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September 5, 2007

VIA FACSIMILE

Ms. Victoria Rutson
Chief
Section of Environmental Analysis
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

**Re: STB Finance Docket No. 34284, Southwest Gulf Railroad Company -
Construction and Operation Exemption - Medina County, TX**

Dear Ms. Rutson:

This will respond to your August 17, 2007 request for information on the so-called Weiblen Modification, by which we assume you mean the alignment modification shown at Figure 2-2 of SEA's December 8, 2006 Supplemental Draft EIS. Specifically, you have inquired as to whether Southwest Gulf Railroad ("SGR") believes that this Modification is a reasonable and feasible alternative for the planned SGR rail line. This Modification has been promoted by members of the Weiblen family as a means of reducing the impacts of the Eastern Alternatives that traverse their property (the Eastern Bypass and MCEAA Medina Dam Alternative) to their sprinkler systems and farm operations.

As you know, the Supplemental Draft EIS did not undertake an intensive analysis of the Weiblen Modification, noting that it is only a slight modification of the Eastern Alternatives studied by SEA. To address the Weiblen's concerns and any similar situations involving other landowners, however, SEA recommended the adoption of Mitigation Measure 5A, which states as follows:

Where construction of the rail line would cause unavoidable property severance, damage to a home or to an irrigation system, or property demolition and/or destruction, SGR shall negotiate with the appropriate land owner(s) to ensure access to the severed property and/or replacement of the irrigation system, and, if appropriate, realign the track to avoid taking houses and/or to minimize the impacts.

SGR has stated its support for this recommended Mitigation Measure. Specifically, SGR advised SEA in its January 29, 2007 letter commenting on the Supplemental Draft EIS as follows:

This mitigation measure [5A] has been offered in response to the concerns expressed by the Weiblen family, whose farm would be bisected by the Eastern Bypass. SGR is prepared to negotiate a modification of the rail line to minimize impacts to their property to the extent feasible should SGR decide to build its line along the Eastern Bypass alignment. SGR has so advised the Weiblen.

While the goal of negotiations designed to avoid or minimize impacts on homes, irrigation systems or other structures is obviously a sound one, such avoidance or minimization may not always be achievable due to geographic, cost or other constraints. Thus, to clarify that this measure is not intended to prohibit SGR from proceeding with construction even where certain impacts cannot be avoided, SGR suggests that SEA add the words ", to the extent feasible," after the word "ensure" in this measure.

With respect to SEA's request for an assessment of whether the Weiblen Modification is reasonable and feasible, SGR has not undertaken an intensive engineering analysis of the proposed Weiblen Modification to make a definitive judgment in that regard. However, based on analyses that have been performed, as well as SGR's familiarity with the area, SGR has not identified any fatal flaws with the Weiblen Modification. Further, subject to consultation with the County, SGR believes that the Weiblen Modification crosses CR 4516 at a point that offers a safe location for a crossing, as in the case of the originally proposed Eastern Bypass alignment.

Accordingly, while SGR believes that Mitigation Measure 5A offers sufficient protection to the interests of the Weiblen and to other landowners, SGR would not oppose an SEA recommendation in the Final EIS allowing SGR the leeway to build its line along the Weiblen Modification. However, SGR also urges SEA to allow SGR the option to determine based on final engineering and further study of the area that it could construct its line adhering to the originally proposed Eastern Bypass should any irremediable problems arise with the Weiblen Modification.

Finally, it bears note that SGR officials have been in contact with members of the Weiblen family and have discussed possible minor alterations to the Weiblen Modification to improve the routing. SGR intends to maintain a dialogue with the Weiblen family and, assuming that the STB approves construction along the Eastern Bypass and Weiblen Modification, will work with that family under the strictures of Mitigation Measure 5A to ensure to the extent feasible that the SGR line's impact on the Weiblen farm operations is minimized.

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We trust that this responds to the questions raised in your letter and would be pleased to answer any further questions that you might have. As you requested, we have copied a member of the Weiblen family on this letter.

Respectfully,

A handwritten signature in black ink, appearing to read "David H. Cobum", with a long horizontal flourish extending to the right.

David H. Cobum
Attorney for Southwest Gulf Railroad

cc: Ms. Diana Wood
Ms. Jaya Zyman-Ponebshek
Mr. Harold Weiblen