

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

ENTERED
Office of Proceedings
April 17, 2017
Part of
Public Record

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**

**ERRATA TO APPLICANTS' REBUTTAL TO
V AND S RAILWAY, LLC's REPLY TO
APPLICANTS' SUPPLEMENTAL PRICING INFORMATION**

KCVN, LLC ("KCVN") and Colorado Pacific Railroad, LLC ("CPRR")(together "Applicants"), hereby submit this Errata to the Public Version of their Rebuttal to the Reply of V AND S Railway, LLC to Applicants' Supplemental Pricing Information. Specifically, Applicants very recently discovered that the respective verifications of Mr. Thomas D. Crowley and Mr. Daniel L Fapp, and the two (2) Attachments to their Supplemental Rebuttal Verified Statement, had been inadvertently omitted from the Public Version of Applicants' rebuttal filing. This material was included in the Highly Confidential version of the rebuttal filing, but inadvertently omitted from the Public Version.

Applicants accordingly respectfully request the Board to accept this Errata filing into the record of this proceeding to ensure the record contains a complete Public Version of Applicants' rebuttal filing.

Respectfully submitted,



Thomas W. Wilcox
Svetlana Lyubchenko
GKG Law, P.C.
1055 Thomas Jefferson Street NW
Suite 500
Washington, D.C. 20007
(202) 342-5248

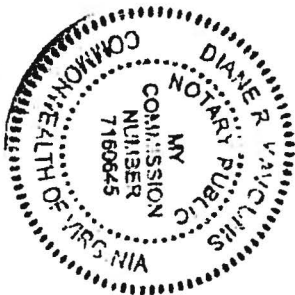
*Attorneys for KCVN, LLC and
Colorado Pacific Railroad, LLC*

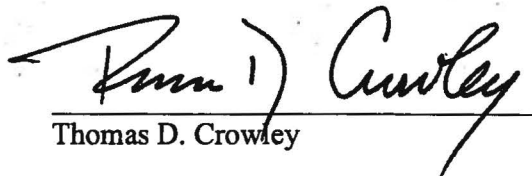
April 17, 2017

VERIFICATION

COMMONWEALTH OF VIRGINIA)
)
CITY OF ALEXANDRIA)

I, THOMAS D. CROWLEY, verify under penalty of perjury that I have read the foregoing Supplemental Rebuttal Verified Statement of Thomas D. Crowley and Daniel L. Fapp, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.




Thomas D. Crowley

Sworn to and subscribed
before me this 7th day of April, 2017


Diane R. Kavounis
Notary Public for the State of Virginia

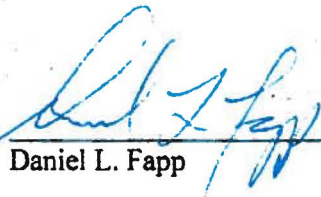
My Commission Expires: November 30, 2020
Registration Number: 7160645

VERIFICATION

COMMONWEALTH OF VIRGINIA)
).
CITY OF ALEXANDRIA)

I, DANIEL L. FAPP, verify under penalty of perjury that I have read the foregoing Supplemental Rebuttal Verified Statement of Thomas D. Crowley and Daniel L. Fapp, that I know the contents thereof, and that the same are true and correct. Further, I certify that I am qualified and authorized to file this statement.




Daniel L. Fapp

Sworn to and subscribed
before me this 7th day of April, 2017


Diane R. Kavounis
Notary Public for the State of Virginia

My Commission Expires: November 30, 2020
Registration Number: 7160645

Emails to Railroad Salvage Companies and Responses

Kit Gomez

From: Kit Gomez <cgomez@lepeabody.com>
Sent: Monday, March 13, 2017 10:49 AM
To: 'jmahoney@lbfooster.com'
Subject: Relay rail Price quotes
Attachments: Track Material Unit Price Quote 3_13_17.xlsx

Mr. Mahoney,

This is Christopher Gomez and I am with L.E. Peabody & Associates. L.E. Peabody & Associates, Inc. is a national economic, financial, and strategic consulting services firm specializing in transportation and energy. We are conducting a Net Liquidation Value study for a STB proceeding. Attached is a list of the track materials. I would like a quote for the wholesale prices of the materials. I would like the prices to not include any dismantling or transportation fees. In other words, Hypothetically speaking, I would like the prices to be the wholesale prices you would be willing to pay for the materials if they were sitting on the back of loaded trucks at the jobsite in Colorado?

