

BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36723 (SUB-NO. 2)

307234

ENTERED
Office of Proceedings
September 28, 2023
Part of
Public Record

OMNITRAX HOLDINGS COMBINED, INC., AND HGS RAILWAY HOLDINGS, INC.
— CONTINUANCE IN CONTROL EXEMPTION —
SAVANNAH INDUSTRIAL LOGISTICS, LLC

**VERIFIED NOTICE OF EXEMPTION OF OMNITRAX HOLDINGS
COMBINED, INC., AND HGS RAILWAY HOLDINGS, INC.
PURSUANT TO 49 C.F.R. § 1180.2(d)(2)**

Robert A. Wimbish
Thomas J. Healey
Bradon J. Smith
Fletcher & Sippel LLC
29 North Wacker Drive
Suite 800
Chicago, Illinois 60606
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(312) 252-1500

FILED
September 28, 2023
SURFACE TRANSPORTATION BOARD

**ATTORNEYS FOR OMNITRAX HOLDINGS
COMBINED, INC., AND HGS RAILWAY
HOLDINGS, INC.**

Dated: September 28, 2023
FEE RECEIVED
September 28, 2023
SURFACE TRANSPORTATION BOARD

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OmniTRAX Holdings Combined, Inc. (“OmniTRAX”), and HGS Railway Holdings, Inc. (“HGS”)—collectively, “Omni-HGS”¹—file this notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to continue in control of Savannah Industrial Logistics, LLC (“SIL”)—a non-carrier—upon SIL obtaining after-the-fact authorization² to construct and own a line of railroad that is the subject of the concurrently-filed individual petition for exemption in *Savannah Industrial Logistics, LLC — Construction Exemption — In Effingham County, GA*, FD 36723 (the “*SIL Exemption*”).

¹ OmniTRAX and HGS are under joint managerial and operational control. *See OmniTRAX Holdings Combined, Inc., and HGS Railway Holdings, Inc. — Control Exemption — The Winchester and Western Railroad Company*, FD 36338 (STB served Aug. 22, 2019), 1; and *see also HGS Ry. Holdings, Inc.—Continuance in Control Exemption—HGS-FCR, LLC*, FD 36180 (STB served May 23, 2018), 2-3 at n.3.

² *See Savannah Industrial Transportation, LLC — Operation Exemption — In Effingham County, GA*, FD 36489 (STB served Aug. 1, 2023) (the “*August Order*”), 7.

SIL is currently controlled by OmniTRAX. In 2020, SIL completed construction of certain trackage (the “Track”)³ near Rincon, in Effingham County, Georgia. SIL subsequently entered into a lease arrangement whereby Savannah Industrial Transportation, LLC (“SIT”), SIL’s corporate affiliate, has assumed operation of the Track.⁴ Concurrently with this class exemption notice, two related individual petitions for exemption were filed: SIL for after-the-fact authority to construct and own the Track as a common carrier,⁵ and SIT for authority to lease and operate the Track as a common carrier.⁶

BACKGROUND

On May 11, 2021, SIT filed a petition for exemption pursuant to 49 U.S.C. § 10502(a) for authorization to lease and operate the SIL-owned Track as a common carrier. *Savannah Industrial Transportation, LLC — Operating Exemption — In Effingham County, Georgia*, FD 36489 (the “Petition”). In the Petition, SIT stated that it had determined to operate the Track as a non-carrier switching services provider, and that it later decided to convert to common carriage due to cash flow considerations stemming from NSR’s and CSXT’s infrequent payment of switching services allowances. SIT sought operating authority via an individual petition, rather than invoking the class exemption, because of the admittedly unusual

³ The Track extends from a connection with Norfolk Southern Railway Company (“NSR”) at approximately NSR milepost 16.6 to a connection with CSX Transportation, Inc. (“CSXT”) at approximately CSXT milepost S484.0, a length of approximately 11,404 feet.

⁴ Omni-HGS already has authority to control SIT. *OmniTRAX Holdings Combined, Inc. and HGS Railway Holdings, Inc. — Control Exemption — Savannah Industrial Transportation LLC*, FD 36490 (STB served May 27, 2021).

⁵ *See Savannah Industrial Logistics, LLC — Construction Exemption — in Effingham County, GA*, FD 36723.

