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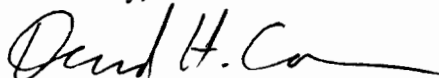
Ms. Victoria Rutson
Chief
Section of Environmental Analysis
Surface Transportation Board
Washington, DC 20590

**Re: STB Finance Docket 34284, Southwest Gulf Railroad Company Construction and
Operation Exemption – Medina County, TX**

Dear Ms. Rutson:

On behalf of Southwest Gulf Railroad Company ("SGR"), I am writing to bring your attention to a recent development. As you know, Vulcan Construction Materials, LP is seeking an air quality permit from the Texas Department of Environmental Quality for the Medina County quarry that would be rail-served by its affiliate, SGR. The Medina County Environmental Action Association had opposed that permit before the TCEQ. However, the parties have now reached a settlement under which MCEAA has withdrawn its opposition and Vulcan has agreed to maintain some additional buffering at the quarry acceptable to MCEAA. A joint press release reporting on the settlement is attached. The settlement agreement does not reach to the differences between MCEAA and SGR before the STB over the alignment for the rail line proposed by SGR.

Sincerely,



David H. Coburn

Attorney for Southwest Gulf Railroad

cc: Ms. Rini Ghosh, SEA
Ms. Jaya Zyman Ponebshek, URS



The Medina County Environmental Action Association, Inc.

DATE: December 18, 2006

FOR IMMEDIATE RELEASE

Vulcan Contact: Clay Upchurch (210) 524-3520

MCEAA Contact: Dr. Robert Fitzgerald (830) 741-5040

VULCAN AND MEDINA COUNTY ENVIRONMENTAL ACTION ASSOCIATION REACH CONSENSUS ON MEDINA COUNTY QUARRY

San Antonio, Tex. – Vulcan Materials Company (NYSE: VMC) and the Medina County Environmental Action Association (MCEAA) announced today that they have reached agreement regarding Vulcan's Medina County quarry operation. MCEAA agreed to withdraw its opposition to the environmental approvals needed for the crushing and quarrying operations, and Vulcan agreed to additional buffering at the border of the quarry site. As a result, Vulcan will soon begin its quarry construction and operation following receipt of required environmental permits. The agreement does not affect MCEAA's ongoing dispute concerning the licensing of a proposed railroad line that will serve the quarrying operations. MCEAA plans to continue its efforts to protect the community's environmental safety in the future, and Vulcan plans to continue its work to serve the economic growth of the area, while also protecting the environment.

The company has leased 1,700 acres for the quarry site, which allows for a buffer zone around the working quarry, in addition to natural landscape and wildlife habitat conservation areas. The buffer zone will allow the quarry to operate with a minimum of disruption to the surrounding community. The quarry will be part of Vulcan's Southwest Division, which has its headquarters in San Antonio.

Tom Hill, Vulcan's Southwest Division President, stated, "We are very pleased to have had this opportunity to work cooperatively and constructively with the MCEAA Board and look forward to a positive ongoing relationship with the community as our quarry begins operations."

Dr. Robert Fitzgerald, MCEAA President, stated, "By this agreement, we have achieved more than the current Texas laws for quarries provide, though some of those laws need to change. When the crusher and quarry operations begin, MCEAA will continue to be there to ensure that landowners do not bear any costs of these operations. MCEAA will also continue to provide input to the Surface Transportation Board in determining the licensing of the proposed rail line, so there is still a need for citizens to stay involved and for the community to be aware of what is going on. This is a major new land use that will be in effect for 50 years or more."

Vulcan's Southwest Division has approximately 620 employees and operates 16 stone quarries, 10 hot-mix asphalt plants and 3 ready-mixed concrete plants. Vulcan Materials Company, a member of the S&P 500 index, is the nation's foremost producer of construction aggregates and a major producer of other construction materials. For additional information about Vulcan Materials Company, see www.vulcanmaterials.com.

The Medina County Environmental Action Association (MCEAA) is a nonprofit organization of over 130 families composed of ranchers, farmers, retired civilian and military personnel, businesspersons, sportsmen and women, and other landowners in the Quihi area of Texas, adjacent and around the site of the proposed Vulcan quarry. MCEAA was founded in January 2000, and stands for progress in Medina County that will keep our water pure, our air clean, our roads and our homes safe and will preserve the tranquil way of life that is the envy of all. MCEAA is committed to preserving our Quihi area's precious historic heritage which makes it a unique and irreplaceable part of Texas history. The MCEAA website resides at www.dontmesswithquihi.com.

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