



EO-2524

SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Environmental Analysis

March 25, 2015

Mr. Thomas F. McFarland, P.C.
208 South LaSalle Street
Suite 1890
Chicago, IL 60604-1112

Re: Finance Docket No. 35874, Lone Star Railroad, Inc. and Southern Switching Company – Construction and Operation Exemption – Howard County, Texas; EIS Waiver

Dear Mr. McFarland:

Pursuant to 49 CFR 1105.6(d), the Surface Transportation Board's (Board) Office of Environmental Analysis (OEA) is granting your request of March 13, 2015, for a waiver of 49 CFR 1105.6(a), which generally provides for the preparation of an Environmental Impact Statement (EIS) for a rail line construction and operation proposal. OEA is granting the waiver based on available information gathered to date, including materials filed by the applicants, OEA's consultation with federal, state and local agencies, and a site visit to the project area on March 3, 2015.

On February 25, 2015, Lone Star Railroad, Inc. (LSR) and Southern Switching Company (together, Applicants) filed a petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10901 for authority from the Board to construct and operate a rail line in Howard County, Texas. LSR proposes to construct approximately 3.18 miles of track near Big Spring. An affiliate of LSR, Southern Switching Company, proposes to operate on the newly-constructed track, which would connect with an existing main line track of Union Pacific Railroad Company. The track would serve a new industrial park. The principal shippers and receivers would initially be related to crude-oil production in the nearby Permian Basin. Applicants expect that shippers and receivers of commodities unrelated to crude oil production would also locate in the industrial park.

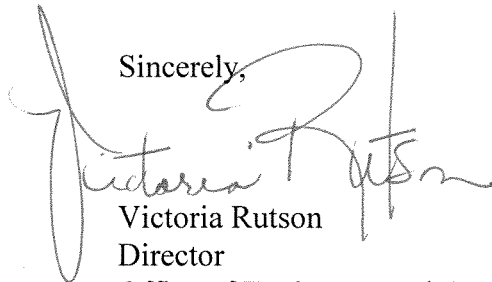
Based on the information available to date, we believe that the proposed action would not result in significant environmental impacts and that any impacts could most likely be addressed through appropriate mitigation measures. The proposed track is short in length and would not

cross any public roads or the tracks of another railroad. The area is not heavily populated, and therefore safety impacts are not expected to be significant. There would be no diversion of existing freight traffic to or from other transportation systems or modes. The proposed action is not expected to adversely affect or conflict with existing land use plans. No significant impact to local or regional air quality is expected. It does not appear that the proposed action would have a lasting, adverse impact on surface or groundwater resources. There are no wildlife sanctuaries, refuges, or national or state parks or forests that would be affected by the proposed action. No historic structures or other potential historic or archaeological resources were observed during the site visit. Therefore, OEA believes that the preparation of an Environmental Assessment (EA) is the appropriate level of environmental documentation.

After the EA is prepared, OEA will make the document available for public review and comment. Once the comment period concludes, OEA will prepare a Final EA responding to the comments received and including any additional analysis or appropriate modifications that may be needed to its existing analysis. The Final EA will also set forth OEA's final recommended mitigation measures for the Board. The Board will then consider the EA, the public comments, and OEA's Final EA recommendations before making its final decision in this proceeding.

Please be aware that should the environmental process disclose unanticipated impacts that are significant, we will require the preparation of an EIS at that time. If you have any questions, please do not hesitate to contact me or Kenneth Blodgett of my staff at (202) 245-0305.

Sincerely,

A handwritten signature in dark ink, appearing to read "Victoria Rutson", is written over the printed name and title.

Victoria Rutson
Director

Office of Environmental Analysis