



SLOVER & LOFTUS LLP
ATTORNEYS AT LAW

EI-26314

April 18, 2018

Victoria Rutson, Director
Office of Environmental Analysis
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423-0001

Re: Docket No. FD 36186, *Texas Railway Exchange LLC –
Construction and Operation Exemption – Galveston County, TX*

Dear Ms. Rutson:

By this letter, the Texas Railway Exchange LLC (“TREX”), requests that the Office of Environmental Analysis (“OEA”) grant a waiver pursuant to 49 C.F.R. 1105.10(c) of the requirement under 49 C.F.R. 1105.10(a) that an applicant meet and provide “written notice of its forthcoming proposal at least 6 months prior to filing its application.” Here, waiver of the six month notice requirement is appropriate under the rules as counsel for TREX has met and conferred two separate times with OEA staff as to the environmental and planning considerations for this project and no significant issues were identified; the planned construction is limited in scope as it includes less than 3,000 feet of track; virtually all of the track to be constructed will be located on or next to existing railroad rights-of-way; and the construction will be in areas zoned as either light-industrial or heavy-industrial within the City of Galveston, Texas.

As TREX has communicated to OEA staff, the purpose of the planned construction is to provide the Texas International Terminal (“TIT”) and its shippers with efficient, reliable, direct, and permanent access to BNSF’s track. Presently, TIT receives both Union Pacific Railroad Company (“UP”) and BNSF Railway Company (“BNSF”) traffic. However, BNSF serves TIT only through indirect reciprocal switch service provided by UP at added expense to shippers, and under restrictive service and operating rules that create significant operational, system fluidity, and delay/train turn around issues. The construction project will directly connect TIT and BNSF track and allow trains to reach TIT directly without delay, resulting in significant operational efficiencies for both BNSF and UP connecting train service, improved train service and processing times, and environmental benefits, including through reduced locomotive use and switching time, reduced train turn around times, reduced train blockages, and improved system fluidity.

Please note that TREX plans to engage a third party to work under the supervision of OEA to prepare the environmental documentation, which subject is addressed under a separate letter being sent today to OEA. Based on the limited scope and potential benefits of this project, TREX at this time believes that an Environmental Analysis (“EA”) will be appropriate, but will

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wait to file a request that an EA as opposed to an Environmental Impact Statement be prepared until the third-party consultant has performed a preliminary site assessment as directed by OEA.

For the above stated reasons, TREX requests that you grant the waiver of the six month notice requirement under 49 C.F.R. 1105.10(c).

Please contact the undersigned if you have any questions or require additional information. We look forward to working with OEA to complete the environmental review process for this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peter A. Pfohl", with a long horizontal flourish extending to the right.

Peter A. Pfohl

An Attorney for Texas Railway Exchange LLC