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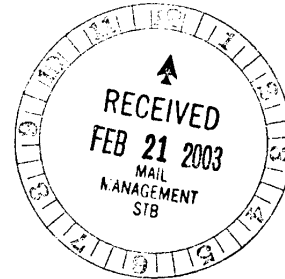
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February 21, 2003

BY HAND AND FACSIMILE

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

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Attention: Dana White
Section of Environmental Analysis

Re: Environmental Filing FD No. 34079

Dear Ms. White:

Pursuant to the Board's notice served December 6, 2002, accompanying this letter are the written comments of Union Pacific Railroad Company on the Draft Environmental Impact Statement in the above-referenced docket.

This is a revised version of the comments delivered to you on February 19, 2003. The only change we made is that we removed the Certificate of Service from the comments. We understand it is not necessary to serve the comments on other parties.

Please date-stamp the enclosed extra copy and return it with our waiting messenger. Thank you very much.

Sincerely,

A handwritten signature in cursive script that reads "David L. Meyer".

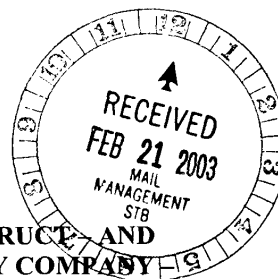
David L. Meyer

*Attorney for Union Pacific
Railroad Company*

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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-OUT TO THE BAYPORT
LOOP NEAR HOUSTON, HARRIS COUNTY, TEXAS**



**UNION PACIFIC RAILROAD COMPANY'S COMMENTS
ON DRAFT ENVIRONMENTAL IMPACT STATEMENT**

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Union Pacific Railroad Company ("UP") limits its comments on the Draft Environmental Impact Statement ("EIS") to Chapter 3.3, "Pipeline Safety." As the Draft EIS notes (at pages 3-17 & 3-18), the proposed rail construction would cross, or run adjacent to, numerous existing pipelines, many of which carry natural gas and hazardous liquids, including petroleum and petroleum products.

UP has considerable experience with pipelines that occupy portions of railroad rights of way and related issues of pipeline safety. UP is a party to over 100,000 active pipeline agreements, the vast majority of which involve pipelines that cross UP's right of way. Hundreds of miles of UP's rail network are on right of way that includes or runs adjacent to pipelines. As the Draft EIS notes, UP's lines in the vicinity of the proposed construction, including the Bayport Loop itself, cross or run near dozens of pipelines and pipeline-related facilities.

Based on this experience, UP concurs with the conclusion of the Draft EIS that railroads and pipelines can safely co-exist. *See* Draft EIS, p. 3-20. When appropriate care is taken in the construction, operation and maintenance of pipelines that cross or are

near rail lines – as well as rail lines that cross or are near pipelines – damage to pipelines can be prevented and safety can be assured. When adequate safeguards are employed pipelines can be protected from damage due to derailments and the many other activities essential to the operation of railroads, such as use of excavating equipment to build and maintain railroad lines, the loadings associated with passing trains, and operation of vehicles by railroad employees who operate and maintain the railroad.

As the Draft EIS notes (at 3-17), the railroad industry, through AREMA and in coordination with the pipeline industry, has developed engineering standards that address the safe design of railroad-pipeline crossings and pipelines that run parallel to rail lines. Those standards specify how far from the tracks pipelines should be placed, and how far below ground they should be when they are near or beneath railroad tracks. In some cases AREMA standards also call for encasement of pipelines that cross beneath railroad tracks. AREMA standards are more tailored to the railroad operating environment than governmental regulations that apply to pipelines generally, such as the DOT/OPS regulations cited in the Draft EIS.

Based on its own experience, UP has adopted standards governing pipeline crossings that are somewhat more stringent than AREMA standards.¹ It is UP's understanding that BNSF has similar standards for new pipeline installations. Like other railroads, UP also insists on a detailed review of any proposed pipeline crossing, so that it can tailor its standards to the circumstances at hand.

¹ Those standards are set forth on UP's website, at <http://www.uprr.com/reus/pipeline>.

UP is not aware of the Applicants' detailed construction plans in this case. However, UP is confident that BNSF customarily applies appropriate standards and takes appropriate precautions in connection with pipelines that cross or run near its railroad. UP is therefore confident that compliance with such standards and practices, together with the mitigation steps noted in the Draft EIS (*see* § 6.2.3), will be sufficient to ensure that the proposed rail construction does not pose a threat to pipeline safety at or near the Bayport Loop.

Finally, UP wishes to address a document that UP produced in response to a discovery request by the Galveston Bay Conservation and Preservation Association. That document – a PowerPoint presentation on “Utility Easements”² – was presented by a Burlington Northern Santa Fe employee at the September 2002 Railroad Legislative Conference, which was sponsored by the AAR State Relations Policy Committee. The PowerPoint addresses pipeline safety issues and points out potential dangers associated with installing pipelines on or across railroad right of way.

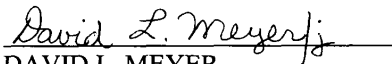
As UP understands the document, however, it does not purport to suggest that pipelines that cross railroads – or rail lines that cross pipelines – are inherently unsafe. Rather, as the cover note indicates, the document was intended for distribution to state legislative affairs personnel for their use in dissuading state legislators from enacting legislation that would threaten public safety. A few states have enacted legislation that allows pipelines to be built across railroad rights of way on an expedited basis, without requiring the pipelines to consult with railroads on design and installation or otherwise

² The first page of the presentation is entitled “Utility Lines v/s Railroads.”

comply with the engineering standards and other safeguards imposed by railroads. Other states have been considering similar legislation. BNSF distributed the PowerPoint presentation to the railroads' state government affairs personnel to allow them to demonstrate to state legislators some of the risks that can arise when railroad safety standards are not followed. However, if appropriate safety standards are followed when pipelines cross railroads, or vice versa, those consequences can be avoided.

Respectfully submitted,

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