Thank you for your time,

Christopher Gomez

Emails to Railroad Salvage Companies and Responses

Kit Gomez

From: Joe Mahoney <jmahoney@lbfooster.com>
Sent: Monday, March 13, 2017 11:10 AM
To: Kit Gomez
Subject: Re: Relay rail Price quotes
Attachments: Track Material Unit Price Quote 3_13_17.xlsx

see below

Thanks,
Joe Mahoney
Director Rail Sales
L.B.Foster Co.
125 Windsor Drive Suite 122
Oak Brook , IL. 60523
Phone 630-320-1374
Fax # 630-320-1380
Cell Phone 847-867-6949
please visit our website at <http://www.lbfooster.com>

Emails to Railroad Salvage Companies and Responses

Kit Gomez

From: Kit Gomez <cgomez@lepeabody.com>
Sent: Monday, March 13, 2017 10:28 AM
To: 'dhayes@progressrail.com'
Subject: Relay Rail Unit Prices
Attachments: Track Material Unit Price Quote 3_13_17.xlsx

Mr. Hayes,

This is Christopher Gomez and I am with L.E. Peabody & Associates. L.E. Peabody & Associates, Inc. is a national economic, financial, and strategic consulting services firm specializing in transportation and energy. We are conducting a Net Liquidation Value study for a STB proceeding. Attached is a list of the track materials. I would like a quote for the wholesale prices of the materials. I would like the prices to not include any dismantling or transportation fees. In other words, Hypothetically speaking, I would like the prices to be the wholesale prices you would be willing to pay for the materials if they were sitting on the back of loaded trucks at the jobsite in Colorado?

Thank you for your time,

Christopher Gomez

Emails to Railroad Salvage Companies and Repsonses

Kit Gomez

From: David Hayes <DHayes@PROGRESSRAIL.com>
Sent: Monday, March 13, 2017 11:35 AM
To: Kit Gomez
Subject: Copy of Track Material Unit Price Quote 3_13_17.xlsx
Attachments: Copy of Track Material Unit Price Quote 3_13_17.xlsx

Filled in the form

Dhayes
Progress

Emails to Railroad Salvage Companies and Responses

Kit Gomez

From: Dave Lynn <DLynn@harmersteel.com>
Sent: Tuesday, December 20, 2016 10:39 AM
To: Kit Gomez
Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point
Attachments: Copy of Track Material Unit Price Quote December 20, 2016.xlsx

Christopher –

This "offer" is based on the same qualifying remarks used in the original correspondence. Please give me a call if you would like to discuss further.

Best Regards,

Dave Lynn – Vice President/Division Manager
Harmer Steel Products Co.
700 Airport Drive
Chowchilla, CA 93610
office: (559) 665-2050
fax: (559) 665-2055
mobile: (559) 903-2785

From: Kit Gomez [mailto:cgomez@lepeabody.com]
Sent: Wednesday, December 14, 2016 1:04 PM
To: Dave Lynn
Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

Mr. Lynn,

This is Christopher Gomez with L.E. Peabody & Associates. We spoke in September about some relay rail prices in Colorado. I was wondering if you could please give me an updated quote for wholesale relay rail prices? In other words, hypothetically, what is the price your company is willing to currently pay for the materials, attached to this email, if they were sitting in the back of loaded trucks at the jobsite in Colorado? I appreciate your help.

Thanks again,

Christopher

From: Dave Lynn [mailto:DLynn@harmersteel.com]
Sent: Wednesday, September 14, 2016 12:30 PM
To: Kit Gomez <cgomez@lepeabody.com>
Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

That is correct

Dave Lynn – Vice President/Division Manager
Harmer Steel Products Co.
700 Airport Drive
Chowchilla, CA 93610
office: (559) 665-2050

Emails to Railroad Salvage Companies and Responses

Kit Gomez

From: Kit Gomez <cgomez@lepeabody.com>
Sent: Wednesday, September 14, 2016 12:34 PM
To: Dan Fapp
Subject: FW: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

From: Dave Lynn [<mailto:DLynn@harmersteel.com>]
Sent: Wednesday, September 14, 2016 12:30 PM
To: Kit Gomez <cgomez@lepeabody.com>
Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

