

acquire a perpetual easement over and to operate approximately 7.07 miles of railroad track, extending from milepost 0, located at a switch on a main line of the Norfolk Southern Railway, near Blair, Tenn., to milepost 7.07, near Oak Ridge, Tenn., in Anderson and Roane Counties, Tenn (the Line).¹

This transaction is related to a verified notice of exemption concurrently filed in *Watco Holdings, Inc.—Continuance in Control Exemption—Smoky Ridge Railroad, L.L.C.*, Docket No. FD 36902, in which Watco Holdings, Inc., seeks to continue in control of SMO upon SMO's becoming a Class III rail carrier.

According to SMO, the U.S. Army Corps of Engineers built the Line and later conveyed it to the U.S. Department of Energy (USDOE). SMO states that, in 2003, USDOE granted Heritage Railroad Corporation (HRRRC) an easement to provide railroad freight service over the Line, and in 2009, EnergySolutions, LLC (EnergySolutions), acquired HRRRC's easement. *See Heritage R.R.—Lease & Operation Exemption—Rail Line of U.S. Dep't of Energy*, FD 34372 (STB served July 23, 2003); *Energy Solutions, LLC—Acquis. & Operation Exemption—Heritage R.R.*, FD 35288 (STB served Sep. 3, 2009). SMO further states that EnergySolutions and SMO have reached an agreement, subject to the approval of USDOE, whereby EnergySolutions will convey its common carrier easement interest in the Line to SMO. According to the verified notice, upon consummation of the proposed transaction, SMO will provide all common carrier freight service on the Line, and EnergySolutions will have no further rights on the Line.

SMO certifies that the proposed transaction does not involve an interchange commitment. SMO also certifies that its projected annual revenues are not expected to exceed \$5 million and that the proposed transaction will not result in SMO becoming a Class I or Class II rail carrier.

The earliest this transaction may be consummated is January 22, 2026, the effective date of the exemption (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 effectiveness of the exemption. Petitions for stay must be filed no later than January 15, 2026

¹ SMO will also operate over approximately 6.63 miles of spur track that connects to the Line.

(at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36901, 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 SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on SMO's representative, Stephen J. Foland, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

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

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

Decided: January 5, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Tammy Lowery,
Clearance Clerk.

[FR Doc. 2026-00124 Filed 1-7-26; 8:45 am]

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36902]

Watco Holdings, Inc.—Continuance in Control Exemption—Smoky Ridge Railroad, L.L.C.

Watco Holdings, Inc. (Watco), a noncarrier, has filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to continue in control of Smoky Ridge Railroad, L.L.C. (SMO), upon SMO's becoming a Class III rail carrier.

This transaction is related to a verified notice of exemption filed concurrently in *Smoky Ridge Railroad, L.L.C.—Acquisition & Operation Exemption—EnergySolutions, LLC*, Docket No. FD 36901, in which SMO seeks to acquire and operate as a common carrier over approximately 7.07 miles of railroad track (the Line), together with approximately 6.63 miles of spur track, in Anderson and Roane Counties, Tenn.

According to the verified notice, Watco currently controls 44 Class III rail carriers and one Class II rail carrier, collectively operating in 28 states and one Canadian province. For a complete list of these rail carriers and the states in which they operate, see the Appendix to Watco's December 23, 2025 verified notice of exemption, available at www.stb.gov.

The verified notice indicates that: (1) the Line does not connect with the rail lines of any of Watco's 45 existing rail

carriers; (2) this 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. The proposed transaction therefore is exempt from the prior approval requirements of 49 U.S.C. 11323. *See* 49 CFR 1180.2(d)(2).

The transaction may be consummated on or after January 22, 2026, the effective date of the exemption (30 days after the verified notice was filed).

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. Because the transaction involves the control of one Class II and one or more Class III rail carriers, the transaction is subject to the labor protection requirements of 49 U.S.C. 11326(b) and *Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad*, 2 S.T.B. 218 (1997).

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 no later than January 15, 2026.

All pleadings, referring to Docket No. FD 36902, 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 SW, Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Watco's representative, Stephen J. Foland, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 800, Chicago, IL 60606-3208.

According to the verified notice, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

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

Decided: January 5, 2026.

By the Board, Anika S. Cooper, Chief Counsel, Office of Chief Counsel.

Tammy Lowery,
Clearance Clerk.

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