

STEPTOE & JOHNSON^{LLP}
ATTORNEYS AT LAW

#E1-2830
RJ

David H. Coburn
202.429.8063
dcoburn@steptoe.com

1330 Connecticut Avenue, NW
Washington, DC 20036-1795
Tel 202.429.3000
Fax 202.429.3902
steptoe.com

February 16, 2007

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

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

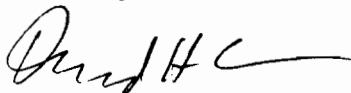
Dear Ms. Rutson:

This will update you in connection with the permitting for the Vulcan Construction Material L.P.'s ("Vulcan") quarry in Medina County, Texas that is proposed to be served by the Southwest Gulf Railroad ("SGR"). On February 2, 2007, the Texas Commission on Environmental Quality ("TCEQ") granted an air quality permit to Vulcan for operation of the above-referenced quarry. A copy of the permit, which includes the various conditions attached to it, is enclosed. The permit is effective for a ten year period.

Please note that the permit limits fugitive emissions from the quarry site. See Special Condition 4. In that regard, the permit requires (a) the installation of spray bars at various points at the quarry, (b) the paving and watering of the road used by trucks to enter and exit the quarry, (c) that all aggregate stockpiles and active work areas be sprinkled with water and/or environmentally sensitive chemicals and (d) that trucks be washed to remove mud and road dust. See Special Conditions 5 B, D, E and G.

Vulcan is proceeding toward the initiation of operations at the quarry. Please call me if you have any questions.

Sincerely,



David H. Coburn

Ms. Victoria Rutson
February 16, 2007
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cc: Ms. Rini Ghosh
Ms. Diana Wood
Ms. Jaya Zyman-Ponebshek

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 2, 2007

Ms. Aleisha Knochenhauer
Environmental Services Manager
Southwest Division
Vulcan Construction Materials, L.P.
P.O. Box 791550
San Antonio, Texas 78279-1550

Re: Permit Application
Permit Number: 76337
Rock Crushing Plant
Rio Medina, Medina County
Regulated Entity Number: RN104680905
Customer Reference Number: CN600355465

Dear Ms. Knochenhauer:

This is in response to your Form PI-1, entitled "General Application for Air Preconstruction Permits and Amendments," concerning the above-referenced facility. This will acknowledge that your application for the above-referenced permit is technically complete as of February 3, 2006. We appreciate your cooperation in sending us the information necessary to evaluate your proposal.

A permit for your new facility is enclosed. The permit contains several general and special conditions that define the level of operation and allowable emissions. In addition, the construction and operation of the facilities must be as represented in the application.

This permit will be automatically void upon the occurrence of any of the following, as indicated in Title 30 Texas Administrative Code § 116.120(a) [30 TAC § 116.120(a)]:

1. Failure to begin construction within 18 months of the date of issuance,
2. Discontinuance of construction for more than 18 months prior to completion, or
3. Failure to complete construction within a reasonable time.

Upon request, the Texas Commission on Environmental Quality (TCEQ) Executive Director may grant extensions as allowed in 30 TAC § 116.120(b).

This permit will be in effect for ten years from the date of approval.

Ms. Aleisha Knochenhauer

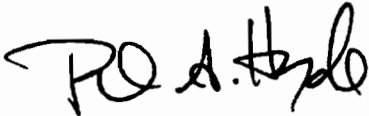
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February 2, 2007

Re: Permit Number: 76337

Thank you for your cooperation and interest in air pollution control. If you need further information or have any questions, please contact Mr. Larry Buller at (512) 239-1890 or write to the Texas Commission on Environmental Quality, Office of Permitting, Remediation, and Registration, Air Permits Division (MC-163), P.O. Box 13087, Austin, Texas 78711-3087.

Sincerely,

A handwritten signature in black ink, appearing to read "R. A. H. pl". The signature is stylized with a large, sweeping initial "R" and a long, horizontal stroke extending to the right.

For The Commission
Texas Commission on Environmental Quality

LB/pl

Enclosures

cc: Mr. Gary Nicholls, P.E., Vice President, Westward Environmental, Inc., Boerne
Air Section Manager, Region 13 - San Antonio

Project Number: 116642



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AIR QUALITY PERMIT

A PERMIT IS HEREBY ISSUED TO

Vulcan Construction Materials, L.P.

