



December 21, 2006

Hanson North America

Michael H. Hyer
Vice President
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Honorable Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Re: PYCO Industries, Inc. – Feed Line Application
South Plains Switching, F.D. 34890 et al.

Dear Mr. Secretary:

Hanson Aggregates is a shipper that has appeared in this proceeding in support of a feeder line application of PYCO.

In reliance on its rights under a track lease agreement with South Plains Switching, Ltd. ("SAW") and on the Board's order dated August 2, 2006, Hanson submitted a bid to supply aggregates to a highway project in Lubbock, Texas. Delivery of those aggregates would require use of the track subject to that lease and the services of SAW. A copy of that bid is attached as Exhibit A. We believe this customer is prepared to purchase from Hanson the aggregates offered in that bid, provided the aggregates can be delivered by rail to Hanson's terminal site in Lubbock, Texas. Shipments are expected to commence in mid-January 2007.

Subsequent to the submission of that bid¹, Hanson received a letter from SAW purporting to cancel the track lease. A copy of that letter is attached as Exhibit B. Attached as Exhibit C is Hanson's response to SAW's letter.

In subsequent conversations between Hanson representatives and Mr. Larry Wisener (who Hanson believes controls and directs the operations of SAW), Mr. Wisener was informed of the bid and our need for the rail service into the leased site in Lubbock. In those conversations Mr. Wisener stated that SAW would not provide such requested service to that site and indicated that SAW had transferred the leased trackage to another party.

Paragraph 4 of the Board's Order dated August 2, 2006 provides in pertinent part that

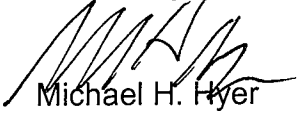
SAW may not transfer any property interests in, or rescind any leases or agreements concerning PYCO or any shipper that supports a feeder line

¹ SAW's letter and Hanson's bid are each dated December 5, 2006. Hanson bid was sent on December 5, without knowledge of SAW's letter, which was received by Hanson a few days later.

application to purchase all or any part of SAW's rail lines, until either a purchase under 49 U.S.C. 10907 is consummated or all feeder lines applicants whose feeder line applications are approved have notified the Board in writing that they do not wish to go forward with purchasing all or any part of SAW's rail lines.

SAW's actions in seeking to cancel its track lease with Hanson, to refuse to provide rail service to that site for the aggregates shipments contemplated by Hanson's bid, and SAW's apparent transfer of the track subject to that track lease are violations of this Board's order and Hanson's rights as a shipper under the laws of the United States. Hanson respectfully requests the Board to declare SAW's attempts to cancel the lease and transfer the track as null and void and order SAW to provide service to Hanson for deliveries to that site, including the rail services necessary for the aggregates shipments subject to its outstanding bid, and to take such further action as the Board may consider is necessary and proper.

Yours very truly,



Michael H. Hyer

Attachments

cc: South Plains Switching, Ltd.

QUOTATION

TO:	Subject
Ryan Duininck Duinick Bros	Texas Department of Transportation December, 2006 Letting

Date	Bid Date
December 5, 2006	December 5, 2006

Hanson Aggregates proposes to furnish the following described material(s), at the stated price, for use on the following project:

Project	Location	Project Start	Calendar Days
LUBBOCK US 84	LUBBOCK, TX	1Q07	135

Item I

Source Quarry	Rail Destination	Route
Davis, OK	LUBBOCK, TX	BNSF / SHORT LINE

Product Code	Product	Approximate Volume US Tons	FOB Hanson Aggregates' Lubbock Terminal US \$ / Ton
TX161	5/8" - #10, Class A	--	\$ [REDACTED]
TX164	1/2" - #10, Class A	--	\$ [REDACTED]
TX179	Screenings	--	\$ [REDACTED]

Project	Location	Date	Page
LUBBOCK US 84	LUBBOCK, TX	December 5, 2006	2

*** Notes ***

1. Deliverability of product is solely based on BNSF Railway locomotive and crew availability. Hanson Aggregates' delivery obligations will be subject to the availability of rail transportation by the BNSF Railway. Hanson Aggregates will contact the BNSF Railway and in good faith make arrangements for the transportation by rail of the materials to Hanson Aggregate's Lubbock Terminal (Terminal) rail siding on customary terms and conditions. However, Hanson Aggregates does not warranty or in any way guarantee any delivery schedule or performance by the BNSF Railway or the availability of rail transportation. In the past deliveries of aggregates have been delayed or suspended by the railroad because of the unavailability of railcars, rail traffic congestion and other reasons. Hanson Aggregates will not be responsible for any losses suffered by Customer due to delays by, unavailability of service from or non-performance by the BNSF Railway.
2. Any rate increases and FSC changes demanded by BNSF Railway will be passed on to the contractor for the duration of this project.
3. The BNSF Railway has a fluctuating Fuel Surcharge (FSC) based on the Highway Diesel Fuel Index and changes every 30 days. The current FCS of 13% applies to December, 2006.
4. Delivery will occur in a minimum 60 privately owned 100 ton hoppers. Material will be unloaded directly into trucks. The unloading charge is included.
5. Receiving contractor is responsible for securing aggregate transportation with a delivery capacity of 500 TPH from the Terminal to the plant site. If the entire unit train is not unloaded within 24-hours of arrival at the Terminal the receiving contractor will be charged demurrage at \$ 75 per car for each subsequent 24-hour period.
6. Sales Agreement documents **MUST BE** in effect before shipment of material begins.
7. All prices subject to applicable sales tax unless exemption certificate provided.
8. Credit terms are Net 30 Days, pending Credit Approval.
9. Due to contractual agreements with the BNSF Railway, Hanson Aggregates has the right to refuse to load any non BNSF Railway ballast cars when BNSF Railway ballast cars are present for loading. Hanson Aggregates will not be responsible for any delays or costs that arise from its exercise of this right.
10. This quotation is also subject to Hanson Aggregates General Terms and Conditions, which are attached.

