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June 10, 2014

VIA ELECTRONIC MAIL <http://www.stb.dot.gov>
Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings
June 12, 2014
Part of
Public Record

**RE: STB FINANCE DOCKET NO. FD-35794, KAN RAIL, INC. –
RESPONSE TO REQUEST FOR SUPPLEMENTAL INFORMATION**

Dear Ms. Brown:

On behalf of KAN Rail Inc. ("KAN Rail") regarding the above-referenced proceeding, and pursuant to the directive of the Surface Transportation Board in its Order served on April 29, 2014, for filing certain supplemental information described therein, attached is KAN Rail's **Response to Request for Supplemental Information**.

Respectfully submitted,



John Alden
JLA/lh

Attachment

Cc: Charles Ring, Vice President, KAN Rail, Inc.
Lou Gitomer, Counsel for CSX Transportation, Inc.

BEFORE THE SURFACE TRANSPORTATION BOARD

KAN RAIL, INC.
an Ohio Corporation

)
)
)

Finance Docket No. FD 35794

RESPONSE TO REQUEST FOR SUPPLEMENTAL INFORMATION

INTRODUCTION

On April 22, 2014, Kan Rail, Inc., an Ohio Corporation (“KAN Rail”) filed a Verified Notice of Exemption under 49 CFR § 1150.31 (the “Notice”) to lease and operate approximately 3,410 aggregate linear feet (approximately two-thirds of a mile), excluding switch cross-overs, of existing railroad track (the “Existing Track”), as well as approximately 2,615 linear feet (approximately one-half of a mile) of additional track (the “Additional Track”), all at a transloading facility located in Wapakoneta, Ohio, that includes real property, buildings, appurtenances, rail lines, and rail equipment (the “Facility”) owned by AIP Logistics, Inc. (“AIP”) and KanTrade Ltd. (collectively, “Sister Entities”). On April 29, 2014, the Board served its Decision regarding the Notice, which

Decision ordered in part that KAN Rail is directed to file certain supplemental information (the “Supplemental Information Directive”).

KAN Rail hereby respectfully submits this response to the Supplemental Information Directive. Supporting documentation is appended hereto.

SUPPLEMENTAL INFORMATION

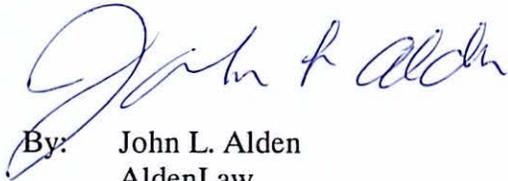
All current operations at the Facility are conducted by AIP (which stands for American Industrial Partners). AIP is a transloading, public warehousing, distribution, and logistics provider to industrial and other commercial customers. AIP operates five facilities, including the Facility, all of which encompass 600,000 square feet of storage space in warehouses and 32,000 cubic feet of storage space in silos. The Facility itself is a multi-faceted operation that (i) contains both warehouses and silos, as well as multiple systems for inventory management, inbound/outbound handling, bundling, break bulk, assembly, and the like; and (ii) provides both highway and rail service capabilities, possessing a trucking fleet and maintaining Class I rail access by virtue of AIP’s contractual relationship with CSX Transportation, Inc. (“CSX”). This logistical diversity, together with the Facility’s strategic location (within a 150-mile radius of many major mid-west cities and transportation hubs, in immediate proximity to the I-75 north/south corridor, and centrally located between the I-70 and I-90 east/west corridors) characterizes it as a key central facilitator to interstate commerce, particularly because it offers shippers (i) a full range of logistics and infrastructures for loading, unloading, storing, packaging, reloading, and distributing their goods in multiple directions; and (ii) fluid highway-to-rail and rail-to-highway means of transporting their goods.

The *rail*-related aspects of AIP's current operation consist in part of accepting rail cars from the CSX rail line and off-loading shipments for storage and/or further transport, as the case may be; and in part of transferring stored or trucked shipments onto rail cars for movement along the CSX rail line.

