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Molly Cagle TEL: 5123222535 FAX: 5123223635 molly.cagle@bakerbotts.com

BY EMAIL (*charly.fritz@tceq.texas.gov*)

Charly Fritz Deputy Director Office of Waste Permits Texas Commission on Environmental Quality P.O. Box 13087 Austin, Texas 78711-3087

> Re: Union Pacific Railroad Permit Number 50343-HWPW

Dear Ms. Fritz:

The purpose of this letter is to inform TCEQ that Union Pacific Railroad ("UP"), the City of Houston ("Houston"), Harris County and Bayou City Initiative ("BCI) are engaged in settlement discussions related to UP's application to amend Permit #50343 and to jointly ask the Executive Director to temporarily defer issuance of the ED's Response to Comments and further processing of UP's application to renew and amend RCRA Permit 50343.

A temporary hold on permit processing will allow the parties the time needed to determine if talks between the parties will be fruitful regarding significant modifications to the RCRA draft permit. All parties involved in the discussions believe that the pathway and permit terms under discussion would result in more expedited remediation at HWPW. The requested delay would not circumvent the Agency's administrative process nor interfere with any private litigation. A break now also would avoid administrative steps that may need to be repeated (for example, a revised notice) if a compromise is reached.

Again, the request is for a temporary hold only, and is made by UP, Houston, Harris County and BCI. We propose to advise you in 45 days whether we are optimistic about the direction of the settlement talks and whether a further hold would benefit our discussions.

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Thank you very much for your consideration of this request. Please contact me or Kevin Peterburs if you have any questions.

Respectfully, Molly Cagle

Attorney for Union Pacific Railroad

cc: Tim Wilkins for City of Houston (timothy.wilkins@bracewell.com) James Blackburn for BCI (jbb@blackburncarter.com) Sarah Utley for Harris County (Sarah.Utley@harriscountytx.gov) Erin Chancellor, TCEQ Director OLS (Erin.Chancellor@tceq.texas.gov) Brent Wade, TCEQ Director Office of Waste (brent.wade@tceq.texas.gov) Beth Seaton, TCEQ Deputy Director Remediation (beth.seaton@tceq.texas.gov) Nicholas Bryan, Union Pacific (njbryan@up.com) Kevin Peterburs, Union Pacific (kjpeterb@up.com) Danny Worrell, Baker Botts L.L.P. (danny.worrell@bakerbotts.com) Bart Seitz, Baker Botts L.L.P. (bart.seitz@bakerbotts.com) James McGuire, US EPA (mcguire.james@epa.gov)