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February 22, 2007

By e-filing

Vernon A. Williams, Secretary
Surface Transportation Board
Case Control Unit, Suite 713
1925 K Street, N.W.
Washington, DC 20423-0001

Re: Finance Docket No. 34889, *PYCO Industries, Inc. -- Alternative Rail Service -- South Plains Switching Ltd.*

Dear Mr. Williams:

Please refer to the following pleading filed by PYCO Industries, Inc. (PYCO) in the above proceeding on February 20, 2007: "Notice of Intent to Respond to SAW's Part 1117 Petition and Opposition to SAW's Latest Effort To Terminate Alternative Service."

PYCO has ignored the very simple legal basis set forth by SAW for terminating alternative rail service.

In regard to alternative rail service ordered prior to November, 2006, the Board was authorized to do so before providing for compensation for use of tracks. Thus, 49 U.S.C. § 11123(b)(2) provides that "(t)he Board may act under subsection (a) (i.e., order alternative rail service) before conducting a proceeding under this paragraph (i.e., for payment of compensation)."

In contrast, in regard to alternative rail service ordered after November, 2006, the Board was prohibited from doing so before providing for compensation for use of tracks. Thus, 49 U.S.C. § 11102(a) provides that "(t)he compensation shall be paid or secured before a rail carrier may begin to use the facilities of another rail carrier under the section."

THOMAS F. MCFARLAND

Vernon A. Williams
February 22, 2007
Page 2

PYCO's reply does not even come close to dealing with the contrasting requirements of those statutes.

Very truly yours,



Thomas F. McFarland
*Attorney for South Plains
Switching, Ltd. Co.*

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cc: All parties of record
Mrs. Delilah Wisener
Mr. Dennis Olmstead