Because AIP is a multi-faceted operation, all rail lines at the Facility are used by AIP for its multi-faceted purposes. Highlighted drawings of the Existing Track and the Additional Track are attached as Appendix 1. A map of the real property boundaries of the Facility, within the confines of which the Additional Track is to be constructed, is attached as Appendix 2. A map of the immediate vicinity of the Facility in the City of Wapakoneta, provided to give a birds-eye view of the Facility location, is attached as Appendix 3.

As stated in the Affidavit attached hereto as Appendix 4, the Existing Track labeled Track T-1 on Appendix 1 will be used for switching, disassembly of loaded cars dropped by CSX, and reassembly of empty car strings to be picked up by CSX; Existing Tracks T-2 and T-4 and Additional Tracks T-3, T-5 and T-6 will be used for unloading, loading and storage.

KAN Rail is a newly formed entity related to AIP. KAN Rail intends to lease from, and conduct for, AIP the rail-related operations of AIP.



By: John L. Alden
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One East Livingston Avenue
Columbus, Ohio 43215
(614) 221-1306

Attorney for Applicant
in Finance Docket No. FD 35794

Respectfully submitted,

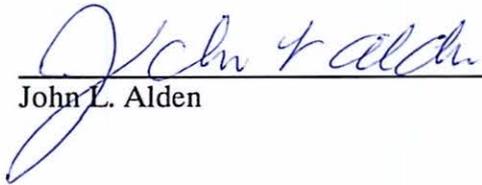
KAN Rail, Inc.

Applicant
in Finance Docket No. FD 35794

DATE FILED: June 12, 2014

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of June, 2014, copies of the foregoing Response to Request for Supplemental Information were served upon the following parties of record in this proceeding, by electronic mail.



John L. Alden

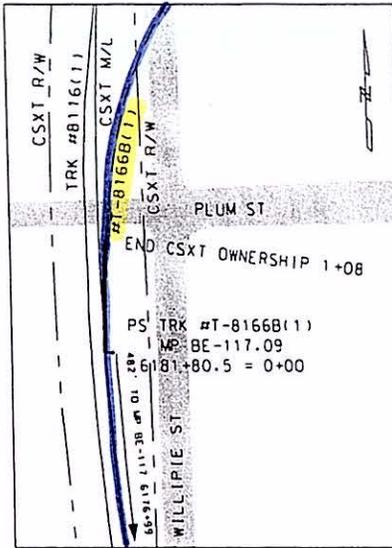
Louis E. Gitomer, Esq.
Attorney for CSX Transportation, Inc.
600 Baltimore Ave., Ste. 301
Towson, MD 21204
Lou@lgrailaw.com

THIS RAILROAD VALUATION EXHIBIT IS A GRAPHICAL REPRESENTATION. IT MAY NOT REFLECT CURRENT "ON THE GROUND" CONDITIONS AND/OR ACTUAL LOCATIONS OF FEATURES. ALL DIMENSIONS, OFFSET DISTANCES AND MEASUREMENT NOTATIONS SHOWN ARE APPROXIMATE.

