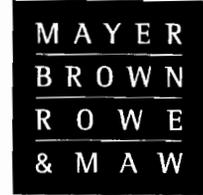


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October 2, 2006

VIA HAND DELIVERY

Ms. Vicki Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
1925 K Street., N.W., Room 504
Washington, D.C. 20423

Re: Finance Docket No. 34936, Northern Columbia Basin Railroad Project in Moses Lake, Washington

Dear Ms. Rutson:

As you are aware, the Port of Moses Lake ("Port") plans to construct a number of proposed railroad improvements in the Moses Lake area. Specifically, the Port proposes to build a new rail line from Wheeler to just east of Parker Horn, WA (thereby bypassing downtown Moses Lake) and a new line connecting the Columbia Basin Railroad Company's ("CBRW") existing line to the east side of the Grant County International Airport so that industries locating there can have rail service. In addition to the new line construction, it is anticipated that there will be some rehabilitation of the CBRW's existing line connecting the CBRW to the airport. The purpose of the proposed construction is to make the Moses Lake area more attractive to new rail-dependent businesses and promote economic development in the region.

The environmental review process in this matter has been underway, beginning with a meeting with you and your staff on July 24, 2006. At that time, we discussed information about the proposed project that is contained in a feasibility study (Northern Columbia Basin Railroad Project Feasibility Study, February 2006). That study assesses initial rail line routes and evaluates preliminary environmental information. In addition, the study contains maps and photographs of the area surrounding the proposed project.

Ms. Vicki Rutson
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During our meeting, we also discussed the fact that Washington State DOT (“WSDOT”) would be conducting an environmental review of the proposed project under Washington State’s Environmental Policy Act (“SEPA”), the state equivalent of NEPA. After our meeting, in a letter dated August 7, 2006, you invited WSDOT to serve as co-lead with the STB’s Section of Environmental Analysis (“SEA”) in the environmental review of the project. In your letter, you acknowledged that working together as a joint co-lead in the environmental documentation for this project would ensure an efficient and effective process for both SEA and WSDOT. On September 13, 2006, WSDOT accepted your invitation to serve as a co-lead.

To the extent that 49 C.F.R. §1105.6(a) might be read to apply to the proposed project, the Port hereby requests a waiver of the 49 C.F.R. §1105.10(a) requirement that an applicant consult with SEA at least 6 months prior to the filing of a petition for an exemption from 49 U.S.C. §10901 to construct and operate a rail line if the proposed construction might require filing an Environmental Impact Statement. We believe that the six-month pre-notification is not needed with respect to this project because WSDOT already has prepared a feasibility study of the proposed project and, working together with SEA, intends to prepare necessary environmental documentation (using an outside consultant) in order to satisfy the agencies’ obligations under NEPA and SEPA.

Please let me know if you have any questions. We greatly appreciate your assistance and look forward to working with you on this project.

Sincerely,

A handwritten signature in black ink that reads "Kathryn A. Kusske Floyd". The signature is written in a cursive, flowing style.

Kathryn A. Kusske Floyd

cc: Christa L. Dean, Esq., SEA
Albert Anderson, Port of Moses Lake
Mike Roswell, WSDOT