AUTHORIZING THE CONSTRUCTION AND OPERATION OF

Rock Crushing Plant

LOCATED AT Rio Medina, Medina County, Texas

LATITUDE 29° 27' 38" LONGITUDE 099° 01' 16"



1. **Facilities** covered by this permit shall be constructed and operated as specified in the application for the permit. All representations regarding construction plans and operation procedures contained in the permit application shall be conditions upon which the permit is issued. Variations from these representations shall be unlawful unless the permit holder first makes application to the Texas Commission on Environmental Quality (commission) Executive Director to amend this permit in that regard and such amendment is approved. [Title 30 Texas Administrative Code § 116.116 (30 TAC § 116.116)]
2. **Voiding of Permit.** A permit or permit amendment is automatically void if the holder fails to begin construction within 18 months of the date of issuance, discontinues construction for more than 18 months prior to completion, or fails to complete construction within a reasonable time. Upon request, the executive director may grant an 18-month extension. Before the extension is granted the permit may be subject to revision based on best available control technology, lowest achievable emission rate, and netting or offsets as applicable. One additional extension of up to 18 months may be granted if the permit holder demonstrates that emissions from the facility will comply with all rules and regulations of the commission, the intent of the TCAA, including protection of the public's health and physical property; and (b)(1) the permit holder is a party to litigation not of the permit holder's initiation regarding the issuance of the permit; or (b)(2) the permit holder has spent, or committed to spend, at least 10% of the estimated total cost of the project up to a maximum of \$5 million. A permit holder granted an extension under subsection (b)(1) of this section may receive one subsequent extension if the permit holder meets the conditions of subsection (b)(2) of this section. [30 TAC § 116.120(a), (b) and (c)]
3. **Construction Progress.** Start of construction, construction interruptions exceeding 45 days, and completion of construction shall be reported to the appropriate regional office of the commission not later than 15 working days after occurrence of the event. [30 TAC § 116.115(b)(2)(A)]
4. **Start-up Notification.** The appropriate air program regional office shall be notified prior to the commencement of operations of the facilities authorized by the permit in such a manner that a representative of the commission may be present. The permit holder shall provide a separate notification for the commencement of operations for each unit of phased construction, which may involve a series of units commencing operations at different times. Prior to operation of the facilities authorized by the permit, the permit holder shall identify to the Office of Permitting, Remediation, and Registration the source or sources of allowances to be utilized for compliance with Chapter 101, Subchapter H, Division 3 of this title (relating to Mass Emissions Cap and Trade Program). [30 TAC § 116.115(b)(2)(B)]
5. **Sampling Requirements.** If sampling is required, the permit holder shall contact the commission's Office of Compliance and Enforcement prior to sampling to obtain the proper data forms and procedures. All sampling and testing procedures must be approved by the executive director and coordinated with the regional representatives of the commission. The permit holder is also responsible for providing sampling facilities and conducting the sampling operations or contracting with an independent sampling consultant. [30 TAC § 116.115(b)(2)(C)]
6. **Equivalency of Methods.** The permit holder must demonstrate or otherwise justify the equivalency of emission control methods, sampling or other emission testing methods, and monitoring methods proposed as alternatives to methods indicated in the conditions of the permit. Alternative methods shall be applied for in writing and must be reviewed and approved by the executive director prior to their use in fulfilling any requirements of the permit. [30 TAC § 116.115(b)(2)(D)]
7. **Recordkeeping.** The permit holder shall maintain a copy of the permit along with records containing the information and data sufficient to demonstrate compliance with the permit, including production records and operating hours; keep all required records in a file at the plant site. If, however, the facility normally operates unattended, records shall be maintained at the nearest staffed location within Texas specified in the application; make the records available at the request of personnel from the commission or any air pollution control program having jurisdiction; comply with any additional recordkeeping requirements specified in special conditions attached to the permit; and retain information in the file for at least two years following the date that the information or data is obtained. [30 TAC § 116.115(b)(2)(E)]
8. **Maximum Allowable Emission Rates.** The total emissions of air contaminants from any of the sources of emissions must not exceed the values stated on the table attached to the permit entitled "Emission Sources--Maximum Allowable Emission Rates." [30 TAC § 116.115(b)(2)(F)]
9. **Maintenance of Emission Control.** The permitted facilities shall not be operated unless all air pollution emission capture and abatement equipment is maintained in good working order and operating properly during normal facility operations. The permit holder shall provide notification for upsets and maintenance in accordance with § 101.201, 101.211, and 101.221 of this title (relating to Emissions Event Reporting and Recordkeeping Requirements; Scheduled Maintenance, Startup and Shutdown Reporting and Recordkeeping Requirements; and Operational Requirements). [30 TAC § 116.115(b)(2)(G)]
10. **Compliance with Rules.** Acceptance of a permit by an applicant constitutes an acknowledgment and agreement that the permit holder will comply with all rules, regulations, and orders of the commission issued in conformity with the TCAA and the conditions precedent to the granting of the permit. If more than one state or federal rule or regulation or permit condition are applicable, the most stringent limit or condition shall govern and be the standard by which compliance shall be demonstrated. Acceptance includes consent to the entrance of commission employees and agents into the permitted premises at reasonable times to investigate conditions relating to the emission or concentration of air contaminants, including compliance with the permit. [30 TAC § 116.115(b)(2)(H)]
11. This permit may be appealed pursuant to 30 TAC § 50.119.
12. This permit may not be transferred, assigned, or conveyed by the holder except as provided by rule. [30 TAC § 116.110(e)]
13. There may be additional special conditions attached to a permit upon issuance or modification of the permit. Such conditions in a permit may be more restrictive than the requirements of Title 30 of the Texas Administrative Code. [30 TAC § 116.115(c)]
14. **Emissions** from this facility must not cause or contribute to a condition of "air pollution" as defined in TCAA § 382.003(3) or violate TCAA § 382.085, as codified in the Texas Health and Safety Code. If the executive director determines that such a condition or violation occurs, the holder shall implement additional abatement measures as necessary to control or prevent the condition or violation.