⁶ *See Savannah Industrial Transportation, LLC — Lease and Operation Exemption — Line of Savannah Industrial Logistics, LLC, in Effingham County, GA*, FD 36723 (Sub-No. 1).

circumstances. Concurrent with the Petition, Omni-HGS filed a notice of exemption to jointly continue in control of SIT once SIT became a common carrier.⁷

After instituting a proceeding in the FD 36489 on August 9, 2021, the Board issued an order on September 14, 2021, seeking further information from SIT and OmniTRAX.⁸ SIT, OmniTRAX, and OmniTRAX, Inc. provided the requested information by filing of September 28, 2021. Thereafter, the Board issued the *August Order*, ordering: (i) the Petition be held in abeyance; (ii) SIL to “file for after the fact authority to construct the Track,” and (iii) for SIT to file for authority to acquire (by lease from SIL) and operate the Track. *August Order*, 7. Although not specifically directed to do so by the Board, OmniTRAX-HGS are filing this class exemption to authorize OmniTRAX-HGS to commonly control SIL at such time as SIL becomes a common carrier by virtue of Board authorization of its construction and ownership of a line of railroad.

As previously mentioned, pursuant to the *August Order*, in addition to the present control notice of exemption, SIL is concurrently filing an individual petition for exemption for after-the-fact construction authority for the Track, and SIT is filing a petition for exemption to operate the Track as a common carrier pursuant to a lease with SIL.

The Track that SIL constructed, and that SIT operates via lease, does not connect with the lines of any of the existing rail carriers within the Omni-HGS corporate family. In addition, this control transaction is not part of a series of anticipated transactions that would

⁷ *OmniTRAX Holdings Combined, Inc. and HGS Railway Holdings, Inc. — Control Exemption — Savannah Industrial Transportation, LLC*, FD 36490 (the “Notice”). The Board allowed the class exemption encompassed by the Notice to take effect, and that class exemption authorization remains in effect now.

⁸ *Savannah Industrial Transportation, LLC — Operating Exemption — In Effingham County, Georgia*, FD 36489 (STB served Sep. 14, 2021).

result in such a connection among any of the carriers under OmniTRAX's or HGS's control.

Nor does this proposed control transaction involve a Class I carrier. Accordingly, Omni-HGS's proposal to continue in control of SIL once SIL becomes a common carrier qualifies for the class exemption procedures at 49 C.F.R. § 1180.2(d)(2).

In accordance with the requirements of 49 C.F.R. § 1180.4(g), Omni-HGS submits the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

OmniTRAX is a non-carrier holding company that controls the following 22 Class III rail carriers:

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
Panhandle Northern Railroad, L.L.C.
Peru Industrial Railroad, LLC
Sand Springs Railway Company
Savannah Industrial Transportation, LLC (limited and provisional)⁹
Stockton Terminal and Eastern Railroad
The Winchester and Western Railroad Company

⁹ See August Order, 7.

See OmniTRAX Holdings Combined, Inc., and HGS Railway Holdings, Inc. — Continuance in Control Exemption — Omni River Ridge, LLC d/b/a River Ridge Railroad, FD 36626 (STB served July 15, 2022) (“*River Ridge*”), 1–2 (corrected notice STB served July 29, 2022).¹⁰

HGS is also a non-carrier holding company, and it controls two Class III railroads: HGS-ATN, LLC and HGS-FCR, LLC.

SIL is a non-carrier entity controlled by OmniTRAX. As set forth in the Petition, SIL seeks after-the-fact construction and ownership authority for the Track, which SIT will continue to operate. The rail lines of OmniTRAX’s and HGS’s respective existing rail carrier holdings will not connect to the Track that SIL constructed. Omni-HGS proposes to continue to exercise common control of SIL and the other carriers in the Omni-HGS corporate family once SIL receives after-the-fact construction authority for construction and ownership of the Track pursuant to authority sought in FD 36723.

¹⁰ Recently, Omni-HGS filed a notice of exemption to continue in control of OmniTRAX SBVR, LLC, d/b/a South Branch Valley Railroad (“OSL”) once that railroad secures common carrier operating authority. *OmniTRAX Holdings Combined, Inc. and HGS Railway Holdings, Inc. — Continuance in Control Exemption — OmniTRAX SBVR, LLC d/b/a South Branch Valley Railroad*, FD 36716 (“*OSL Exemption*”) (STB filed Aug 14, 2023). On September 27, 2023, the Board served notice of the *OSL Exemption*, noting that control authority will become effective on October 11, 2023. OSL is not yet shown as an Omni-HGS-controlled common carrier on the above list because OSL is not yet authorized to operate as a common carrier, but a map of OSL’s track is included in Exhibit A hereto. The line that OSL proposes to operate as a common carrier would not connect to any railroad in the Omni-HGS corporate family or to SIL/SIT.

