

Guntersville (Guntersville Subdivision); and (4) from milepost 0LE 447.89 at or near Moragne, to milepost 0LE 442.60 at or near Ivaalee (Ivaalee Spur).¹

According to HGS-ATN, it is acquiring the Lines from CSXT for continued rail operations. HGS-ATN states that it is in the process of entering into a Purchase and Sale Agreement with CSXT. HGS-ATN also states that it will lease the Lines to Alabama & Tennessee River Railway, which will be the operator of the property. *See Ala. & Tenn. River Ry. Verified Notice of Exemption*, Mar. 22, 2018, *Ala. & Tenn. River Ry., LLC—Lease & Operation Exemption—HGS-ATN, LLC*, Docket No. FD 36173.

HGS-ATN certifies that, as a result of the proposed transaction, its projected annual revenues will not result in its becoming a Class I or Class II rail carrier and will not exceed \$5 million. HGS-ATN also certifies that the proposed transaction does not involve any interchange commitments.

The proposed transaction may be consummated on or after June 6, 2018, the effective date of this exemption. 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 effectiveness of the exemption. Petitions to stay must be filed by May 30, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36175, must be filed with the Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on applicant's representative, Karl Morell, Karl Morell & Associates, 440 1st Street NW, Suite 440, Washington, DC 20001.

According to HGS-ATN, this action is categorically excluded from environmental reporting under 49 CFR 1105.6(c).

Board decisions and notices are available on our website at WWW.STB.GOV.

Decided: May 18, 2018.

¹ By decision served April 13, 2018, the Board held this and four related exemption proceedings in abeyance pending the filing of supplemental information in *HGS Railway Holdings, Inc.—Continuance in Control Exemption—HGS-FCR, LLC & HGS-ATN, LLC*, Docket No. FD 36180. On April 23, 2018, HGS Railway Holdings, Inc. filed a reply and revised notice of exemption in that docket. The Board is serving and publishing in the **Federal Register** today notices of the exemptions in all five dockets, thus removing them from abeyance.

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

Jeffrey Herzig,
Clearance Clerk.

[FR Doc. 2018-11052 Filed 5-22-18; 8:45 am]

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36180]

HGS Railway Holdings, Inc.— Continuance in Control Exemption— HGS-FCR, LLC and HGS-ATN, LLC

HGS Railway Holdings, Inc. (HGS Holdings), has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to continue in control of HGS-ATN, LLC (HGS-ATN), and HGS-FCR, LLC (HGS-FCR) (collectively, the LLCs), upon HGS-ATN's and HGS-FCR's becoming Class III rail carriers.

This transaction is related to verified notices of exemption in *HGS-ATN, LLC—Acquisition Exemption—CSX Transportation, Inc.*, Docket No. FD 36175 and *HGS-FCR, LLC—Acquisition Exemption—CSX Transportation, Inc.*, Docket No. FD 36176. In those proceedings, the LLCs individually seek authority pursuant to 49 CFR 1150.31 to acquire rail lines from CSX Transportation, Inc. (CSXT): HGS-ATN for approximately 121 miles of rail line in Alabama, and HGS-FCR for approximately 55 miles of rail line in Georgia. The transaction is also related to verified notices of exemption in *Alabama & Tennessee River Railway—Lease & Operation Exemption—HGS-ATN, LLC*, Docket No. FD 36173, and *Fulton County Railway—Lease & Operation Exemption—HGS-FCR, LLC*, Docket No. FD 36174. In those proceedings, Alabama & Tennessee River Railway (ATN), and Fulton County Railway, LLC (FCR), seek authority to lease and operate over the Alabama and Georgia lines, respectively.¹

The earliest this transaction may be consummated is June 6, 2018, the effective date of the exemption.