PERMIT 76337

Date: February 2, 2007

For The Commission
Texas Commission on Environmental Quality

SPECIAL CONDITIONS

Permit Number 76337

EMISSION STANDARDS

1. This permit covers only those sources of emissions listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates," and those sources are limited to the emission limits and other conditions specified in the attached table.
2. All equipment shall comply with all requirements of the U.S. Environmental Protection Agency (EPA) regulations on Standards of Performance for New Stationary Sources (NSPS) promulgated for Nonmetallic Mineral Processing Plants in Title 40 Code of Federal Regulations (40 CFR) Part 60, Subparts A and OOO except as otherwise represented in the permit application.

OPACITY/VISIBLE EMISSION LIMITATIONS

3. Opacity of emissions from any transfer point on belt conveyors or any screen shall not exceed 10 percent and from any crusher shall not exceed 15 percent, averaged over a six-minute period as determined by EPA Test Method (TM) 9 or equivalent.
4. No visible fugitive emissions from the crusher, screens, transfer points on belt conveyors, material storage or feed bins, stockpiles or plant roads shall cross the property line. Visible emissions shall not exceed 30 seconds in duration in any six-minute period as determined using EPA TM 22 or equivalent. If this condition is violated, additional controls or process changes may be required to limit visible particulate matter (PM) emissions.

OPERATIONAL REPRESENTATIONS

5. The company has represented the following to comply with all Texas Commission on Environmental Quality (TCEQ) rules and regulations:
 - A. Production at this facility is limited to 1,500 tons per hour (tph) and 8,500,000 tons per year (tpy) on a rolling 12 month basis, with capacity limits for each crusher as listed in the attached table entitled "Emission Sources - Maximum Allowable Emission Rates."
 - B. Permanently mounted spray bars shall be installed at the inlet and outlet of all crushers, at all shaker screens, and at all material transfer points except those EPNs listed in Special Condition No. 5C. All water spray systems shall be operated as necessary to comply with Special Condition No. 4.

SPECIAL CONDITIONS

Permit Number 76337

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C. No visible emissions shall be observed from the saturated processes defined by EPNs 25-32, 36-40, 44-46, 51-66, 74, 75, and 76c-82 to comply with Special Condition No. 4.

D. The primary entrance and exit for product truck traffic shall be paved with a cohesive hard surface which can be cleaned by sweeping or washing. Upon detection of visible particulate emissions the paved road shall be watered to comply with Special Condition No. 4.

All other roads and vehicle traffic areas shall be sprinkled with water and/or environmentally sensitive chemicals upon detection of visible particulate emissions to comply with Special Condition No. 4.

E. All aggregate stockpiles and active work areas shall be sprinkled with water and/or environmentally sensitive chemicals to comply with Special Condition No. 4.

F. Raw material stockpile heights are site specific and shall not exceed 45 feet in height unless approved by the TCEQ Regional Office and/or any appropriate local air programs with delegation.

G. A truck wash station shall be installed and operated. This station shall direct water sprays onto the undercarriage of product trucks to remove mud and/or road dust.