Hanson Aggregates appreciates the opportunity of quoting this project.

ACCEPTANCE:

Duininck Bros By: _____ Date: _____	Hanson Aggregates _____ Jason B. Milacek
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HANSON AGGREGATES GENERAL TERMS AND CONDITIONS

Buyer agrees that the following terms and conditions will apply to all sales of goods by Seller.

Governing Terms. The following general terms and conditions, together with the specific terms and conditions, not inconsistent herewith, in any Quotation, Acknowledgement of Order or other sales document issued by Seller or in a sales contract signed by Seller for a particular sale, are referred to collectively as the "Agreed Terms of Sale." Buyer agrees that the Agreed Terms of Sale shall govern the sale of the goods by Seller. Any conduct by Buyer which recognizes the existence of a contract with Seller for the sale of goods, including Buyer giving instructions to Seller respecting production or delivery or Buyer's acceptance of all or any portion of the goods, shall also constitute acceptance by Buyer of the Agreed Terms of Sale. Any terms in any purchase order or other document issued by Buyer which are in addition to or different from the Agreed Terms of Sale are objected to and rejected, and the Agreed Terms of Sale shall constitute the complete and exclusive statement of the terms and conditions of the agreement between the parties.

Prices. All severance, manufacturing, sales or use taxes now in effect or later imposed will be added to the invoices and paid by Buyer, except where otherwise provided by law. Sales tax will be charged unless a tax-exemption certificate is provided by Buyer. Prices set forth in any Quotation or Acknowledgment of Order are firm only through the expiration date stated in such document, but in no event more than 90 days from the date thereof. Prices for undelivered goods may be increased by Seller for any increase in the cost of Seller's supplies or labor or costs resulting from governmental action or other costs beyond Seller's reasonable control.

Payment and Collection. Unless otherwise provided in the Quotation or Acknowledgement of Order, all accounts are payable in current funds at the location designated in the invoice within 30 days of the date of delivery. Buyer agrees to pay interest at the maximum non-usurious rate on any past due indebtedness until paid and further agrees to pay all costs incurred in collection of past due indebtedness, including reasonable attorney's fees. Buyer acknowledges and agrees that, where Seller is not Hanson Aggregates, Inc., but any affiliate of Hanson Aggregates, Inc., Seller's right to payment of any account of Buyer has been or may be assigned to Hanson Aggregates Inc. and that by such assignment Hanson Aggregates, Inc. shall succeed to all Seller's rights to enforce payment, including any lien rights and rights to any bonds or other security of payment.

Credit Extension. Buyer represents and warrants that it is solvent and makes a continuing representation and warranty of solvency at the time of each tender of delivery. If at any time the financial condition of Buyer becomes unsatisfactory to Seller, Seller may require payment in advance or other security or guarantees satisfactory to Seller and may suspend deliveries until such adequate assurance of Buyer's performance has been received.

Delivery. Unless otherwise provided in the Quotation or Order Acknowledgement, all sales are F.O.B. the Seller's plant site stated in the Quotation or Order Acknowledgement and delivery shall occur and risk of loss shall transfer as the goods are loaded into trucks, railcars or other mode of transportation at such plant site.

Limited Warranty and Remedies. Seller warrants that, at the time of delivery, the goods sold will conform to the applicable specifications set forth in the Quotation, Acknowledgement of Order, or other sales document signed by Seller. **SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AND ALL OTHER WARRANTIES, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE DISCLAIMED.** If the goods fail to conform, at time of delivery, to this limited warranty, Buyer's sole and exclusive remedy and Seller's entire liability will be, at Seller's election, (i) the repair or replacement by Seller within a reasonable time of the non-conforming goods, f.o.b. Seller's plant with full freight allowed to the jobsite, or (ii) the refund of the price paid for the non-conforming goods, and in either case only if Seller receives written notice of the defect or non-conformance within 30 days of the date of delivery of the non-conforming goods. **SELLER WILL NOT BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES.** Seller's liability, whether under contract, in tort or otherwise shall not in any event exceed the price of the goods or portion of such goods on which such liability is based, and Buyer waives any claim for amounts in excess of that amount.