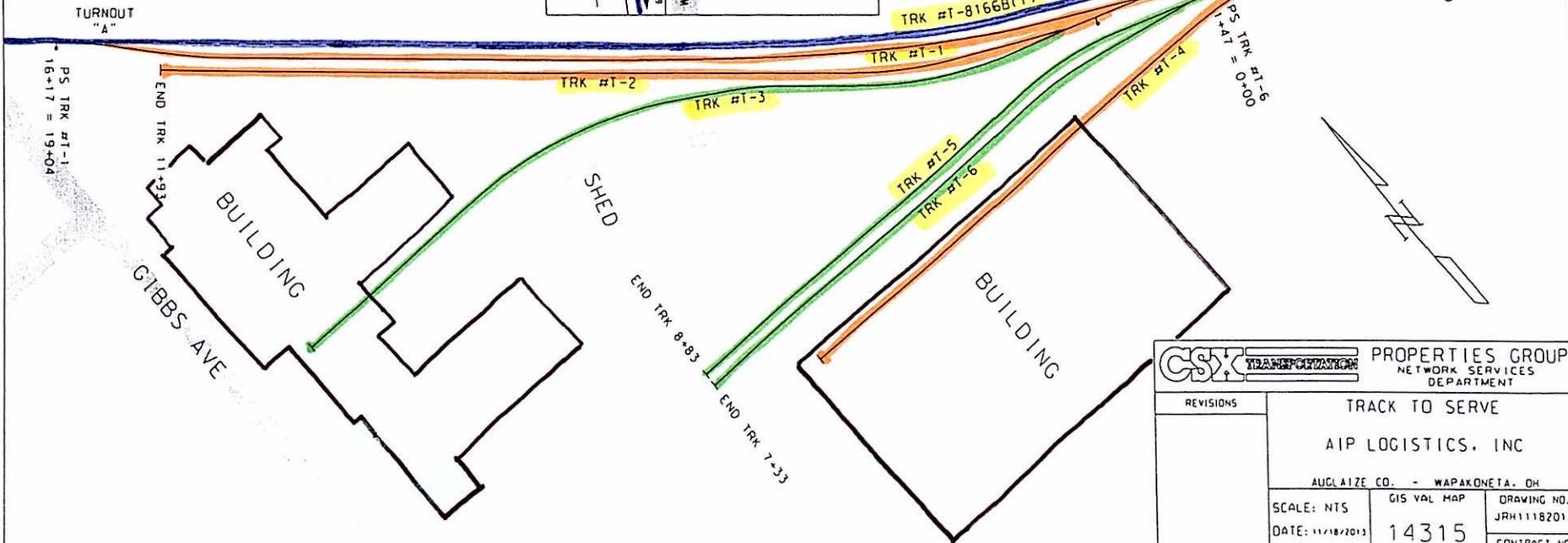
- L E G E N D -

-  CSXT OWNERSHIP TRK #T-8166B(1) = 108'
-  INDUSTRY OWNED TRKS
-  CSX RIGHT-OF-WAY BOUNDARY
-  TRKS OWNED BY OTHERS

CONTINUED NEXT PAGE



3633' WEST TO PS TRK #T-8166B(1) IN M/L
 MP BE-117.09 6181+80.5 = 0+00
 THEN 482' SOUTH TO MP BE-117 6176+99



		PROPERTIES GROUP	
		NETWORK SERVICES DEPARTMENT	
REVISIONS		TRACK TO SERVE	
		AIP LOGISTICS, INC	
		AUGLAIZE CO. - WAPAKONETA, OH	
SCALE: NTS	GIS VAL MAP	DRAWING NO.	
DATE: 11/18/2013	14315	JRH11182013	
DRAWN: JRH		CONTRACT NO.	CSX755949

HIGHLIGHTING LEGEND

BLUE – Switching track used by CSX Transportation Inc.

