

April 4, 2006

By Messenger

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001



RE: Finance Docket Nos. 34421 and 34421 (Sub-No.1), *HolRail LLC Petition for Exemption from 49 U.S.C. §10901 to Construct and Operate a Rail Line in Orangeburg and Dorchester Counties, South Carolina and HolRail LLC-Petition for Crossing Authority Under 49 U.S.C. §10901(D)*

Dear Secretary Williams:

Please find enclosed the original and ten (10) copies of HolRail LLC's Motion to Strike or in the Alternative Reply to be filed in the above referenced proceeding.

An extra copy of this filing is enclosed for stamping and returning to our offices.

Should you have any questions regarding the foregoing, please do not hesitate to contact me.

Sincerely,

Jeffrey O. Moreno

Enclosures

cc: Louis E. Gitomer
Thomas W. Wilcox

UNITED STATES
Office of Proceedings

Public Hearing

BEFORE THE
SURFACE TRANSPORTATION BOARD

2/16/70
STB FINANCE DOCKET NOS. 34421 AND 34421 (Sub-No. 1)



HOLRAIL LLC PETITION FOR EXEMPTION FROM 49 U.S.C. § 10901 TO
CONSTRUCT AND OPERATE A RAIL LINE IN ORANGEBURG AND DORCHESTER
COUNTIES, SOUTH CAROLINA

HOLRAIL LLC—
PETITION FOR CROSSING AUTHORITY UNDER 49 U.S.C. § 10901(d)

REPLY OF HOLRAIL LLC TO CSX TRANSPORTATION, INC.
MOTION TO STRIKE OR IN THE ALTERNATIVE REPLY

HolRail LLC ("HolRail") hereby submits this Reply to the "Motion to Strike or in the Alternative Reply" ("Motion"), filed by CSX Transportation, Inc. ("CSXT") on March 30, 2006. Holrail previously filed a "Motion for Leave to File a Rebuttal to the Reply of CSX Transportation, Inc." on March 10, 2006. CSXT asks the Board to strike that Motion.

Procedurally, CSXT should have filed a reply in opposition to HolRail's motion, rather than a Motion to Strike. However, since CSXT has chosen to file a motion to strike, HolRail is compelled to register its opposition in order to preserve its procedural rights.

Since HolRail has fully addressed the substance of the majority of CSXT's Motion in HolRail's March 10th motion that CSXT has moved to strike, HolRail urges the Board to review its March 10th motion and the attached Rebuttal for HolRail's reply. A complete reading of HolRail's March 10th motion and Rebuttal will reveal that CSXT's Motion is a continuation of its efforts to mislead the Board through distortions and misrepresentations of both the facts and legal arguments submitted by HolRail.

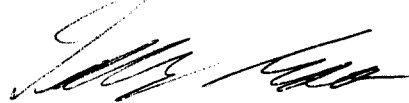
In support of its Motion to Strike, CSXT argues merely that 49 C.F.R. § 1104.13(c) prohibits a reply to a reply. But that argument is non-responsive to HolRail's motion, which asks the Board to waive that provision due to the unique and important issues presented by this case, and to allow HolRail to respond to blatant inaccuracies and new arguments presented by CSXT in its Reply filed on February 24, 2006.

While CSXT agrees with HolRail's characterization of the issues, it asserts that these unique issues should require a full construction application, as opposed to an exemption. But, CSXT has not demonstrated why all of the information required for a full application is necessary to carry out the rail transportation policy, whereas HolRail has shown that a full application is not necessary. 49 U.S.C. § 10502(a)(1).

HolRail already has filed substantially more information than is typically submitted in an exemption proceeding, including detailed engineering drawings and a construction plan to show that CSXT's alleged concerns about sharing its right-of-way with HolRail are overblown and unsubstantiated. *See* HolRail's "Petition for Crossing Authority and Supplemental Evidence in Support of Petition for Exemption," Verified Statement of Gene A. Davis and Exhibits thereto (filed Sept. 9, 2005). That information responds directly to the issues that CSXT contends require a full application, and CSXT has not substantiated a need for additional information that otherwise would be part of a full application. Since CSXT is unable to refute the facts presented by HolRail, it has chosen to attack HolRail with procedural arguments.

WHEREFORE, for the foregoing reasons, HolRail requests that the Board deny CSXT's Motion in its entirety.

Respectfully submitted,



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April 4, 2006

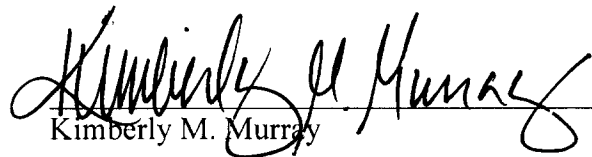
CERTIFICATE OF SERVICE

I hereby certify that this 4th day of April, 2006, I served a copy of the foregoing "Motion to Strike or in the Alternative Reply" by hand delivery upon counsel for CSX Transportation, Inc., at the following address:

Louis E. Gitomer, Esq.
BALL JANIK LLP
1455 F Street, N.W.
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Washington, D.C. 20005

and counsel for Intervenors, at the following address:

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Kimberly M. Murray