

E1-2697

February 27, 2006

Victoria Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
1925 K Street, N.W.
Room 700
Washington, DC 20423

ATTN: David Navecky

RE: Finance Docket No. 34421, *HolRail LLC-Construction and Operation Exemption-in Orangeburg and Dorchester Counties, South Carolina*

Dear Ms. Rutson:

On February 24, 2006, CSX submitted a letter urging the Section of Environmental Analysis ("SEA") to reconsider the Final Scope of Study for the Environmental Impact Statement in order to consider a third alternative identified in HolRail LLC's Supplemental Evidence filed with the Board on September 9, 2006. SEA should reject this request.

SEA has been aware of this third alternative since very early in the environmental review process and this option even was discussed during SEA's site visit to Holly Hill. This is not something new that SEA had not considered prior to issuing the final, or even the draft, Scope of Study.

CSX's suggestion that the third alternative could be modified to address its negative impacts by moving the yard east of the CSX property at the north end of the proposed construction is a red-herring. First, CSX's modification responds to only one of several reasons that HolRail identified for rejecting this alternative (*e.g.* a high voltage transmission line, an underground gas pipeline), which would not be solved by CSX's modification. Second, CSX has not demonstrated the feasibility of its proposed modification or provided any specifics as to where the yard could be relocated. Third, CSX ignores the obvious fact that a yard at the north end of the proposed construction would impact far more wetland area than HolRail's proposed location on upland areas at the south end of the route. *See* HolRail Supp. Evid., Taylor V.S., Exhibit A (filed Sept. 9, 2005). Fourth, as an operational matter, the rail yard must be located at the south end of the construction because it must serve as the interchange yard between HolRail and NS.

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For the foregoing reasons, CSX's request to expand the Final Scope of Study is unwarranted and without merit.

Sincerely,



Jeffrey O. Moreno

cc: Louis E. Gitomer