INITIAL DETERMINATION OF COMPLIANCE

6. The permit holder shall comply with 40 CFR Part 60 Subparts A and OOO requirements within the specified time frame. Requests for additional time to perform observations shall be submitted in writing to the TCEQ Regional Office. Requests for additional time to comply with the applicable requirements of 40 CFR 60 requires EPA approval and shall be submitted in writing to the TCEQ Compliance Support Division.

CONTINUOUS DETERMINATION OF COMPLIANCE

7. Upon request of the TCEQ Regional Director having jurisdiction, the holder of this permit shall perform ambient air monitoring, or other testing as required, to establish the actual pattern and quantities of air contaminants being emitted into the atmosphere. The tests shall be performed during normal operation of the facilities and shall be performed in accordance with accepted TCEQ practices and procedures.

SPECIAL CONDITIONS

Permit Number 76337

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RECORDKEEPING REQUIREMENTS

8. The following records shall be maintained and kept for a rolling two-year period to demonstrate compliance with General Condition No. 7, the maximum allowable emission rates table (MAERT), and NSPS requirements, including the following:
 - A. Daily and annual amounts of materials processed;
 - B. Road watering and cleaning for paved primary entrance and exit road and application of road dust control for all unpaved roads and vehicle traffic areas; and
 - C. Records of all repairs and maintenance of abatement systems.

Dated February 2, 2007

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

Permit Number 76337

This table lists the maximum allowable emission rates and all sources of air contaminants on the applicant's property covered by this permit. The emission rates shown are those derived from information submitted as part of the application for permit and are the maximum rates allowed for these facilities. Any proposed increase in emission rates may require an application for a modification of the facilities covered by this permit.

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	<u>Emission Rates *</u>	
			lb/hr	TPY
5	Crusher No. 1 (4)	PM	0.70	1.99
		PM ₁₀	0.35	0.98
15	Crusher No. 2 (4)	PM	0.07	0.21
		PM ₁₀	0.04	0.10
33	Crusher No. 3 (4)	PM	0.66	1.88
		PM ₁₀	0.33	0.92
47	Crusher No. 4 (4)	PM	0.36	1.02
		PM ₁₀	0.16	0.46
48	Crusher No. 5 (4)	PM	0.36	1.02
		PM ₁₀	0.16	0.46
3	Screen No. 1 (4)	PM	3.30	9.35
		PM ₁₀	1.10	3.15
10	Screen No. 2 (4)	PM	1.29	3.67
		PM ₁₀	0.44	1.23
25	Scrubber (Wet Screen) (4)	PM	0.29	0.82
		PM ₁₀	0.10	0.28
28	Wet Screen No. 1 (4)	PM	0.08	0.21
		PM ₁₀	0.03	0.07
29	Wet Screen No. 2 (4)	PM	0.35	0.99
		PM ₁₀	0.12	0.35
44	Wet Screen No. 3 (4)	PM	0.25	0.71
		PM ₁₀	0.09	0.25

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates *	
			lb/hr	TPY**
51	Wet Screen No. 4 (4)	PM	0.15	0.43
		PM ₁₀	0.05	0.15
55	Wet Screen No. 5 (4)	PM	0.14	0.41
		PM ₁₀	0.05	0.14
74	Wet Screen No. 6 (4)	PM	0.19	0.32
		PM ₁₀	0.07	0.11
75	Wet Screen No. 7 (4)	PM	0.19	0.32
		PM ₁₀	0.07	0.11
1, 88	Loading/Unloading Operations (4)	PM	0.29	0.52
		PM ₁₀	0.14	0.25
MHFUG	Aggregate Handling (4, 5)	PM	7.89	16.47
		PM ₁₀	2.61	5.45
SPFUG-A	Stockpile STK A (4)	PM	-	9.68
		PM ₁₀	-	4.61
SPFUG-B	Stockpile STK B (4)	PM	-	3.18
		PM ₁₀	-	1.51
SPFUG-C	Stockpile STK C (4)	PM	-	3.25
		PM ₁₀	-	1.55
SPFUG-D	Stockpile STK D (4)	PM	-	2.10
		PM ₁₀	-	1.00
SPFUG-E	Stockpile STK E (4)	PM	-	3.54
		PM ₁₀	-	1.69
SPFUG-F	Stockpile STK F (4)	PM	-	1.37
		PM ₁₀	-	0.65

