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Office of Proceedings  
July 22, 2014  
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Public Record

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

**KAN RAIL, INC.**  
**an Ohio Corporation**

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**Finance Docket No. FD 35794**

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**MOTION TO STRIKE OR IN THE ALTERNATIVE REPLY TO CSX  
TRANSPORTATION, INC. FILING DATED JULY 2, 2014**

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On April 22, 2014, KAN Rail, Inc. (“KAN Rail”) filed its Verified Notice of Exemption with the Surface Transportation Board (the “Board”). Pursuant to the Board’s directive issued on April 29, 2014, KAN Rail filed its Response to Request for Supplemental Information with the Board on June 12, 2014. On July 2, 2014, CSX Transportation, Inc. (“CSXT”) filed a pleading that opens with the statement, “[CSXT] replies to the Verified Notice of Exemption filed by [KAN Rail] on April 22, 2014 (the “Notice”) ....”

Insofar as CSXT’s pleading purports to reply to a pleading filed on April 22, 2014, KAN Rail moves to strike CSXT’s pleading in its entirety on the following grounds:

- (i) No pleading heretofore has been filed in this exemption proceeding to which a reply is warranted, as this is not a multi-party, let alone adversarial, proceeding. See 49 C.F.R. §1121.1, 1121.4.

(ii) Such pleading has not been timely filed. See 49 C.F.R. §1104.13(a).

In the alternative, KAN Rail treats CSXT's pleading as not really a reply at all, but rather a motion to dismiss KAN Rail's Notice of Exemption. CSXT's pleading for all intents and purposes does not reply to any documents filed by KAN Rail, but instead comments on such documents and statements contained therein, sets forth unverified factual assertions, and closes with the statement, "For the foregoing reasons, CSXT respectfully requests the Board to find that Kan Rail has not proposed a common carrier service and to deny the exemption sought by KanRail." Accordingly, and pursuant to the provisions of 49 C.F.R. §1104.13(a), KAN Rail respectfully submits its reply to CSXT's motion to dismiss, as follows:

While it is true that KAN Rail was formed to separate out the rail-related operations from all other operations of AIP Logistics, Inc. ("AIP"), this is a necessary first step in KAN Rail's rail undertaking. Whereas AIP is a multi-faceted transloading facility, KAN Rail will be a stand-alone rail carrier, focused solely on providing rail transportation service to customers. KAN Rail seeks Class III exempt status in order to facilitate and promote, as a carrier, fluid road-to-rail (and vice versa) transition capabilities to shippers. Kan Rail's proposed operation not only will enhance the transloading services offered by AIP to shippers, and thus allow AIP to expand its customer base, but will provide CSXT with greater efficiency and reduce CSXT's workload from a switching standpoint by enabling CSXT to switch car strings in fewer steps. This proposal will benefit both CSXT and AIP and, ultimately, shippers. KAN Rail expects to form a good rail partnership with CSXT with a view toward possible

expansion and extension opportunities and additional interchanges with CSXT in the future and what positive impact that would potentially have on U.S. manufacturing.

Respectfully submitted,



John L. Alden

KAN Rail, Inc.

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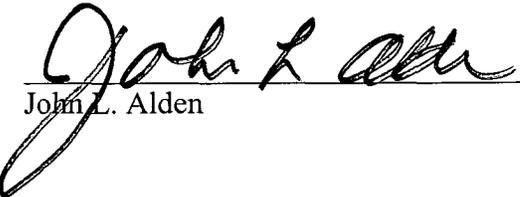
Attorney for Applicant  
in Finance Docket No. FD 35794

Applicant  
in Finance Docket No. FD 35794

DATE FILED: July 22, 2014

**CERTIFICATE OF SERVICE**

I hereby certify that on this 22<sup>nd</sup> day of July, 2014, copies of the foregoing Motion to Strike or in the Alternative Reply to Csx Transportation, Inc. Filing Dated July 2, 2014 were served upon the following parties of record in this proceeding, by electronic mail.

  
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