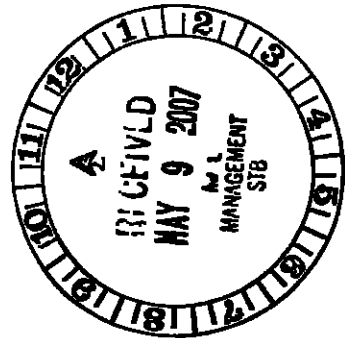


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CHARLES H MONTANGE
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8 May 2007

Hon. Vernon Williams
Secretary
Surface Transportation Board
395 E Street SW
Washington, D.C. 20024

Re: PYCO Industries v. SAW,
F.D. 34870

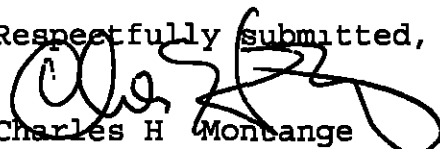
Dear Mr. Williams:

As the Board is aware, South Plains Switching, Ltd. (SAW) and its alter ego Choo Choo Properties have actively been pursuing litigation against PYCO Industries, Inc. (PYCO), in Texas state court. PYCO's Complaint in F.D. 34870 as well as PYCO's feeder line application in F.D. 34890 place the same issues before this Board that SAW is attempting to litigate in Texas court. PYCO takes the position that this Board has either preemptive or primary jurisdiction or both over the key issues.

In light of SAW's pursuit of remedies in Texas state court, PYCO feels it has no recourse except to proceed in F.D. 34870 in accordance with any reasonable procedural schedule issued by this Board. PYCO therefore is prepared to adhere to the maximum extent possible to the time schedule set forth in this Board's order dated May 4, 2007. To this end, we have filed a motion today (May 8) to apply the protective order in F.D. 34890 to this proceeding (F.D. 34870), and under cover of this letter, are tendering requests for production of documents and interrogatories to SAW, with a request for a full response 15 days after service (since discovery requests are not filed with the Board, they are not provided for filing herewith). We reserve the right to make appropriate motions, and may need limited adjustments to some dates, depending upon events.

By my signature below, I certify service of this letter by express service (next day delivery) upon counsel for SAW.

Respectfully submitted,


Charles H. Montange
for PYCO Industries, Inc.

ENTERED
Office of Proceedings

cc. Mr. McFarland (for SAW)
(with discovery requests)

MAY 9 - 2007

Part of
Public Record