That is correct

Dave Lynn – Vice President/Division Manager
Harmer Steel Products Co.
700 Airport Drive
Chowchilla, CA 93610
office: (559) 665-2050
fax: (559) 665-2055
mobile: (559) 903-2785

From: Kit Gomez [<mailto:cgomez@lepeabody.com>]
Sent: Wednesday, September 14, 2016 12:30 PM
To: Dave Lynn
Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

Mr. Lynn,

Just to be clear the wholesale prices you listed are the prices for the materials only? The prices do not include any dismantling fees? Hypothetically speaking, these are the prices you would be willing to pay for the materials if they were sitting on the back of loaded trucks at the jobsite?

Thanks again,

Christopher

From: Dave Lynn [<mailto:DLynn@harmersteel.com>]
Sent: Wednesday, September 14, 2016 11:26 AM
To: Kit Gomez <cgomez@lepeabody.com>
Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

No, these are essentially wholesale prices that we would be willing to pay, loaded on trucks at the jobsite. The retail market fluctuates based on multiple variables, so it is difficult to give you current value. However, we generally shoot for 30% gross margin, so you can extrapolate from the wholesale numbers I gave you to determine a (very) rough estimate of retail value.

Dave Lynn – Vice President/Division Manager
Harmer Steel Products Co.

Emails to Railroad Salvage Companies and Responses

From: Dave Lynn [mailto:DLynn@harmersteel.com]

Sent: Wednesday, September 14, 2016 11:26 AM

To: Kit Gomez <cgomez@lepeabody.com>

Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

No, these are essentially wholesale prices that we would be willing to pay, loaded on trucks at the jobsite. The retail market fluctuates based on multiple variables, so it is difficult to give you current value. However, we generally shoot for 30% gross margin, so you can extrapolate from the wholesale numbers I gave you to determine a (very) rough estimate of retail value.

Dave Lynn – Vice President/Division Manager

Harmer Steel Products Co.

700 Airport Drive

Chowchilla, CA 93610

office: (559) 665-2050

fax: (559) 665-2055

mobile: (559) 903-2785

From: Kit Gomez [mailto:cgomez@lepeabody.com]

Sent: Wednesday, September 14, 2016 11:08 AM

To: Dave Lynn

Subject: RE: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

Mr. Lynn,

Thank you for your response. I would like to verify what the numbers in your quote represent. Are the revised prices the current retail market value of all the materials as if they were available for immediate sale without any transportation or delivery fees?

I appreciate your help.

Christopher

From: Dave Lynn [mailto:DLynn@harmersteel.com]

Sent: Wednesday, September 14, 2016 10:02 AM

To: Kit Gomez (cgomez@lepeabody.com) <cgomez@lepeabody.com>

Subject: Current Purchase Price for Relay Rail Quote - revised to f.o.b. shipping point

Christopher –

Here are my revised prices, based on loaded trucks in Colorado. I used \$100 per net ton for this estimate.

Best Regards,

Dave Lynn – Vice President/Division Manager

Harmer Steel Products Co.

700 Airport Drive

Chowchilla, CA 93610

office: (559) 665-2050

fax: (559) 665-2055

mobile: (559) 903-2785

Emails to Railroad Salvage Companies and Responses

From: Dave Lynn

Sent: Tuesday, September 13, 2016 10:37 AM

To: 'Kit Gomez'

Subject: RE: Current Purchase Price for Relay Rail Quote

Christopher –

These are very rough numbers, based on a lot of assumptions on my part. They are typical prices that I would pay under current market conditions, but are not an offer to purchase. All of the offer prices are based on material delivered to our Chowchilla, CA facility. Please give me a call if you would like to discuss further.

Best Regards,

Dave Lynn – Vice President/Division Manager

Harmer Steel Products Co.

700 Airport Drive

Chowchilla, CA 93610

office: (559) 665-2050

fax: (559) 665-2055

mobile: (559) 903-2785

From: Kit Gomez [<mailto:cgomez@lepeabody.com>]

Sent: Tuesday, September 13, 2016 9:14 AM

To: Dave Lynn

Subject: Current Purchase Price for Relay Rail Quote

Mr. Lynn,

Attached is the list of materials we discussed over the phone. I work for L.E. Peabody & Associates, Inc.. We are conducting a Net Liquidation Valuation study for a STB proceeding. I was wondering if you could give me some quotes for the current purchase price for relay rail? The track materials I am interested in getting quotes for are attached.