ORANGE – Existing Track

GREEN – Additional Track

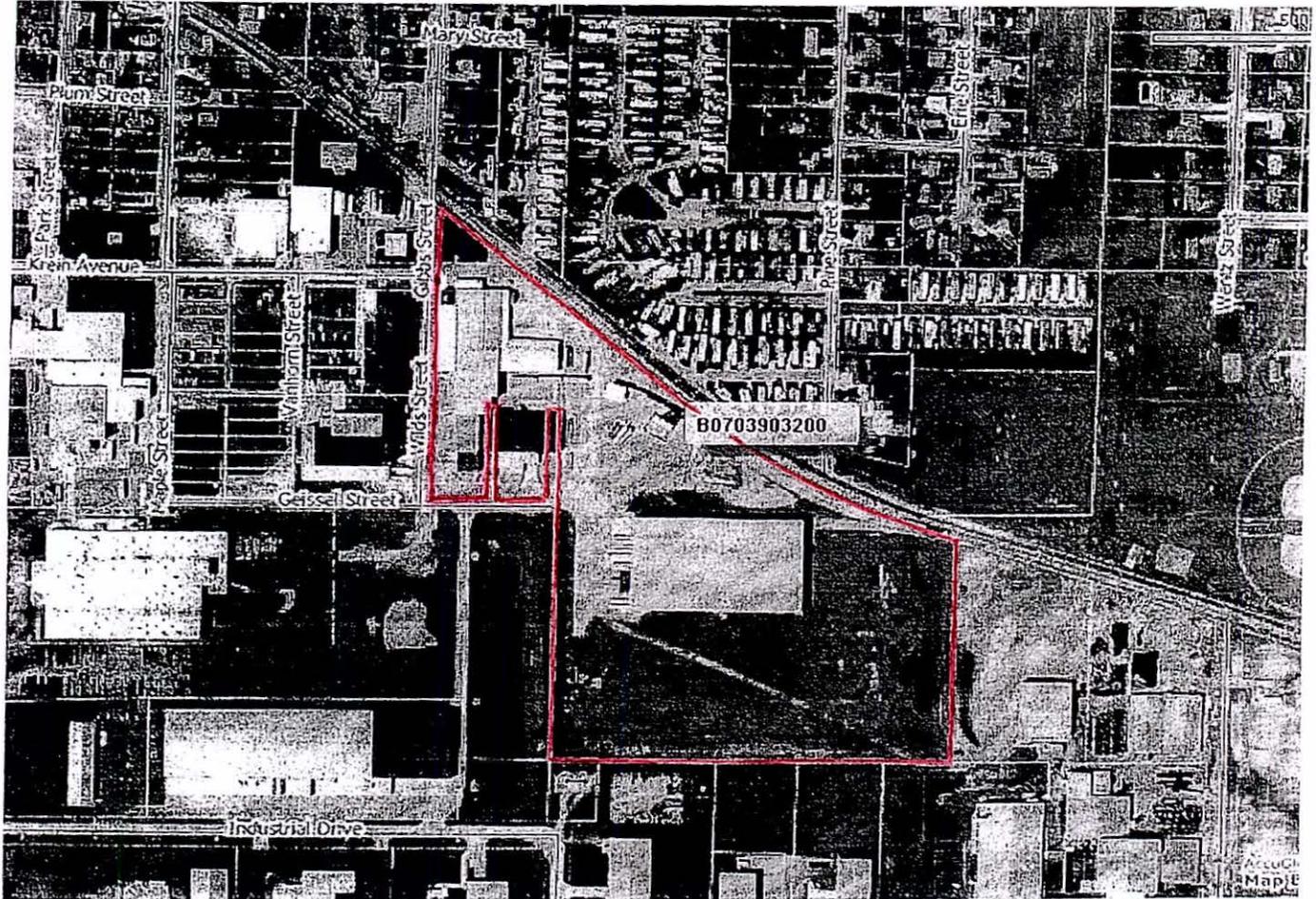
YELLOW – Track # Labels

NARRATIVE DESCRIPTION

- Tracks #T-1, #T-2, and #T-4 are Existing Track.
- Existing Tracks #T-2 and #T-4 connect to Track #T-8166B(1) (the switching track used by CSX Transportation Inc.).
- Track #T-3 is Additional Track and connects to Existing Track #T-2; Additional Track #T-3 does not connect to Track #T-8166B(1).
- Tracks #T-5 and #T-6 are Additional Track and connect to Existing Track #T-4; Additional Tracks #T-5 and #T-6 do not connect to Track #T-8166B(1).