Force Majeure. Seller will not be liable for failure or delays in delivery of goods due to fire, flood, inclement weather, labor disputes, accidents, equipment failure, delays or unavailability of rail, truck or other transport, governmental acts or regulation, acts of God or any other contingencies beyond Seller's reasonable control. In such event, Seller reserves the right to allocate its available inventories and production capacity among Seller's various customers.

Legal Actions. No legal action shall be brought by the Buyer against the Seller for any claim with respect to any goods sold by Seller to Buyer more than one year after delivery of such goods to the Buyer. It is agreed that any cause of action with respect to such goods will accrue on the date of delivery of such goods. The laws of the state where delivery occurs will govern this agreement and all matters arising therefrom.

Counterparts. A counterpart of this document delivered by facsimile transmission shall be deemed an original document and be valid for all purposes. If Seller stores this document electronically (including a "scanned" electronic copy), a reproduction of the scanned document shall be considered to be an original counterpart and shall be enforceable.

SOUTH PLAINS SWITCHING LTD., CO.

P. O. BOX 64299

LUBBOCK, TEXAS 79464-4299

OFFICE: (806) 828-4841

FAX: (806) 828-4863

December 5, 2006

Mr. John Reedy
President
Hanson Aggregates, Southwest Region
8505 Freeport Parkway N., Suite 600
Irving, Texas 75063

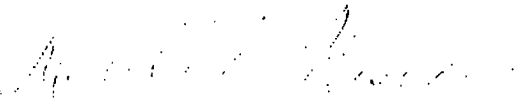
RE: Contract #183228

Dear Mr. Reedy:

In accordance with the provisions of the above-referenced contract, which Hanson Aggregates is the successor; this will serve as your thirty (30) day written notice of cancellation for the Lease of Land and Trackage.

Thirty (30) days notice effective as of December 5, 2006.

Sincerely,



Delilah Wisener
Owner
South Plains Switching Ltd. Co



December 21, 2006

Hanson North America

Michael H. Hyer
Vice President
& General Counsel

P.O. Box 660225, Dallas, TX 75266
300 E. John Carpenter Freeway, Suite 1645
Irving, TX 75062
Tel 972 653 6141
Fax 972 653 6213
michael.hyer@hanson.biz

VIA FACSIMILE (806) 828-4863

Delilah Wisener
South Plains Switching Ltd. Co.
P.O. Box 64299
Lubbock, Texas 79464-4299

Re: Contract No. 183228

Dear Mrs. Wisener:

This is in regards to your letter dated December 5, 2006 to Mr. Jon Reedy of Hanson Aggregates which, as we understand it, purports to constitute a notice of cancellation of the Lease of Land and Trackage, dated March 5, 1991, between South Plans Switching Ltd., Co. ("SAW") (as the successor to the rights and interests of The Atchison, Topeka and Santa Fe Railway Company) and Hanson Aggregates WRP (as the successor to the rights and interests of Western Rock Products, Inc.) and identified as Contract No. 183228 (the "Track Lease").

This Track Lease is subject to the decision and order of the Surface Transportation Board, dated August 2, 2006 (STB Finance Docket No. 34890, et al.) (the "STB Order"). Paragraph 4 of the STB Order provides in pertinent part that "SAW may not transfer any property interests in, or rescind any leases or agreements concerning . . . any shipper that supports a feeder line application" Hanson has supported a feeder line application in those proceedings and is entitled to the protection and benefit of the STB Order. Accordingly, SAW may not rescind the Track Lease, as your December 5, 2006 letter purports to do, and your attempt to cancel that lease is illegal and void. It is Hanson's position that the Track Lease continues in full force and effect.

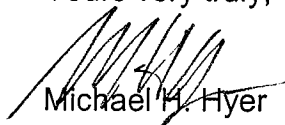
Prior to receipt of your letter, Hanson had submitted a bid to supply construction aggregates to a project in Lubbock, Texas. But for concerns raised by SAW's actions, we understand that customer is prepared to accept the bid and purchase our aggregates for the project, with shipments commencing in mid January 2007.

That bid, of course, was made in reliance on Hanson's rights and SAW's obligations under the Track Lease, the STB Order and the transportation laws of the United States. However, in recent telephone conversations with Hanson representatives, your husband stated that SAW will not allow use of trackage subject to the Track Lease or provide service as to allow Hanson to deliver the materials to that location. Such action by SAW would violate the STB Order as well as SAW's obligations under the Track Lease. Hanson requests that SAW

immediately confirm to Hanson your intention to provide these services. SAW will be liable to Hanson for any losses or additional costs Hanson may incur due to SAW's failure to provide such services, including those related to this pending bid.

In addition, your husband has reported to Hanson representatives that SAW has sold or intends to sell or transfer its interest in the trackage subject to the Track Lease to another party. Such transfer is also prohibited by the STB Order and any purported transfer would be void. Again Hanson requests that you confirm that SAW continues to own those assets, as required by the STB Order.

Yours very truly,



Michael H. Hyer

cc: Jon Reedy
Stan Dacus