

VERIFIED STATEMENT OF O. E. STEVENS

My name is O. E. Stevens. I am employed by Burlington Northern Inc. as Director of Transportation, Billings Region. My business address is Burlington Northern Inc., 5th Floor, Security Bank Building, Billings, Montana.

I have been an employee of Burlington Northern and predecessor company Chicago, Burlington and Quincy, since 1949. During the ensuing years I have served in several capacities as Agent, Operator, Transportation Inspector, Trainmaster, Assistant Superintendent, Assistant to General Manager, Superintendent Transportation, Division Superintendent, Manager of Transportation, and Director Transportation, Billings Region, since February 16, 1972. I am familiar with all of Burlington Northern operations in Montana.

Exhibit No. OES-1, attached, portrays Burlington Northern trackage in the State of Montana.

Burlington Northern operates no purely intrastate trains within the State of Montana. Interstate and intrastate traffic is co-mingled and handled in the same type of cars, with the same locomotives, in the same trains and by the same crews. Billing of interstate and intrastate shipments are handled by the same clerical forces and switching is handled by the same switch crews.

In my experience, intrastate traffic is a higher proportion of train tonnages in local trains than in through trains. Crews handling local freight trains receive a higher basic rate of pay than crews operating on through freight trains. Overtime pay for train and enginemen on Burlington Northern trains in Montana is greater on local trains

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than on through freight. This is due to the fact that local trains perform necessary switching services at stations between their terminals while through trains generally do not.

Local trains handle most of the traffic on branch lines in Montana. Generally speaking, branch lines have ruling grades and maximum curvatures equal to or greater than the main line track. Branch line track is usually constructed of lighter rail and usually trains must operate at slower speeds. Moreover, curvatures and grades in Montana are generally greater than on other portions of BN's system.

Branch lines operated by Burlington Northern in Montana can be described as follows:

Montana Division

- From Saco to Hogeland, Montana - 78.7 miles
- From Power to Pendroy, Montana - 51.1 miles
- From Vaughn to Augusta, Montana - 41.7 miles
- From Moccasin to Lewistown, Montana - 30.7 miles
- From Hesper to Rapelje, Montana - 37.8 miles
- From Valier Jct. to Valier, Montana - 16.9 miles

Dakota Division

- From Bainville to Opheim, Montana - 146.6 miles

Yellowstone Division

- From Glendive to Sidney, Montana - 55.22 miles
- From Sidney to Snowden, Montana - 24.2 miles
- From Richey to Newlon Jct., Montana - 45.1 miles
- From Glendive to Brockway, Montana - 63.95 miles
- From Nichols to Big Sky, Montana - 38.28 miles

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Rocky Mountain Division

From Silesia to Red Lodge, Montana - 34.5 miles
From Mission to Wilsall, Montana - 22.7 miles
From Livingston to Gardiner, Montana - 54.1 miles
From Missoula to Darby, Montana - 65.4 miles
From Dixon to Polson, Montana - 33.2 miles
From Haugan to Wallace, Idaho - 56.8 miles
From W. S. Jct. to Helena, Montana - 97.2 miles
From Helena to Basin, Montana - 42.1 miles
From Manhattan to Anceney, Montana - 14.9 miles
From Sappington to Norris, Montana - 21.3 miles
From Whitehall to Alder, Montana - 45.3 miles
From Drummond to Philipsburg, Montana - 25.8 miles

Spokane Division

From Stryker to Eureka, Montana - 24.5 miles
From Columbia Falls to Somers, Montana - 24.8 miles

Local trains generally handle far fewer cars and less tonnage than through freight trains. During the first 14 days of July, 1973, local trains in Montana averaged 25 loaded and empty cars per train as compared to 85 loaded and empty cars on through freight trains. During the latter part of September and during the months of October, November and December there is usually an increased number of cars being handled in local service because of the sugar beet harvest being handled basically by local trains.

Intrastate shipments move over shorter distances and include terminal services at both the point of origin and point of destination in Montana. On the other hand, interstate traffic usually receives but one such service in Montana.

It is my opinion, based on my experience in the Operating Department of Burlington Northern, that it costs substantially more per unit to handle traffic in local freight trains than in through trains, due to the higher differential in basic wage structure for local freight train crews; the substantially larger amount of overtime paid to local freight train crews; and the lower productivity of local freight train crews due to handling fewer cars per crew than through freight train crews, and at less than half the speed.

The underlying paperwork to all material set forth in this statement and its attachments are available for inspection by appointment at Burlington Northern Inc., 5th Floor, Security Bank Building, Billings, Montana, during normal office hours of 8:00 A.M. to 5:00 P.M., Monday through Friday.

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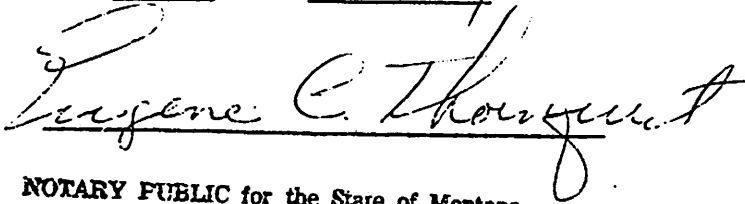
VERIFICATION

STATE OF MONTANA)
)
COUNTY OF YELLOWSTONE)

O. E. Stevens, being first duly sworn upon oath, deposes and says that he has read the foregoing statement, knows the contents thereof and that the same are true.


O. E. Stevens

Subscribed and sworn to before me
this 25 day of February, 1975.



NOTARY PUBLIC for the State of Montana
Residing at Billings, Montana
My Commission Expires May 16, 1975