UC 149-2

UNION CARBIDE

INTERNAL CORRESPONDENCE

PLAINTIFF'S EXHIBIT
UC-489

CORPORATE DISTRIBUTION

ONE CALIFORNIA, SAN FRANCISCO, CALIFORNIA 941

To (Name) John Myers
Division Metals
Location King City, CA

Date January 18, 1984

Originating Dept. Corp. Transportation Services

Answering letter date

Copy to ✓ T. P. Norris, Long Beach
M. J. Wislocki, Danbury

Subject S.P. Contract #ICC-SP-C-1123
King City to Nogales, AZ

Attached is a copy of the contract between Southern Pacific and Union Carbide for shipments of asbestos to Nogales, AZ, thence to Mexico City.

Cost escalation is provided for in the contract when the carrier's costs increase, and is a standard part of all Union Carbide contracts with railroads.

We received notification today (also attached) that the rate was increased from 2.30 cwt. to 2.42 cwt., effective 1/1/84. Our first shipment of 1/11/84 resulted in a cost difference of $168.18 (140,140 lbs.).

By copy of this memo we are asking our Danbury office to notify us by phone and TWX when there is another increase, in order to be sure the customer forwards the correct amount to cover the freight charges which, according to the terms of the contract, must be prepaid by Union Carbide.

Please call if you have any questions.

Gloria

Gloria Minor

GM/op

Attachment

3,220.00 @ 2.30 CWT

3,388.18 @ 2.42 CWT (UP 168.18)

Southern Pacific
Transportation Company

Southern Pacific Building • One Market Plaza • San Francisco, California 94105

December 28, 1983

Mr. Raymond E. Tully
Manager Rail Transportation
Union Carbide Corporation
Old Ridgebury Road A-1
Danbury, CT 06817

Dear Mr. Tully:

Reference transportation contract between Southern Pacific and your firm filed under ICC-SP-C-1123.

On December 27, 1983, the Interstate Commerce Commission announced the Interim Mid-Quarter Index for the first quarter 1984; therefore, in accordance with the terms of this contract, rates or charges have been adjusted effective for the first quarter 1984 as shown on the attached.

Very truly yours,

B. E. TRANSANO
Assistant Vice-President
Contract Management

Attach.

CONTRACT NUMBER	FILE NBR	CONTRACT DESCRIPTION	ESCALATION DATE	ESCALATION TYPE	ESCALATION FACTOR	RATE TP	RATE DESCRIPTION	RATE SEQ	RATE OLD	RATE NEW	ALLOWANCE OLD	ALLOWANCE NEW
SP C01123	1021	UNION CARBIDE CORP	01/01/84	1984IMI	1.0540	W	TO NOGALES AZ	1	2.30	2.42		

CONTRACT SUMMARY

1.	CARRIERS:	Southern Pacific Transportation Company (SP)
2.	COMMODITY:	Asbestos Shorts in bags
3.	ORIGIN STATION:	Not applicable
	DESTINATION STATION:	Not applicable
	PORT NAME:	Not applicable
4.	DURATION:	This Agreement shall take effect as of the date it is filed with the Interstate Commerce Commission ("ICC") subject to the conditions of 49 CFR 1039.2 unless subsequently disapproved by the ICC, and shall remain in effect for twelve (12) months, with automatic renewal, unless sooner cancelled or changed.
5.	RAIL DATA:	No dedicated equipment
6.	BASE RATE:	Not applicable
7.	SPECIAL FEATURES:	Volume Requirement Penalty Provision