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DEPT. OF TRANSPORTATION
DOCKET SECTION
98 FEB -9 PM 3:21

WILLIAM P. JACKSON, JR.

February 9, 1998

GERALD E. JESSUP
(1911-1994)

Mr. George Reagle
Associate Administrator
for Motor Carriers
Federal Highway Administration
400 Seventh Street, SW
Room 3103 HMT-1
Washington, DC 20590

FHWA-97-2471-20

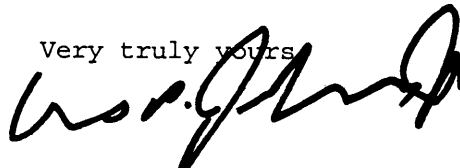
VIA COURIER

Re: Notice of Claim - Violations of 49 CFR
Sections 171 and 172 (KMCO, Inc.)
OMC No. TX-94-392-246-HM
Reference: HMC-06

Dear Mr. Reagle:

Enclosed for filing, in accordance with your order dated February 4, 1998, is a copy of the Settlement Agreement entered into between the Federal Highway Administration and KMCO, Inc., in connection with the settlement of the above matter. Please let me know if anything further is required.

Very truly yours



William P. Jackson, Jr.

WPJ/jmb

cc: Lorraine A. Godbolt, Esquire
U.S. DOT Dockets
Region 6 Docket Clerk

386.16(c) (vi), will result in the loss of any reductions in penalties for claims found to be valid and the original amount of THIRTY THOUSAND DOLLARS (\$30,000.00) claimed will be due immediately with interest from the date of the original claim.

6. This settlement agreement is not binding upon the ADMINISTRATION until it is executed by the Regional Director, Office of Motor Carriers. Prior to the execution of this agreement by the Regional Director, Office of Motor Carriers, this agreement is an offer in compromise by the SHIPPER which may not be withdrawn for a period of thirty (30) days after the date the SHIPPER executes it.

7. The SHIPPER acknowledges that it has received adequate notice of the ADMINISTRATION'S claim and waives any and all rights it may have to further notice or to further details of the violations that gave rise to the claim.

8. The SHIPPER waives any right(s) it may have under the amendments to the Equal Access to Justice Act found in the Contract with America Advancement Act of 1996, Pub.L.No. 104-121, Subtitle C, 110 Stat. 847 (1996), including the award of fees and other expenses related to defending any excessive penalty demand, if any, made by the FHWA, for events occurring on or before October 24, 1994, and related to the subject matter of this AGREEMENT.

KMCO, Inc.

By  1/15/98

 1/21/98
Regional Director Date
Office of Motor Carriers