sitting on mainline trackage. The resulting congestion and stacking up of traffic can wreak havoc with the operations of WCL and its affiliate carriers and with service to their customers.

WCL believes such interchange practices lead to a variety of problems that can be appropriately and rationally addressed by an interchange delay tariff. Poor service adversely affects customers' businesses and, in some instances, can make it difficult to retain what is (at least in WCL's case) almost always very truck-competitive traffic. WCL faces significant "dislocation costs" resulting from backed-up trains and traffic that cannot otherwise be feasibly recovered. Refusal to take cars when offered in interchange is one of a number of areas where smaller carriers are subject to uneven treatment and inattentiveness from larger carriers. In many instances, the smaller carrier simply has no choice but to interchange with the connecting Class I railroad, no means to mitigate the burdens associated with involuntarily holding cars, and no leverage of its own to exert against the larger carrier.

Given the recent efforts to improve relationships between large and small carriers, along with the growing sense of a need for reasonable minimum service standards in the railroad industry, use of interchange delay tariffs seems particularly appropriate at this time. However, such tariffs must have a reasonable period of "free time" in which the receiving carrier can accept traffic tendered in interchange, such that the receiving carrier is not obligated (for example) to pull an interchange track four times a day. WCL's experiences to date have not

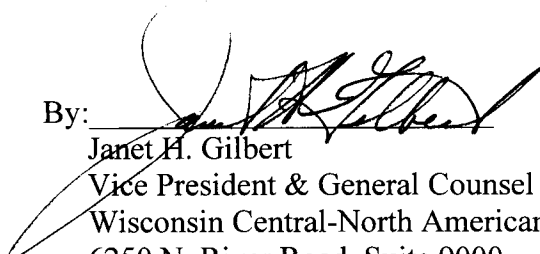
indicated any problems in this regard. Of course, carriers should always have resort to the STB when they believe that a particular delay tariff creates unreasonable burden or expense.

WCL is specifically familiar with the IHB tariff under challenge in this proceeding. WCL took part in the meetings of Chicago-area operating personnel that last year recommended a reduction in the free time allowed by that tariff. (BRC has a nearly identical tariff to which the recommendations also applied, but WCL understands that UP has not challenged the BRC tariff in this proceeding). WCL has occasionally been assessed charges under those tariffs, and in some cases has disputed the grounds on which the charge was applied. WCL has no reason to believe that such disputes will not be resolved by the carriers in the ordinary course of business. Of greater concern to WCL is assuring that operations on the IHB remain as fluid as possible. A large number of WCL's trains and traffic through Chicago move on IHB's lines and congestion on the IHB can have an immediate and tangible effect on WCL's own operations. The IHB tariff plainly assists IHB in keeping the line-haul carriers in line and in keeping unwanted and unnecessary traffic off of IHB's lines and out of its yards. That is a critical task, and the IHB tariff is one key to accomplish it.

As WCL has stressed to the Board in other proceedings, it is vitally important for the Board to assure that operations in and through the Chicago gateway are as coordinated and fluid as possible. Traffic of all carriers must be handled in a neutral, efficient and competitive manner. The interchange delay tariffs currently in place in Chicago are an important tool in that endeavor. They provide significant benefits to Chicago-area railroads and their customers. Approval of those tariffs is clearly warranted and desirable.

WHEREFORE, WCL respectfully requests that the Board accept these comments and issue a declaratory order finding the subject tariff items to be lawful and reasonable.

Respectfully submitted,

By: 

Janet H. Gilbert
Vice President & General Counsel
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**ATTORNEY FOR WISCONSIN CENTRAL
LTD., FOX VALLEY & WESTERN LTD.,
SAULT STE. MARIE BRIDGE COMPANY
AND WISCONSIN CHICAGO LINK LTD.**

Dated: August 10, 2000

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of August, 2000, a copy of the foregoing

Comments of Wisconsin Central Ltd. was served by first-class mail, postage prepaid, upon:

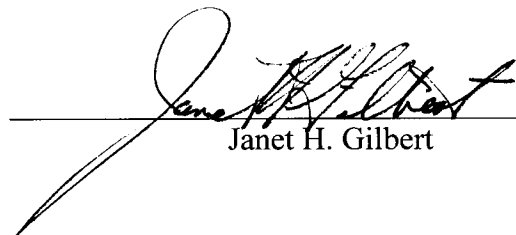
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