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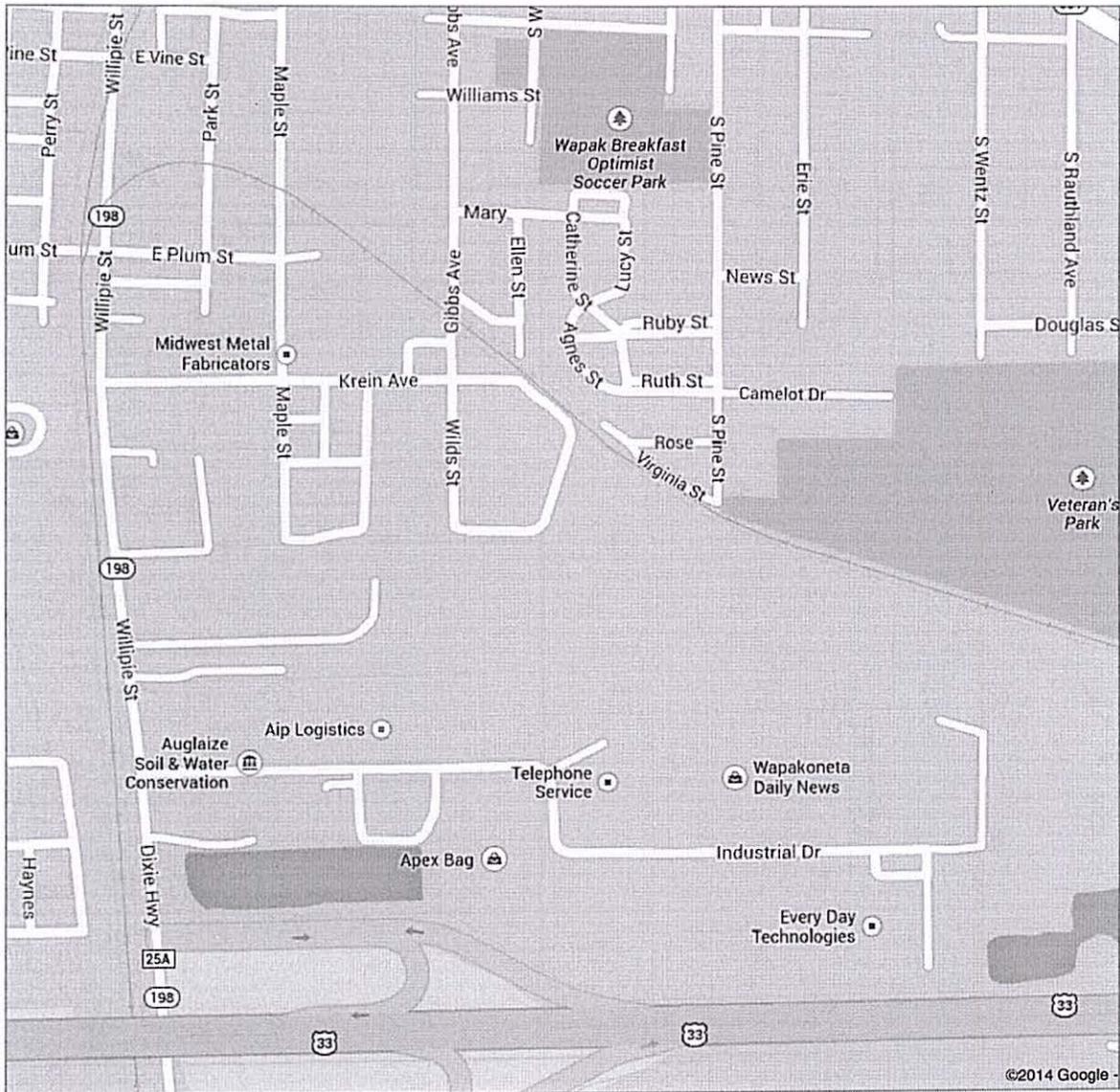
Auglaize County GIS



Notes

APPENDIX 2

MAP SHOWING IMMEDIATE VICINITY OF
WAPAKONETA, OH
CENTERED ON PROPERTY



AFFIDAVIT OF CHARLES RING
IN SUPPORT OF KAN RAIL, INC.'S
RESPONSE TO REQUEST FOR SUPPLEMENTAL INFORMATION

State of Ohio)
)SS:
County of Auglaize)

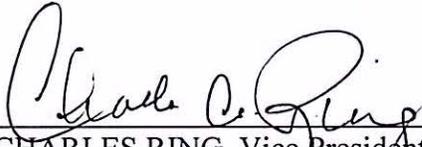
Charles Ring, being duly cautioned and sworn hereby states as follows:

