



SURFACE TRANSPORTATION BOARD

[Docket No. FD 36845]

OmniTRAX Holdings Combined, Inc., and HGS Railway Holdings, Inc.—

Continuance in Control Exemption—Santa Maria Valley Railroad, LLC

OmniTRAX Holdings Combined, Inc. (OmniTRAX), and HGS Railway Holdings, Inc. (HGS) (collectively, Omni-HGS), both noncarriers, have filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to continue in control of Santa Maria Valley Railroad, LLC (SMVR), a noncarrier currently controlled by OmniTRAX, once SMVR is authorized to commence common carrier operations.

This transaction is related to a verified notice of exemption concurrently filed in *Santa Maria Valley Railroad—Acquisition & Change of Operator Exemption—Railroad Lines of Coast Belle Rail, LLC*, Docket No. FD 36846, in which SMVR seeks to acquire a line owned by Coast Belle Rail, LLC (CBRL), acquire a leasehold interest from Coast Belle Rail Corp. d/b/a Santa Maria Valley Railroad Company (Coast Belle) over a line of Union Pacific Railroad Company's, and replace Coast Belle as the operator on both lines, which are located in Santa Barbara County, Cal.

Omni-HGS states that SMRV is currently a noncarrier entity controlled by OmniTRAX and that Omni-HGS will continue to exercise control of SMRV upon SMRV's becoming a Class III rail carrier. According to the verified notice, OmniTRAX and HGS are under joint managerial and operational control. *See HGS Ry. Holdings, Inc.—Continuance in Control Exemption—HGS-FCR, LLC*, FD 36180, slip op. at 2-3 n. 3 (STB served May 23, 2018). OmniTRAX is a noncarrier holding company that controls 23 Class III rail carriers and HGS is also a noncarrier holding company that

controls two Class III railroads.¹

Omni-HGS represents that: (1) the lines that SMVR seeks to acquire and to operate as a common carrier do not connect with the lines of any of the existing rail carriers within the Omni-HGS corporate family; (2) the proposed transaction is not part of a series of anticipated transactions that would result in such a connection; and (3) the proposed transaction does not involve a Class I rail carrier. Therefore, the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Accordingly, because this transaction involves Class III rail carriers only, the Board may not impose labor protective conditions here.

The effective date of this exemption is April 12, 2025 (30 days after the verified notice was filed). If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the

¹ Specifically, Omni-HGS states that OmniTRAX currently controls: Alabama & Tennessee River Railway, LLC; Brownsville & Rio Grande International Railway, LLC; Central Texas & Colorado River Railway, LLC; Chicago Rail Link, L.L.C.; Cleveland & Cuyahoga Railway, LLC; Fulton County Railway, LLC; Georgia & Florida Railway, LLC; Georgia Woodlands Railroad, L.L.C.; Great Western Railway of Colorado, L.L.C.; Illinois Railway, LLC; Kettle Falls International Railway, LLC; Manufacturers' Junction Railway, L.L.C.; Nebraska, Kansas and Colorado Railway, LLC; The Newburgh & South Shore Railroad, LLC; Northern Ohio & Western Railway, L.L.C.; Omni River Ridge, LLC d/b/a River Ridge Railroad; OmniTRAX SBVR, LLC d/b/a South Branch Valley Railroad; Panhandle Northern Railroad, L.L.C.; Peru Industrial Railroad, LLC; Sand Springs Railway Company; Savannah Industrial Transportation, LLC (limited/provisional); Stockton Terminal and Eastern Railroad; and The Winchester and Western Railroad Company. According to the verified notice, HGS currently controls HGS-ATN, LLC, and HGS-FCR, LLC.

effectiveness of the exemption. Petitions for stay must be filed no later than April 4, 2025 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36845, must be filed with the Surface Transportation Board either via e-filing on the Board's website or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Omni-HGS's representative, Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to Omni-HGS, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: March 25, 2025.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

Tammy Lowery,

Clearance Clerk.

[FR Doc. 2025-05395 Filed: 3/27/2025 8:45 am; Publication Date: 3/28/2025]