

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423

Docket No. FD 34284

SOUTHWEST GULF RAILROAD COMPANY-- CONSTRUCTION AND OPERATION
EXEMPTION -- MEDINA COUNTY, TEXAS

COMMENTS OF THE TEXAS DEPARTMENT OF TRANSPORTATION

Comes now the Texas Department of Transportation ("TxDOT"), by and through counsel of record, and files its Comments in response to the Supplemental Draft Environmental Impact Statement ("SDEIS") issued by the Board's Section of Environmental Analysis ("SEA"). TxDOT expresses no opinion regarding the choice of route to be followed.

In filing this Comment, TxDOT notes that SEA has ordered Southwest Gulf Railroad Company ("SGR") to comply with various mitigation measures. The recommended mitigation includes several measures that impact TxDOT and its responsibilities, including (among others) the requirement that SGR "shall consult with TxDOT prior to beginning construction regarding the rail line crossing of FM 2676 and shall adhere to TxDOT's reasonable recommendations regarding the design of this crossing" and that SGR "[i]n consultation with and based on the recommendations of the Texas Department of Transportation and Medina County[,] shall install and maintain appropriate grade-crossing warning devices at all at-grade crossings." In addition SGR "shall develop a plan with the Texas Department of Transportation and Medina County that specifies the responsibility of each party concerning the maintenance and repair of the grade-crossing warning devices and the grade crossings along the new rail line prior to construction."

While it agrees with each and every mitigation measure that impacts its responsibilities, TxDOT requests the Surface Transportation Board ("STB") and all parties to be aware that TxDOT, for various budgetary and other reasons, will withhold making a final determination on the type of crossing of the state highway until all STB approvals have been granted. At that time, TxDOT will determine if a grade crossing or grade separation is warranted based on the STB-approved track alignment. Thereafter, the Texas Transportation Commission will provide final approval by Minute Order.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R.H. Streeter", written over the typed name.

Richard H. Streeter
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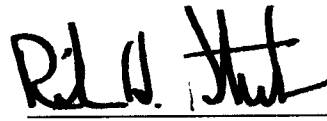
Dated: January 30, 2007

CERTIFICATE OF SERVICE

I, Richard H. Streeter, do hereby certify that a true copy of the foregoing Petition was served this 30th day of January, 2007, by first-class mail, postage prepaid, on the following named individuals:

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A handwritten signature in black ink, appearing to read "R.H. Streeter", is written over a horizontal line.

Richard H. Streeter