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates *	
			lb/hr	TPY**
SPFUG-G	Stockpile STK G (4)	PM	-	4.05
		PM ₁₀	-	1.93
SPFUG-H	Stockpile STK H (4)	PM	-	2.53
		PM ₁₀	-	1.20
SPFUG-I	Stockpile STK I (4)	PM	-	1.23
		PM ₁₀	-	0.59
SPFUG-J	Stockpile STK J (4)	PM	-	1.30
		PM ₁₀	-	0.62
SPFUG-K	Stockpile STK K (4)	PM	-	28.91
		PM ₁₀	-	13.77
SPFUG-L	Stockpile STK L (4)	PM	-	4.63
		PM ₁₀	-	2.20
SPFUG-M	Stockpile STK M (4)	PM	-	0.58
		PM ₁₀	-	0.28
SPFUG-N	Stockpile STK N (4)	PM	-	0.58
		PM ₁₀	-	0.28
SPFUG-O	Stockpile STK O (4)	PM	-	0.79
		PM ₁₀	-	0.38
SPFUG-P	Stockpile STK P (4)	PM	-	0.14
		PM ₁₀	-	0.07
SPFUG-Q	Stockpile STK Q (4)	PM	-	0.51
		PM ₁₀	-	0.24
SPFUG-R	Stockpile STK R (4)	PM	-	0.58
		PM ₁₀	-	0.28

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

AIR CONTAMINANTS DATA

Emission Point No. (1)	Source Name (2)	Air Contaminant Name (3)	Emission Rates *	
			lb/hr	TPY**
SPFUG-S	Stockpile STK S (4)	PM	-	0.58
		PM ₁₀	-	0.28
T1	30,000 gal Diesel Tank (4)	VOC	0.01	0.03
T2	1000 gal Gasoline Tank (4)	VOC	0.11	0.48
T3	1000 gal Motor Oil Tank #1 (4)	VOC	<0.01	<0.01
T4	1000 gal Motor Oil Tank #2 (4)	VOC	<0.01	<0.01
T5	1000 gal Trans. Oil Tank #1 (4)	VOC	<0.01	<0.01
T6	1000 gal Trans. Oil Tank #2 (4)	VOC	<0.01	<0.01
T7	1000 gal Hydraulic Oil Tank #1 (4)	VOC	<0.01	<0.01
T8	1000 gal Hydraulic Oil Tank #2 (4)	VOC	<0.01	<0.01
T9	1000 gal Gear Oil Tank (4)	VOC	<0.01	<0.01
T10	2000 gal Used Oil Tank (4)	VOC	<0.01	<0.01

(1) Emission point identification - either specific equipment designation or emission point number from plot plan.

(2) Specific point source name. For fugitive sources use area name or fugitive source name.

(3) PM - particulate matter, suspended in the atmosphere, including PM₁₀.

PM₁₀ - particulate matter equal to or less than 10 microns in diameter. Where PM is not listed, it shall be assumed that no particulate matter greater than 10 microns is emitted.

VOC - volatile organic compounds.

(4) Fugitive emissions are an estimate only.

(5) Includes EPNs 2, 4a, 4b, 7, 9, 11a-11e, 14, 17, 20, 22, 24, 26, 27, 30a, 30b, 32, 35, 36, 38, 41, 43, 45a-45d, 46, 50, 54, 56a-56d, 57, 59, 67, 69, 70, 73a, 76a-76d, 78, 81, 84, 85, 87, 89, 91, and 93 as well as Conveyors 2a, 6, 8, 12, 12a, 13, 16, 18, 19, 21, 23, 31, 34, 37, 39, 40, 42, 49, 52, 53, 58, 60 - 66, 68, 71 - 73, 77, 79, 80, 82, 83, 86, 90, and 92.

EMISSION SOURCES - MAXIMUM ALLOWABLE EMISSION RATES

- * Emission rates are based on and the facilities are limited by the following maximum operating schedule and production rates:

24 Hrs/day 7 Days/week 52 Weeks/year or 8,760 Hrs/year

Crusher #1:	585 Tons/hour	<u>3,315,000</u> Tons/year
Crusher #2:	<u>62</u> Tons/hour	<u>351,333</u> Tons/year
Crusher #3:	<u>553</u> Tons/hour	<u>3,133,667</u> Tons/year
Crusher #4:	<u>300</u> Tons/hour	<u>1,700,000</u> Tons/year
Crusher #5:	<u>300</u> Tons/hour	<u>1,700,000</u> Tons/year

Total Facility: 1,500 Tons/hour 8,500,000 Tons/year

Dated February 2, 2007