Thank you,

Christopher Gomez

Emails to Railroad Salvage Companies and Responses

Track Material Unit Prices

Steel (Rail)	Price per <u>Net Ton</u>
Rail 136 pound per yard, CWR, Fit #1 78/80'	
Rail 136 pound per yard, CWR, Fit #2	
Rail 136 pound per yard, Jointed, Fit #2	
Rail 133 pound per yard, CWR, Fit #1	
Rail 132 pound per yard, CWR, Fit #2	
Rail 132 pound per yard, CWR, Fit #3	
Rail 115 pound per yard, CWR, Fit #1 78/80'	
Rail 115 pound per yard, Jointed, Fit #1	
Rail 113 pound per yard, CWR, Fit #2	
Rail 112 pound per yard, Jointed, Fit #3	
Steel (OTM)	<u>Price Per Unit</u>
Tie Plates, D/S, 8" x 16" 6"	
Tie Plates, D/S, 8" x 14" 6"	
Tie Plates, D/S, 8" x 13" 6"	
Joint Bars, 136 pound per yard, Fit six hole	
Joint Bars, 133/132/131 pound per yard, Fit six hole	
Joint Bars, 119/112 pound per yard, Fit six hole	
Joint Bars, 115 pound per yard, Fit six hole	
Joint Bars, 90 pound per yard, Fit four hole	
Joint Bars, 85 pound per yard, Fit four hole 5x5x5	
Anchors, Fit 6"	
Timber (Ties)	<u>Price Per Unit</u>
Relay 7x9x9' hardwood	
Landscape 7x9x9'	
Scrap 7x9x9'	
Turnouts	<u>Price Per Unit</u>
Weight 136 #9 AREMA relay	
Weight 115 #9 AREMA relay	

Materials Price List Sent to Salvage Companies

Track Material Unit Prices

Steel (Rail)

**Price per
Net Ton**

Rail 136 pound per yard, CWR, Fit #1 78/80'
Rail 136 pound per yard, CWR, Fit #2
Rail 136 pound per yard, Jointed, Fit #2
Rail 133 pound per yard, CWR, Fit #1
Rail 132 pound per yard, CWR, Fit #2
Rail 132 pound per yard, CWR, Fit #3
Rail 115 pound per yard, CWR, Fit #1 78/80'
Rail 115 pound per yard, Jointed, Fit #1
Rail 113 pound per yard, CWR, Fit #2
Rail 112 pound per yard, Jointed, Fit #3

Steel (OTM)

Price Per Unit

Tie Plates, D/S, 8" x 16" 6"
Tie Plates, D/S, 8" x 14" 6"
Tie Plates, D/S, 8" x 13" 6"
Joint Bars, 136 pound per yard, Fit six hole
Joint Bars, 133/132/131 pound per yard, Fit six hole
Joint Bars, 119/112 pound per yard, Fit six hole
Joint Bars, 115 pound per yard, Fit six hole
Joint Bars, 90 pound per yard, Fit four hole
Joint Bars, 85 pound per yard, Fit four hole 5x5x5
Anchors, Fit 6"

Timber (Ties)

Price Per Unit

Relay 7x9x9' hardwood
Landscape 7x9x9'
Scrap 7x9x9'

Turnouts

Price Per Unit

Weight 136 #9 AREMA relay
Weight 115 #9 AREMA relay

CERTIFICATE OF SERVICE

I do hereby certify that on this 17th day of April, 2017, I have served a copy of the foregoing Errata to Applicants' Rebuttal to V AND S Railway's Reply to Applicants' Supplemental Pricing Information by email and first class mail on the following persons or entities:

Eric M. Hocky, Esq.
Clark Hill PLC
One Commerce Square
2005 Market Street, Suite 1000
Philadelphia, PA 19103

The Honorable Judge John P. Dring
Federal Energy Regulatory Commission
Office of Administrative Law Judges
888 First Street, N.E.
Washington, D.C. 20426
(also via email at carlos.clemente@ferc.gov)

And by first class mail to the other entities on the official service list for this proceeding.



Thomas W. Wilcox