HGS Holdings is a non-carrier that owns 100 percent of the issued and outstanding stock of HGS-ATN and HGS-FCR, two limited liability companies and non-carriers that were formed for the purpose of acquiring certain lines from CSXT. OmniTrax

¹ By decision served April 13, 2018, the Board held all five exemption proceedings in abeyance pending HGS Holdings' filing of supplemental information about its corporate family. On April 23, 2018, HGS Holdings filed a reply and revised notice of exemption. The information in that filing is sufficient for the Board to remove all five proceedings from abeyance and publish the notices.

Holdings Combined, Inc. (OmniTRAX), is a non-carrier that controls 18 Class III railroads.² HGS Holdings and OmniTRAX share the same address, chief executive officer, and additional officials or officers. Together, the two companies' holdings appear to encompass the entirety of the rail carriers in the corporate family.³

HGS Holdings represents that: (1) The rail lines to be owned by HGS-ATN are located in Alabama and the rail lines to be owned by HGS-FCR are located in Atlanta, Ga.; (2) the continuance in control is not part of a series of anticipated transactions that would connect the rail lines to be operated by HGS-ATN, HGS-FCR, and the 18 railroads in the OmniTRAX family; and (3) there are no Class I rail carriers in the HGS Holdings/OmniTRAX corporate family. Moreover, the verified notice shows that the rail lines to be acquired by HGS-ATN and HGS-FCR do not connect with each other or with any railroads in the OmniTRAX family. 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. Section 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

² OmniTRAX controls the following railroads operating in the identified states: ATN (Alabama); FCR (Georgia); Brownsville & Rio Grande International Railway, LLC (Texas); Chicago Rail Link, LLC (Illinois); Georgia & Florida Railway, LLC (Georgia, Florida); Georgia Woodlands Railroad, LLC (Georgia); Great Western Railway of Colorado, LLC (Colorado); Illinois Railway, LLC (Illinois); Kettle Falls International Railway, LLC (Washington); Manufacturers' Junction Railway, LLC (Illinois); Nebraska, Kansas & Colorado Railway, LLC (Nebraska, Kansas, Colorado); Newburgh & South Shore Railroad, LLC (Ohio); Northern Ohio & Western Railway (Ohio); Panhandle Northern Railway, LLC (Texas); Peru Industrial Railroad, LLC (Illinois); Sand Springs Railway Company (Oklahoma); Stockton Terminal and Eastern Railroad (California); and Central Texas & Colorado River Railway, LLC (Texas).

³ HGS Holdings concedes in its April 23, 2018 supplemental filing that it and OmniTRAX are under joint managerial and operational control because individuals who are officers or officials at both companies are able to direct the day-to-day operations of the railroad subsidiaries. HGS Holdings is reminded that common control can be established due to other factors as well, e.g., common ownership. *See* 49 U.S.C. 11323(b), (c). To the extent that any additional rail carriers come under the control of an entity with an ownership interest in HGS Holdings or OmniTRAX, prior authorization by the Board could be required. *Id.*

If the 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 effectiveness of the exemption. Stay petitions must be filed no later than May 30, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36180 must be filed with the Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Karl Morell, Karl Morell & Associates, 440 1st Street NW, Suite 440, Washington, DC 20001.

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Decided: May 18, 2018.

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

Jeffrey Herzig,
Clearance Clerk.

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36174]

Fulton County Railway, LLC—Lease and Operation Exemption—HGS-FCR, LLC

Fulton County Railway, LLC (FCR), a Class III rail carrier, filed a verified notice of exemption under 49 CFR 1150.41 to lease from HGS-FCR, LLC (HGS-FCR), and operate approximately 55 miles of rail lines located in Atlanta, Ga. (the Lines).¹ The Lines extend: (1) From milepost ANO 855.06, V.S. 3+30, at Fulco Junction, westerly to milepost ANO 858.72, V.S. 196+31; (2) from milepost ANO 858.72, V.S. 196+31 northeasterly to milepost ANO 860.75, V.S. 304+70, at the northeast end of the line; and (3) from V.S. 196+31 = V.S. 0+00 southwesterly to V.S. 208+94 at the southwest end of the line through the Fulco Industrial Park, including the track in the Fulco Yard and the

appurtenant sidings, and industrial tracks.

