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August 6, 2002

Ms. Victoria J. Rutson
Chief
Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Re: Finance Docket No. 34079, San Jacinto Rail Limited – Authority To Construct – And The Burlington Northern And Santa Fe Railway Company – Authority To Operate – Petition For An Exemption From 49 U.S.C. §10901 – Build-In To The Bayport Industrial Loop Area Near Houston, Harris County, Texas

Dear Ms. Rutson:

Petitioners San Jacinto Rail Limited (SJRL) and The Burlington Northern and Santa Fe Railway Company (BNSF) have submitted today to the Section of Environmental Analysis their proposed Voluntary Mitigation Measures (VMM) in the above-referenced proceeding for consideration as part of the environmental review process. Although we continue to believe that BNSF's original routing would have little or no appreciable impacts on rail traffic congestion in the area, we are nevertheless sensitive to the concerns of the citizens of the East End community and have committed to local representatives that we would avoid potential impacts to New South Yard, in particular.

As indicated in Measure No. 63 of the VMM, and subject to the acquisition of trackage rights or trackage rights modifications that may be needed,¹ Petitioners propose a slight revision to the proposed routing for the Bayport traffic through the City's East End. In lieu of routing Bayport traffic into and out of New South Yard, Petitioners propose to route Bayport traffic along the GH&H and East Belt to Dayton Yard. This route revision would address the concerns raised in this proceeding by the communities in and around New South Yard that the addition of Bayport traffic to New South Yard might exacerbate existing congestion. In addition, this change in routing of the Bayport traffic is consistent with BNSF's long-term goals of ameliorating congestion in the area, particularly with regard to the New South Yard area. This route revision pertains only to a shift in proposed operations within the East End area and does not affect the proposed route locations for the new line construction.

¹ This proposed route revision for Bayport traffic would be contingent upon BNSF's acquisition of trackage rights on the segment of the GH&H between Tower 30 and Tower 85, in addition to the initial proposal for trackage rights on the GH&H between the new line and Tower 30.

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Specifically, BNSF's inbound trains would access the new line from the storage yard operated by the CMC Railroad at Dayton, Texas. From that yard, BNSF trains would operate north over approximately two miles of the Union Pacific Railroad (UP) Baytown Subdivision and then turn west onto a 29-mile joint BNSF/UP track segment (between Dayton Junction and Tower 87) on the UP Lafayette and Terminal Subdivisions. At Tower 87, BNSF trains would then turn south onto the Houston East Belt between Tower 87 and Tower 85. UP currently routes Bayport business, to and from the UP eastern gateways of New Orleans, Memphis, St. Louis and Chicago over this Houston East Belt segment. From Tower 85, for all variations of Alignment 1, BNSF trains would operate south over the UP Galveston Subdivision (former GH&H Railroad) to reach the connection point at Graham Siding (approximately MP 16) on the former GH&H line. In the case of variations of Alignment 2, the connection point would be approximately MP 12 on the former GH&H line. Trains would then proceed to the Bayport Rail Terminal. Outbound trains from Bayport to the Dayton Yard will operate over the same route.

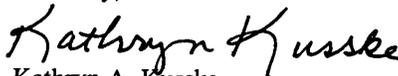
The storage yard at Dayton, Texas, operated by the CMC Railroad, would be the facility where BNSF will both (a) pick-up empties (and any loaded cars) in a daily train destined for the Bayport Loop and (b) deliver loaded blocks of cars by a daily train from the Bayport Loop. From Dayton, BNSF will add the Bayport traffic to long-haul trains destined to receivers around the country.

The CMC Dayton Yard is a large, flat yard designed for storage that operates 24 hours per day, seven days per week. The CMC Railroad currently provides storage services for both BNSF and UP. The sections of the Dayton Yard dedicated to BNSF service consist of approximately 1250 car spots for storage located on the east side of the UP Baytown Subdivision main track, and a medium-sized 850 car gathering yard located on the west side of the Baytown Subdivision main track. The CMC Railroad has recently begun an expansion of the Dayton Yard to handle existing traffic (to be completed by March 2003) which will increase the capacity of the yard by 1500 additional car spots. That expansion is slated to proceed whether or not the Bayport project is approved.

The UP Lafayette and Terminal Subdivisions and the UP Houston East Belt Subdivision are dispatched by both UP and BNSF employees of the Joint Trackage Group at the Spring, Texas Joint Dispatching Center. UP Baytown and UP Galveston Subdivisions are solely dispatched by UP dispatchers at the Spring Joint Dispatching Center. The addition of one train per day, inbound and outbound, over the above described routes, is not expected to negatively impact operations over those segments.

If you need any further information concerning this proposal, we would be pleased to provide it.

Sincerely,


Kathryn A. Kusske

Enclosure

cc: Dana G. White
Alan Summerville