

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36181

KASGRO RAIL CORP.
—LEASE AND OPERATION EXEMPTION—
KJ RAIL LOGISTICS LLC

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1150.41

Contains Color Image

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March 29, 2018
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Public Record

Kasgro Rail Corp. (“Kasgro”), a Class III rail carrier, hereby files this Verified Notice of Exemption, pursuant to 49 C.F.R. § 1150.41 *et seq.*, from the provisions of 49 U.S.C. § 10902 to permit Kasgro to lease and operate a line of railroad as a common carrier pursuant to an agreement with KJ Rail Logistics LLC (“KJR”), which owns the rail property as a non-carrier. The subject rail property consists of approximately 1.6 miles of track located in LaPorte County, Indiana. In support of this Notice, Kasgro submits the following information required by 49 C.F.R. § 1150.43:

a. Applicant’s full name and address:

Kasgro Rail Corp.
121 Rundle Road
New Castle, PA 16102

b. Name, address, and telephone number of Applicant’s representative:

Jeffrey O. Moreno
Thompson Hine LLP
1919 M Street, N.W.
Suite 700
Washington, DC 20036
(202) 263-4107

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c. Agreement:

Kasgro has entered into a lease agreement with KJR for the right to provide common carrier rail service over the subject property.

d. Operator of the property:

Kasgro will contract with KJR to provide rail service on and over the property.

e. Brief summary of the proposed transaction.

Kasgro is a Class III rail carrier which currently leases and operates approximately 3.5 miles of rail line in New Castle, Lawrence County, PA. *See* STB Fin. Dkt. No. 33882, *Kasgro Rail Corp.—Lease and Operation Exemption—EASX Corporation and Rail Services Corporation* (served June 22, 2000). By this transaction, Kasgro will lease and operate an additional, non-contiguous, rail line in Kingsbury, LaPorte County, IN, which connects with CSX Transportation, Inc. at MP 0.0.

1. The name and address of the entity transferring the property:

KJ Rail Logistics LLC
1900 South Highland Avenue
Suite 100
Lombard, IL 60148

2. Proposed time schedule for consummation of the transaction:

On or about June 1, 2018.

3. Milepost designations of the subject property:

MP 0.0 to MP 1.6 in LaPorte County, Indiana.

4. The total route miles being acquired:

Approximately 1.6 total route miles are being acquired.

f. Map:

A map of the Line is attached hereto as Exhibit A.

g. Projected revenue certification:

Kasgro's projected revenues upon consummation of this transaction will not exceed \$5 million, or those of a Class III railroad, so as to require processing under 49 C.F.R. § 1150.45, or advance notice under 49 C.F.R. § 1150.42(e).

h. Interchange Commitment Certification:

The proposed transaction does not contain a provision or agreement that may limit future interchange with a third-party connecting carrier by any means.

Caption Summary

The Caption Summary in the form prescribe by 49 C.F.R. § 1150.44 is attached as Exhibit B.

Environmental and Historical Certification

Since the proposed transaction will not result in significant changes in railroad operations exceeding the thresholds of 49 C.F.R. § 1105.7(e)(4) or (5), no environmental documentation is required. Similarly, since the proposed transaction will not result in the disposition or alteration of properties 50 years old or older, within the meaning of 49 C.F.R. § 1105.8(b)(1), and will not substantially change the level of maintenance of railroad property, within the meaning of 49 C.F.R. § 1105.8(b)(4), no historic report is required.

Respectfully submitted,

Kasgro Railroad Corp.

By its attorneys,

A handwritten signature in black ink, appearing to read "Jeffrey O. Moreno", is written over a horizontal line.

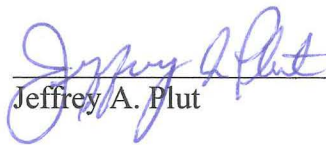
Jeffrey O. Moreno
Thompson Hine LLP
1919 M Street, N.W.
Suite 700
Washington, DC 20036-1601
(202) 331-8800

Dated: March 29, 2018

VERIFICATION

I, Jeffrey A. Plut, Co-President & CFO of Kasgro Rail Corp., declare under penalty of perjury, under the laws of the United States of America, the foregoing Verified Notice of Exemption is true and correct. Further, I certify that I am qualified and authorized to submit this verification on behalf of Kasgro Rail Corp. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. § 1001 and are punishable as perjury under 18 U.S.C. § 1621.

Dated at Lawrence County, Pennsylvania, this 27th day of March 2018.



Jeffrey A. Plut

EXHIBIT A

MAP



EXHIBIT B

CAPTION SUMMARY

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FINANCE DOCKET NO. 36181

KASGRO RAIL CORP.
—LEASE AND OPERATION EXEMPTION—
KJ RAIL LOGISTICS LLC

Kasgro Rail Corp. (“Kasgro”), a Class III rail carrier, has filed a Verified Notice of Exemption to lease and operate approximately 1.6 miles of railroad line from a connection with CSX Transportation, Inc. at MP 0.0 to MP 1.6 in LaPorte County, Indiana, presently owned by KJ Rail Logistics LLC (“KJR”), a non-carrier. KJR intends to lease the railroad line to Kasgro, so that Kasgro may initiate and provide common carrier rail operations on and over the line. Comments must be filed with the Board and served on Jeffrey O. Moreno, Esq., Thompson Hine LLP, 1919 M Street, N.W., Suite 700, Washington, D.C. 20036 (tel. 202-263-4107). The Verified Notice of Exemption is filed under 49 C.F.R. § 1150.41. If the Notice contains false or misleading information, the exemption is void *ab initio*. Petitions to revoke the exemption, pursuant to 49 U.S.C. § 10502(d), may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.