FCR states that in 2004 it entered into an agreement to lease the Lines from CSX Transportation, Inc. (CSXT). *See Fulton Cty. Ry.—Lease & Operation Exemption—CSX Transp., Inc.*, FD 34542 (STB served Oct. 14, 2004). It states that HGS-FCR will shortly enter into an agreement to acquire the Lines from CSXT.² As part of that transaction, CSXT will assign the lease of the Lines by FCR to HGS-FCR.

FCR certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class I or Class II rail carrier. FCR further certifies that the annual projected revenue will exceed \$5 million.³ In a letter filed on March 28, 2018, supplementing its notice of exemption, FCR certifies that its lease agreement with HGS-FCR contains no provisions that may limit future interchange with a third-party connecting carrier.

FCR states that it expects to consummate this transaction on or shortly after the effective date of the exemption. The earliest this transaction may be consummated is June 6, 2018, the effective date of the exemption.

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 effectiveness of the exemption. Petitions for stay must be filed no later than May 30, 2018 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36174, must be filed with the Surface Transportation Board, 395 E Street SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Karl Morell, Karl Morell & Associates, 440 1st Street NW, Suite 440, Washington, DC 20001.

According to FCR, this action is excluded from environmental review under 49 CFR 1105.6(c).

² On March 29, 2018, HGS-FCR filed a verified notice of exemption to acquire the Lines from CSXT in *HGS-FCR, LLC—Acquisition Exemption—CSX Transportation, Inc.*, Docket No. FD 36176.

³ On March 19, 2018, FCR certified to the Board that on, March 16, 2018, it posted notice of the transaction at the workplace of the employees on the Lines, and on March 19, 2018, it served a copy of the notice on the national office of the potentially affected employees' labor union as required under 49 CFR 1150.42(e). However, on March 22, 2018, FCR sought waiver of the 60-day notice requirements. Because the exemption will not become effective until June 6, 2018, FCR's request for waiver will be dismissed as moot.

Board decisions and notices are available on our website at WWW.STB.GOV.

Decided: May 18, 2018.

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

Jeffrey Herzig,
Clearance Clerk.

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36176]

HGS-FCR, LLC—Acquisition Exemption—CSX Transportation, Inc.

HGS-FCR, LLC (HGS-FCR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire from CSX Transportation, Inc. (CSXT) approximately 55 miles of rail line in Atlanta, Ga. (the Lines), extending: (1) From milepost ANO 855.06, V.S. 3 + 30, at Fulco Junction, westerly to milepost ANO 858.72, V.S. 196 + 31; (2) from milepost ANO 858.72, V.S. 196 + 31 northeasterly to milepost ANO 860.75, V.S. 304 + 70, at the northeast end of the line; and (3) from V.S. 196 + 31 = V.S. 0 + 00 southwesterly to V.S. 208 + 94 at the southwest end of the line through the Fulco Industrial Park, including the track in the Fulco Yard and the appurtenant sidings, and industrial tracks.¹

According to HGS-FCR, it is acquiring the Lines from CSXT for continued rail operations. HGS-FCR states that it is in the process of entering into a Purchase and Sale Agreement with CSXT. HGS-FCR also states that it will lease the Lines to Fulton County Railway, LLC, which will be the operator of the property. *See Fulton Cty Ry. Verified Notice of Exemption*, Mar. 22, 2018, *Fulton Cty. Ry.—Lease & Operation Exemption—HGS-FCR, LLC*, Docket No. FD 36174.

HGS-FCR certifies that, as a result of the proposed transaction, its projected annual revenues will not result in its becoming a Class I or Class II rail carrier and will not exceed \$5 million. HGS-FCR also certifies that the proposed

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