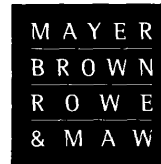


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December 17, 2002

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: Finance Docket No. 34079, San Jacinto Rail Limited – Authority To Construct –
And The Burlington Northern And Santa Fe Railway Company – Authority To
Operate – Petition For An Exemption From 49 U.S.C. §10901 – Build-In To The
Bayport Industrial Loop Area Near Houston, Harris County, Texas

Dear Secretary Williams:

On behalf of San Jacinto Rail Limited, this is to comment upon recent correspondence and form letters regarding the comment period for the Draft EIS and clarify certain related matters.

We believe the comment period provides ample time for interested parties to submit comments on the record of this proceeding which has been pending for well over a year now. We continue to encourage the Board to progress the environmental review in this proceeding on as expeditious a schedule as practical.

In addition, we believe a clarification of the purpose and scope of the TTI Study mentioned by Congressman Green in his letters of December 10 and September 5 is in order since there appears to be some confusion on that subject. There is a suggestion that the TTI Study is somehow interrelated with the environmental review for the Bayport project. The TTI study objectives are quite different from the purpose and scope of the environmental review in this docket. The TTI study focuses on improving existing traffic management issues in the East

Vernon A. Williams

December 17, 2002

Page 2

End of Houston. BNSF has volunteered to support the study with contributions of its own funds.¹

Pre-existing conditions in the East End neighborhoods were brought to the attention of both Union Pacific Railroad Company and BNSF at high levels during local informational meetings on the proposed Bayport project. Thus, while the TTI study was a by-product of our improved communications with the East End community as a result of the Bayport project, it was not necessitated by the proposed Bayport build-in. Rather, the focus of the study is on pre-existing conditions in these neighborhoods and what improvements may be justified as considerations for both public and private funding sources.

In contrast to the environmental review at hand for the Bayport build-in, which addresses the impacts of the *proposed* new construction and incremental traffic feeding into the East End, the TTI study focuses on long-*existing* issues affecting the area. In sum, the purposes of the two studies are entirely distinct. Moreover, the geographic scope of those studies varies significantly. Some of the East End lines under review by TTI are also reviewed by SEA in the Draft EIS, but much of the territory under review by TTI has no relationship with the proposed routing for Bayport traffic. Accordingly, in contrast to the suggestion that the TTI study should advance the STB study, we have found the opposite to be the case. It is our understanding that the TTI study has benefited from the traffic studies and in-depth analyses SEA has conducted, as well as the information SEA has obtained from BNSF, UP, and other parties.

Finally, we want to clarify an issue that seems to be misunderstood locally. Although we believe SEA has a comprehensive understanding of the traffic patterns in the area based on our review of the Draft EIS, we nevertheless feel the public would benefit from clarification of a fundamental fact. The projected traffic that BNSF proposes to transport from Bayport through the East End and on to Dayton Yard is not "additional" traffic. Rather, BNSF would be diverting the same traffic that currently exists and moves out of Bayport today on UP trains via UP lines in the vicinity.

We appreciate the opportunity to submit this letter of clarification into the public record.

Sincerely,

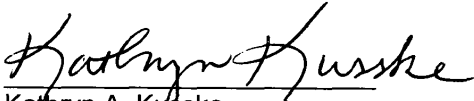

Kathryn A. Kusske

cc: Victoria J. Rutson

¹ In addition, as part of its proposed voluntary mitigation measures in this docket, BNSF has committed to continue its participation with the East End Mobility Task Force which has commissioned the TTI study. However, BNSF's proposed mitigation was aimed at addressing local community concerns whether or not they directly relate to the Bayport construction impacts. See Letter to Victoria J. Rutson dated August 6, 2002.

CERTIFICATE OF SERVICE

I do hereby certify that copies of the foregoing letter are being served upon the
Parties of Record via United States mail.


Kathryn A. Kusske