



SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Economics, Environmental Analysis and Administration

E0-706
In addition to the recipient listed below, this letter was also sent to all parties on the attached mailing list.

November 8, 2007

Mr. Michael Garcia
Regional Director
Department of Health and Human Services
1301 Young Street
Dallas, Texas 75202

Re: Finance Docket No. 35061, Liberty County Rural Rail Transportation District No.1 - Construction and Operation Exemption - in Liberty County, Texas; Request for Information

Dear Mr. Garcia:

Liberty County Rural Rail Transportation District No.1 (LCRRD#1 or Applicant) intends to file with the Surface Transportation Board (Board), a petition for exemption pursuant to 49 U.S.C. 10502 for authority to construct and operate a new rail line from near Dayton, Texas to near Cleveland, Texas, in Liberty County, Texas. LCRRD#1 anticipates that the line would be maintained and operated by an experienced short line railroad. Attached is a map showing preliminary proposed alignments for the line.

Pursuant to the National Environmental Policy Act (NEPA) and the Board's environmental rules, the Board's Section of Environmental Analysis (SEA) will prepare an environmental document that evaluates the potential environmental impacts of the proposed project. The purpose of this letter is to request information regarding potential resources within the project area that may be of concern to the Department of Health and Human Services, as well as any permits and approvals that might be required for project construction.

The proposed rail line would begin near Dayton Texas, at a rail yard owned and operated by CMC Industries, Inc. & Subsidiaries, (CMC), located on the west side of, and connected to, the Baytown Branch. The Baytown Branch is owned and operated by the Union Pacific Railroad Company (UP), which also owns and operates a rail yard on the east side of the Baytown Branch, directly across from the CMC yard. The line would then extend northward through western Liberty County to a connection with the BNSF Railway Company (BNSF) Conroe Subdivision east of Cleveland, Texas. An additional connection with the UP Lufkin Subdivision may be made approximately 2.1 miles north of the BNSF connection. The project would also include a new wye track allowing train traffic to readily proceed in either direction along UP's Lafayette Subdivision and replace an approximately 10° curve currently crossing US Highway 90 close to where it intersects with Texas State Highway (SH) 146.

The proposed 32-mile rail line would connect the UP's Baytown Branch to a BNSF main line track north east of Houston, Texas, and if UP desires it can also connect to another UP main line track, thereby allowing both UP and BNSF to reduce rail traffic through Houston. The proposed rail connection would be located in the western portion of Liberty County, in areas primarily unused since the timber industry left the area. Because some residences are in the immediate vicinity of the proposed alignment near Dayton, direct impacts to residences and business would be avoided to the greatest extent practicable.

The proposed line would cross two existing UP lines (Lafayette and Beaumont subdivisions) and several public roads, depending on the alignment selected. The alignment would cross US Highway 90, County Road (CR) 6021, Farm-to-Market (FM) 1960, CR 622, Gulf Road, SH 321/SH 105, CR 2247, CR 2206, and SH 787. Alternate 1 would also cross FM 686 and CR 615. Alternate 2 would also cross CR 609 (John Damek Road), CR 610, FM 686, and Cedar Bayou Road. Alternate 3 would also cross CR 610 (Texaco Road). Grade-separations are planned at US 90, SH 321/SH 105, and SH 787. The proposed rail line would cross all other roadways at-grade. The road crossings would utilize warning devices designed in accordance with industry standards, customs, and practices.

Because of the current configuration of the rail line on the Lafayette Subdivision (the 10° curve) just west of Dayton, in close proximity to the intersection of US Highway 90 and SH 146, all entering or departing Baytown Subdivision rail traffic must cross US Highway 90, at grade at very slow speeds. Currently, 10 to 15 trains and more than 10,000 vehicles traverse this crossing every day. Because it eliminates this at grade crossing, Applicant believes that the proposed project would reduce traffic back-ups, facilitate the movement of emergency vehicles, and keep a significant East Texas hurricane evacuation route clear.

Applicant believes that proposed project should also attract commercial interests to parts of Liberty County that never redeveloped after lumbering left the area. These areas, as well as much of Liberty County, continue to have higher than average rates of unemployment. According to Applicant, rail served companies would be able to consider sites currently inaccessible.

In addition, Applicant believes that both UP and BNSF, as well as Liberty County's next door neighbor, Houston would benefit from the proposed project as it would reduce rail congestion in Houston by providing a rail route for traffic moving northbound from east Texas, Louisiana and points east, that currently must travel through Houston. Applicant estimates that under present train movement, 10 to 12 trains of approximately 100 to 150 rail cars each could daily be diverted from traveling through Houston. Applicant thinks that this number is likely to increase as the project would also expand rail outlets for the additional container traffic into the Port of Houston from the opening of the new Bayport terminal.

This letter begins the process by which SEA will assess the environmental effects, both positive and negative, that may be associated with the proposed rail line construction and operation. I am asking for your assistance in determining whether any resources of concern to your agency might be affected by the proposed project.

