



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Economics, Environmental Analysis and Administration

December 8, 2006

Dear Reader:

I am pleased to announce the issuance of the Supplemental Draft Environmental Impact Statement (SDEIS) for Southwest Gulf Railroad Company's (SGR) proposal to construct and operate a rail line in Medina County, Texas. The proposed rail line would extend approximately seven miles from a proposed Vulcan Construction Material's LP limestone quarry to the Del Rio subdivision of the Union Pacific Railroad Company (UP), near Dunlay Texas. Operations over the rail line would be two round trips or four total train trips per day (two empty trains moving from the UP rail line to the quarry and two loaded trains moving from the quarry to the UP rail line).

The Surface Transportation Board's (Board) Section of Environmental Analysis (SEA) issued a Draft Environmental Impact Statement (DEIS) on November 5, 2004, which contained an in-depth study of four possible rail alignments (the Proposed Route, Alternative 1, Alternative 2, and Alternative 3) and the No-Action Alternative (the use of trucks to transport limestone from the quarry to the UP rail line if SGR's rail line were not built).

Based on the comments received on the SDEIS, SEA has prepared this SDEIS, pursuant to the provisions of the National Environmental Policy Act and related environmental regulations. This SDEIS focuses on three specific matters:

- Evaluation of three alternative rail routes that were not studied in detail in the DEIS and a comparison of these three alternative routes to the four rail routes previously studied in the DEIS and the No-Action Alternative.
- A discussion of the progress of additional historic property identification efforts following issuance of the DEIS.
- The additional noise analysis that SEA has performed, based on updated operational data provided by SGR indicating that trains may operate during nighttime hours.

Public Review and Comment

The U.S. Environmental Protection Agency will publish a notice in the Federal Register announcing the availability of the SDEIS. This notice, which should appear on December 15, 2006, starts the 45-day public comment period, and all comments must be postmarked no later than **January 29, 2007**. Because of the focused nature of this SDEIS, SEA requests written comments only, and will not be holding public meetings to gather oral comments on the SDEIS.

If you wish to submit written comments regarding this SDEIS, please send an original and two copies to the following address:

Surface Transportation Board
Case Control Unit
Washington, DC 20423
Attention: Rini Ghosh
STB Finance Docket No. 34284

Written comments may also be filed electronically on the Board's website at www.stb.dot.gov, by clicking on the "E-FILING" link. Comments will be posted on the Board's website after they are received. For additional information regarding the history of this proceeding, please visit the Board's website. A complete electronic copy of the DEIS is available on the Board's website by going to "E-Library," clicking on "Decisions & Notices," and then conducting a full text search for the material for "FD 34284." The environmental correspondence for this proceeding can also be viewed on the Board's website by selecting "Environmental Matters," then clicking on "Environmental Correspondence," and then searching the correspondence under "FD 34284." When attempting to view your comments on the Board's website after submission, please be patient, as the time to process and to scan environmental comments onto the Board's website can vary.

After the comment period ends on January 29, 2007, SEA will review all timely comments and prepare a Final Environmental Impact Statement (FEIS) that responds to the comments received on this SDEIS and the comments previously received on the DEIS. The FEIS will also contain any additional analysis that SEA believes is necessary, as well as SEA's final recommendations for environmental conditions to mitigate the potential environmental impacts that could be caused by SGR's proposed rail line construction and operation. After issuance of the FEIS, the environmental review process will be concluded. The Board will then issue a final decision either to approve, deny, or approve with conditions SGR's petition to construct and operate a rail line in Medina County, Texas. In reaching its decision, the Board will take into consideration the DEIS, the SDEIS, the FEIS, and all environmental comments received.

Availability of the SDEIS

SEA has distributed the SDEIS to the following: all parties of record; interested Federally recognized tribes; appropriate Federal, state and local agencies and elected officials; and persons expressing an interest in receiving a copy of the SDEIS or participating in the environmental review process for this proceeding. SEA has also made the SDEIS available for review in the Hondo Public Library (1011 19th Street) in Hondo, Texas, the Castroville Public Library (802 London Street) in Castroville, Texas, and the San Antonio Central Library (600 Soledad) in San Antonio, Texas. The entire document is also available on the Board's website at www.stb.dot.gov.

If you need assistance or require additional information about the environmental review process, please contact Ms. Rini Ghosh at (202) 565-1539. Thank you for your interest and participation in the Board's environmental review process.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson". The signature is written in a cursive style with a large initial 'V'.

Victoria Rutson
Chief
Section of Environmental Analysis