1. I am currently Vice President of the applicant KAN Rail, Inc. (“KAN Rail”) and its sister entity AIP Logistics, Inc. (“AIP”).
2. I have personal knowledge of the matters set forth herein.
3. Attached as Appendix 1 to KAN Rail’s Response to Request for Supplemental Information, and incorporated herein by reference, is a drawing depicting all of the trackage that is the subject of this Affidavit. All references to track numbers and turnouts in this Affidavit correspond to track numbers and turnouts designated on this drawing.
4. Tracks T-1, T-2, T-3, T-4, T-5, and T-6 are and will be owned and maintained by AIP Logistics, Inc.
5. Tracks T-1, T-2, and T-4 have been in existence since 2000.
6. The length of each track is as follows (including switch cross-overs):
 - a. T-1: 1617 feet
 - b. T-2: 1163 feet
 - c. T-3: 933 feet (estimated)
 - d. T-4: 800 feet
 - e. T-5: 725 feet (estimated)
 - f. T-6: 874 feet (estimated)

7. Track T-1 is used and will continue to be used for the following purposes:
 - a. Switching for CSX Transportation, Inc. (“CSX”) from Track T-8166B(1) owned by Ametek, Inc. (“Ametek”) and used by both Ametek and CSX;
 - b. Disassembly of loaded cars dropped by CSX; and
 - c. Reassembly of empty car strings to be picked up by CSX.
8. Switching is done at Turnout A, B, or C using switch engines owned by AIP. Strings of cars are switched in segments ranging from 65 to 432 feet in length or from 1 to 6 cars per string. Once strings are switched, they are moved along either Track T-1 or T-4, depending on the activity required to be performed for each particular string. For example, if a shipper has contracted with AIP for storage, AIP positions the segment on Track T-2 or T-4 and disassembles or unloads cars from the segment into containers for storage processing. Assembly and loading are also performed in reverse on Track T-2 or T-4 for stored product ready to be shipped, and either moved further on to the T-1 switching track for rail transport or transloaded to trucks for highway transport.
9. Existing Track T-1 is runaround track.
10. The purpose of Existing Track T-1 is to connect off-site transload shippers, not currently served by rail, with the interstate rail network.
11. As many as 50 different shippers and 100 different consignees, including one-time users, have been served and/or expect to be served by the Facility; and as many as 25 of those shippers actively engage its services currently. Only one shipper, AIP, is located at the site.
12. Existing Tracks T-2 and T-4 are, and Additional Tracks T-3, T-5, and T-6 will be, stub-ended track.
13. Existing Tracks T-2 and T-4 are, and Additional Tracks T-3, T-5, and T-6 will be, used for unloading, loading, and storage.
14. All service over all trackage is and will be provided on an as-needed basis.
15. No stations exist on any trackage, and no track is shown on any railroad timetables.
16. No through freight trains or unit trains operate on any trackage.
17. No trackage extends into another railroad’s territory or territory not already served by the operator or owner.

18. The weight of rail on all trackage is and will be 105 pounds.
19. The annual volume of traffic over the trackage as a whole is approximately 800 cars; the daily volume of rail traffic is approximately 10 cars. Of this volume, every car traverses Track T-1; the incremental volume of rail traffic over Tracks T-2 through T-6 varies.

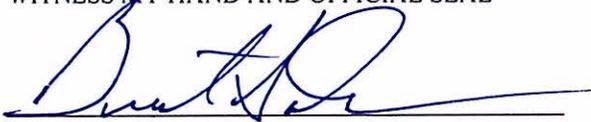
FURTHER AFFIANT SAYETH NAUGHT.



CHARLES RING, Vice President, Kan Rail, Inc. and
Vice President, AIP Logistics, Inc.

Sworn to and subscribed in my presence on June 10, 2014.

WITNESS MY HAND AND OFFICIAL SEAL



NOTARY PUBLIC



BRENT A. DAWSON
Notary Public, State of Ohio
My Commission Expires
Aug. 11, 2015