We would appreciate information on any additional issues or concerns that you consider appropriate. We request your response by December 7, 2007, so that we may be able to schedule

any meetings, site visits, or surveys, conduct any necessary follow-up activities, and incorporate your response into the scope of the study, as appropriate. We may contact you prior to this date to discuss the project and schedule a meeting, if this would assist you in your review.

Carter & Burgess, Inc. (C&B) is serving as the independent third-party consultant to SEA to assist in the preparation of the environmental document. Please send your comments to:

Sandy Wesch-Schulze
Carter & Burgess, Inc.
7950 Elmbrook Drive
Dallas, Texas 75247

The environmental document will either be an environmental assessment (EA) or environmental impact statement (EIS). SEA's decision on whether to prepare an EA or an EIS will be based in part on comments received in response to this agency consultation letter. SEA will make the environmental document available for review by agencies and the public as required by NEPA and the Board's environmental rules (49 CFR 1105). In reaching its decision, the Board will take into account the environmental document and all environmental comments that are received. If you have any questions, please do not hesitate to contact Sandy Wesch-Schulze, C&B Project Manager, at (214) 627-5376, or Danielle Gosselin, SEA Project Manager, at (202) 245-0300. Thank you for your assistance.

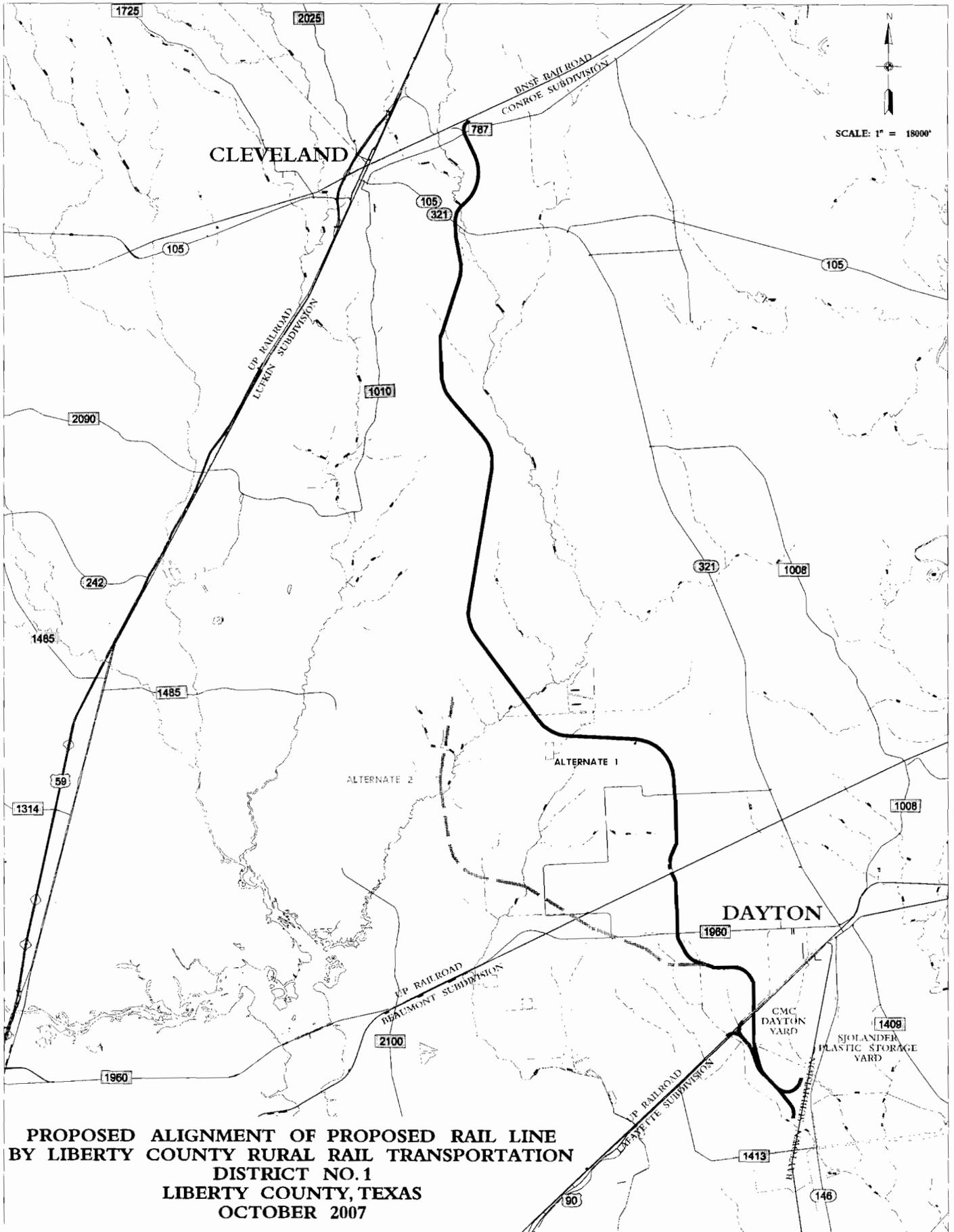
Sincerely,



Victoria Rutson
Chief
Section of Environmental Analysis

Attachment: Location Map

cc: Liberty County Rural Rail Transportation District No.1
c/o Ruth E. Salek, Esq.
Eric M. Hocky, Esq.



