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Office of Proceedings  
April 29, 2016  
Part of  
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April 29, 2016

**By E-Filing**

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, SW  
Washington, DC 20423

Re: Docket No. FD 36005 – *KCVN, LLC and Colorado Pacific Railroad, LLC – Feeder Line Application – Line of V AND S Railway, LLC, Located in Crowley, Pueblo, Otero and Kiowa Counties, Colorado*

Dear Ms. Brown:

Accompanying this letter for e-filing in the referenced docket on behalf of KCVN, LLC and Colorado Pacific Railroad, LLC (“Applicants”) is a Supplement to Feeder Line Application. Because this filing contains commercially sensitive information, Applicants have prepared a Confidential version to be filed under seal, and a Public version that can be placed in the public docket of this proceeding.

Do not hesitate to contact me with any questions or if you need additional information.

Sincerely,

Thomas W. Wilcox  
Attorney for KCVN, LLC and Colorado Pacific Railroad, LLC

**PUBLIC VERSION**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**Finance Docket No. 36005**

**KCVN, LLC AND COLORADO PACIFIC RAILROAD, LLC – FEEDER LINE  
APPLICATION – LINE OF V AND S RAILWAY, LLC, LOCATED IN CROWLEY,  
PUEBLO, OTERO, AND KIOWA COUNTIES, COLORADO**

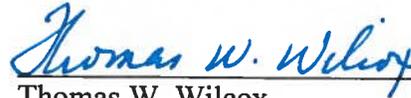
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**SUPPLEMENT TO FEEDER LINE APPLICATION**

Pursuant to the Decision served by the Director of the Office of Proceedings in this Docket on April 15, 2015, applicants KCVN, LLC (“KCVN”) and the Colorado Pacific Railroad, LLC (“CPRR”), hereby supplement their Feeder Line Application with certain additional factual information. More specifically, in the April 15 Decision, the Board, through the Director of the Office of Proceedings accepted the Feeder Line Application filed by KCVN and CPRR on March 18, 2016, but encouraged KCVN and CPRR to “submit some additional information . . . for the Board’s consideration as the feeder line case proceeds.” Decision at 3. The additional information suggested by the Board consisted of (1) additional specificity concerning the estimated operating and maintenance expenses for the first three years after CPRR acquired the Towner Line; (2) additional details of the proposed operating plan of the Kansas and Oklahoma Railroad (“K&O”), the likely operator of the line; and (3) a certificate of K&O’s existing insurance coverage over its current system. *Id.* at 3-4.

Additional information responsive to categories (1) and (2) is being provided in the Second Verified Statement of William S. Osborn, attached hereto as Exhibit A. The requested insurance certificate is attached as Exhibit B.

Respectfully submitted,



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(202) 342-5248

*Attorneys for KCVN, LLC and Colorado  
Pacific Railroad, LLC*

April 29, 2016

**PUBLIC VERSION**

# **EXHIBIT A**

**(REDACTED)**

**PUBLIC VERSION**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**Finance Docket No. 36005**

**KCVN, LLC AND COLORADO PACIFIC RAILROAD, LLC – FEEDER LINE  
APPLICATION –LINE OF V AND S RAILWAY, LLC, LOCATED IN CROWLEY,  
PUEBLO, OTERO, AND KIOWA COUNTIES, COLORADO**

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**SECOND VERIFIED STATEMENT OF WILLIAM S. OSBORN**

My name is William S. Osborn. I am the same William S. Osborn who submitted a verified statement on behalf of KCVN, LLC (“KCVN”) and its subsidiary the Colorado Pacific Railroad, LLC (“CPRR”) in their Feeder Line Application submitted in this Docket on March 18, 2016. This Board accepted the KCVN’s and CPRR’s Application through a Decision issued by the Director of the Office of Proceedings served on April 15, 2016. This Decision also in part encouraged KCVN and CPRR to submit certain additional factual information to aid the Board’s review and evaluation of the Application. This Second Verified Statement is offered to provide additional factual information responsive to the April 15 Decision. This information was provided to me by Mr. Doug Story, Vice President of Agricultural Marketing for Watco Transportation Services, LLC. (“Watco”). Watco is the owner and operator of the Kansas & Oklahoma Railroad (“K&O”), which is the likely operator of the Towner Line if it is purchased



As such, the K&O estimates the annual operating and maintenance costs for the first three years of the operations it foresees over the Towner Line will be approximately { [REDACTED] }.

2. Operating Plan

The April 15 Decision also encouraged KCVN and CPRR to provide the Board with more detail of their proposed operating plan, including an estimate of the average number of trains anticipated to be operated over the line each day. In response our request for such information from the K&O, Mr. Story informed me that the K&O anticipates the Towner Line will provide good growth opportunities in the first three years of the K&O's operations. Specifically, the K&O expects its carload growth in the first year to primarily originate from { [REDACTED]

[REDACTED]

[REDACTED]}. The K&O anticipates this initial business should result in the operation of { [REDACTED]

[REDACTED]

[REDACTED]}. After the first year the K&O expects to { [REDACTED]

[REDACTED]

[REDACTED]}. The K&O has informed KCVN and CPRR that they foresee this

additional business from other commodity markets resulting in carload growth range { [REDACTED]

[REDACTED]

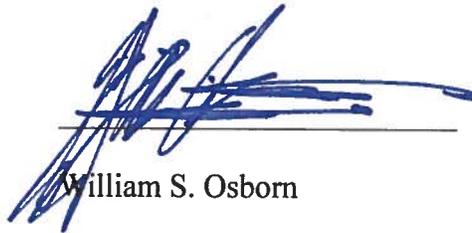
[REDACTED] } based on

K&O's current carload projections.

## Verification

I, William S. Osborn, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to sponsor this testimony.

Executed: April 29, 2016



William S. Osborn

**PUBLIC VERSION**

# **EXHIBIT B**

**(Pages 1 – 6 - - REDACTED)**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 02/26/2016
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AGENCY CUSTOMER ID: 743272

LOC #: Chicago



## ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

**Named Insured Listing:**

Client#: 94695

WATCCOM

**ACORD™**

**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

8/04/2015

**DESCRIPTIONS (Continued from Page 1)**

**DESCRIPTIONS (Continued from Page 1)**

**CERTIFICATE OF SERVICE**

I do hereby certify that on this 29th day of April, 2016, I have served a copy of the foregoing Supplement to Feeder Line Application (Public Version) by first class mail on each of the following persons or entities:

Eric M. Hocky, Esq.  
Clark Hill PLC  
One Commerce Square  
2005 Market Street, Suite 1000  
Philadelphia, PA 19103  
*(also via e-mail)*

The Governor's Office of State Planning and Budgeting  
200 East Colfax, Room 111  
Denver, Colorado 80203

Rail Program  
Colorado Department of Transportation  
4201 E. Arkansas Avenue, Room 227  
Denver, Colorado 80222

Pueblo County Commissioners  
215 W. 10th Street  
Pueblo, Colorado 81003

Crowley County Commissioners  
603 Main Street (Ste. 2)  
Ordway, Colorado 81063

Kiowa County Commissioners  
1305 Goff Street  
Eads, Colorado 81036

Otero County Commissioners  
13 W. 3rd Street  
La Junta CO 81050

  
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Thomas W. Wilcox