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SAN DIEGO & IMPERIAL RAILROAD COMPANY, INC

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July 18, 2008

VIA ELECTRONIC FILING

Hon. Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW
Washington, DC 20423

Dear Acting Secretary Quinlan:

RE: STB Finance Docket No. 35155 – FPN-USA Inc – Operation Exemption –
Tijuana-Tecate Shortline Verified Notice of Exemption pursuant to 49 U.S.C
10901 and 49 CFE 1150.31 – Notice of Operation of Rail Line

Commissioners

In response to the above Notice of Exemption, San Diego & Imperial Valley Railroad, Inc. (SD&IV) notes the Verified Statement of Kenneth A. Kahan states "... FPN has notified officials with MTDB, SD&IV, and the Union Pacific Railroad that it will be filing this request for an exemption with the Board." Please be advised that contrary to Mr. Kahan's statement, no one at SD&IV has had communication with FPN in regard to FPN's desire to operate over the line, nor have we discussed coordination of operations.

The line is currently being operated by the CZRY, and SD&IV has no knowledge of alleged changes to the current operation.

Sincerely,

Peter Jespersen
General Manager

Copies to: S. Williams, P. Lundberg, S. Franger, Bob Jones - RailAmerica
Tiffany Lorenzen, General Counsel MTS)



A RailAmerica Company