**PROPOSED ALIGNMENT OF PROPOSED RAIL LINE
 BY LIBERTY COUNTY RURAL RAIL TRANSPORTATION
 DISTRICT NO.1
 LIBERTY COUNTY, TEXAS
 OCTOBER 2007**

FD 35061, LCRRD#1
Solicitation Letter Mailing
November 8, 2007

SAL #	First Name	Last Name	Title	Agency	Address	City	Texas	Zip Code
	Michael	Garcia	Regional Director	Department of Health and Human Services	1301 Young Street	Dallas	Texas	75202
	Edward	Pringle	Field Office Director	Department of Housing and Urban Development	1301 Fannin	Houston	Texas	77002
	Richard	Greene	Regional Administrator	Environmental Protection Agency	1445 Ross, 13th Floor	Dallas	Texas	75202
	Janice	Brown	Division Administrator	Federal Highway Administration	300 East 8th Street, Rm 826	Austin	Texas	78701
	Bonnie	Murphy	Regional Administrator	Federal Railroad Administration	4100 International Plaza, Suite 450	Fort Worth	Texas	76109
	William E.	Peterson	Regional Director	FEHA	Federal Regional Center 800 North Loop 288	Denton	Texas	76201-3698
	Dolan	Dunn	Chief, Planning, Environmental, and Regulatory Division	U.S. Army Corps of Engineers District, Galveston	CESWG-PE P.O. Box 1229	Galveston	Texas	77551
	David	Weston	District Engineer		CESWG-Executive Office P.O. Box 1229	Galveston	Texas	77553-1229
	Steve	Parris	Field Supervisor	U.S. Army Corps of Engineers District, Galveston	17629 El Camino Real	Houston	Texas	77058
				Natural Resources Conservation Service	1351 Highway 146 Bypass	Liberty	Texas	77575
	Michael	Williams	Chairman	Railroad Commission of Texas	P.O. Box 12967	Austin	Texas	78711-2967
	Glenn	Shankle	Executive Director	Texas Commission on Environmental Quality	P.O. Box 13087, MC-109	Austin	Texas	78711-3087
	David	Bower	Area Director, Field Operations Coastal Texas	Texas Commission on Environmental Quality	P.O. Box 13087, MC-174	Austin	Texas	78711-3087
	Thomas A.	Davis, Jr.	Director	Texas Department of Public Safety	5805 North Lamar	Austin	Texas	78773
	Wayne	Roberts	Budget Director	Governor's Office of Budget and Planning	P.O. Box 12428	Austin	Texas	78711
	Stephen	Gbur	Area Engineer	Texas Department of Transportation	209 Layl Drive	Liberty	Texas	77575
	John	Barton	District Engineer	Texas Department of Transportation	8350 Eastex Freeway	Beaumont	Texas	77708-1701
	Jerry	Patterson	Commissioner	Texas General Land Office	1700 N. Congress Avenue, Suite 935	Austin	Texas	78701-1495
	Lawrence	Oaks	Executive Director	Texas Historical Commission	P.O. Box 12276	Austin	Texas	78711
	Robert L.	Cook	Executive Director	Texas Parks & Wildlife Department	4200 Smith School Road	Austin	Texas	78744
	James	Jones	Senior Warden	Hightower Unit	902 FM 686	Dayton	Texas	77535
	Rex	Isom	Executive Director	Texas State Soil & Water Conservation Board	311 North 5th Street	Temple	Texas	76503
	Jack	Steele	Executive Director	Houston-Galveston Area Council	P.O. Box 22777	Houston	Texas	77227
	Phil	Fitzgerald	County Judge	Liberty County	1923 Sam Houston, Suite 201	Liberty	Texas	77575
	Todd	Fontenot	Commissioner, Precinct 1	Liberty County	1923 Sam Houston, Suite 201	Liberty	Texas	77575
	Lee	Groce	Commissioner, Precinct 2	Liberty County	P.O. Box 77	Hardin	Texas	77561
	Malvin	Hurt	Commissioner, Precinct 3	Liberty County	119 South Fenner	Cleveland	Texas	77327
	Norman	Brown	Commissioner, Precinct 4	Liberty County	P.O. Box 88	Dayton	Texas	77535
	Sieve	Stephens	Mayor	City of Dayton	117 Cook Street	Dayton	Texas	77535
	Jill Barnett	Kirkonis	Mayor	City of Cleveland	203 East Boothe Street	Cleveland	Texas	77327
	Sonny	Davis	County Engineer	Liberty County	2103 Cos	Liberty	Texas	77575
	Greg	Hayman	Superintendent	Dayton ISD	P.O. Box 248	Dayton	Texas	77535
	Kerry	Cowart	Superintendent	Cleveland ISD	316 East Dallas	Cleveland	Texas	77327