The full name and address of the Applicants herein are:

OmniTRAX Holdings Combined, Inc.
252 Clayton Street, 4th Floor
Denver, Colorado 80206

HGS Railway Holdings, Inc.
252 Clayton Street, 4th Floor
Denver, Colorado 80206

Any questions concerning this notice should be sent to the representative of Omni-HGS at the following address:

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Illinois 60606-3208
rwimbish@fletcher-sippel.com
(312) 252-1500

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

Pursuant 49 C.F.R. § 1180.4(g)(1), Omni-HGS intend to continue in control of SIL once SIL becomes a railroad common carrier on or after the effective date of SIL's individual petition for after-the-fact construction exemption requested in the *SIL Exemption*.¹¹

Purpose Sought to Be Accomplished: 49 C.F.R. § 1180.6(a)(1)(iii)

Omni-HGS are dedicated to reducing overhead expenses, and to coordinating billing, maintenance, mechanical and personnel policies and practices of their rail carrier holdings, thereby improving the overall efficiency of rail service provided by the railroads in the corporate family.

¹¹ Unlike its affiliate, SIT, SIL was not given provisional exemption authority in the *August Order* to own the Track as a common carrier.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

SIL will be a common carrier on the Track in Georgia.

OmniTRAX' existing rail carrier holdings own and/or operate over railroad property located in the following states:

Alabama & Tennessee River Railway, LLC: Alabama
Brownsville & Rio Grande International Railway, LLC: Texas
Central Texas & Colorado River Railway, LLC: Texas
Chicago Rail Link, L.L.C.: Illinois
Cleveland & Cuyahoga Railway, LLC: Ohio
Fulton County Railway, LLC: Georgia
Georgia & Florida Railway, LLC: Georgia, Florida
Georgia Woodlands Railroad, L.L.C.: Georgia
Great Western Railway of Colorado, L.L.C.: Colorado
Illinois Railway, LLC: Illinois
Kettle Falls International Railway, LLC: Washington (and British Columbia, Canada)
Manufacturers' Junction Railway, L.L.C.: Illinois
Nebraska, Kansas & Colorado Railway, LLC: Nebraska, Kansas, Colorado
The Newburgh & South Shore Railroad, LLC: Ohio
Northern Ohio & Western Railway, L.L.C.: Ohio
Omni River Ridge, LLC d/b/a River Ridge Railroad: Indiana
Panhandle Northern Railroad, L.L.C.: Texas
Peru Industrial Railroad, LLC: Illinois
Sand Springs Railway Company: Oklahoma
Savannah Industrial Transportation, LLC: Georgia
Stockton Terminal and Eastern Railroad: California
Winchester & Western Railroad Company: New Jersey, Maryland, Virginia and West Virginia

HGS's existing rail carrier holdings (each of which is a non-operating owner of railroad lines operated by other carriers) own railroad property located in the following states:

HGS-ATN, LLC: Alabama
HGS-FCR, LLC: Georgia

Map - Exhibit A: 49 C.F.R. § 1180.6(a)(6)

A map of SIL's Track and maps of the rail lines currently owned and/or operated by Omni-HGS rail carrier holdings are attached as Exhibit A.

Agreement - Exhibit B: 49 C.F.R. § 1180.6(a)(7)(ii)

OmniTRAX already controls SIL, currently a non-carrier. No additional agreement is contemplated or necessary for Omni-HGR continue in control of SIL once it becomes a common carrier.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

Pursuant to 49 U.S.C. § 11326(c), no employee protective conditions may be imposed on this transaction. Each of OmniTRAX's and HGR's existing railroad subsidiaries is currently a Class III rail carrier, and both SIL and OSL will be Class III carriers upon commencing operations.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed control transaction is exempt from environmental reporting requirements. Omni-HGS's control of SIL will not result in significant changes in carrier operations, *i.e.*, changes that exceed the thresholds established in 49 C.F.R. § 1105.7(e)(4) or (5).

Under 49 C.F.R. § 1105.8(b)(3), Omni-HGS' proposed control of SIL also is exempt from historic preservation reporting requirements. The control transaction will not substantially change the level of maintenance of any railroad property.

SIL's after-the-fact authorization to construct the Track is and will be the subject of Board-examined environmental and historic resource impacts analysis as is clearly contemplated in the *August Order*.

Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)

The proposed control transaction that is the subject of this proceeding does not itself authorize or encompass the acquisition or operation of a rail line. Accordingly, the provisions of 49 C.F.R. § 1180.4(g)(4) are not applicable. Nevertheless, assuming SIL were ever to commence common carrier operations in place of SIT (and it has no plans to do so), SIL is not subject to any contractual arrangements that would limit SIL's ability or right to interchange of traffic with a third-party connecting carrier.

Respectfully submitted,

By: /s/ *R. A. Wimbish*

Robert A. Wimbish

Thomas J. Healey

Bradon J. Smith

Fletcher & Sippel LLC

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Chicago, Illinois 60606-3208

rwimbish@fletcher-sippel.com

(312) 252-1500

**ATTORNEYS FOR OMNITRAX
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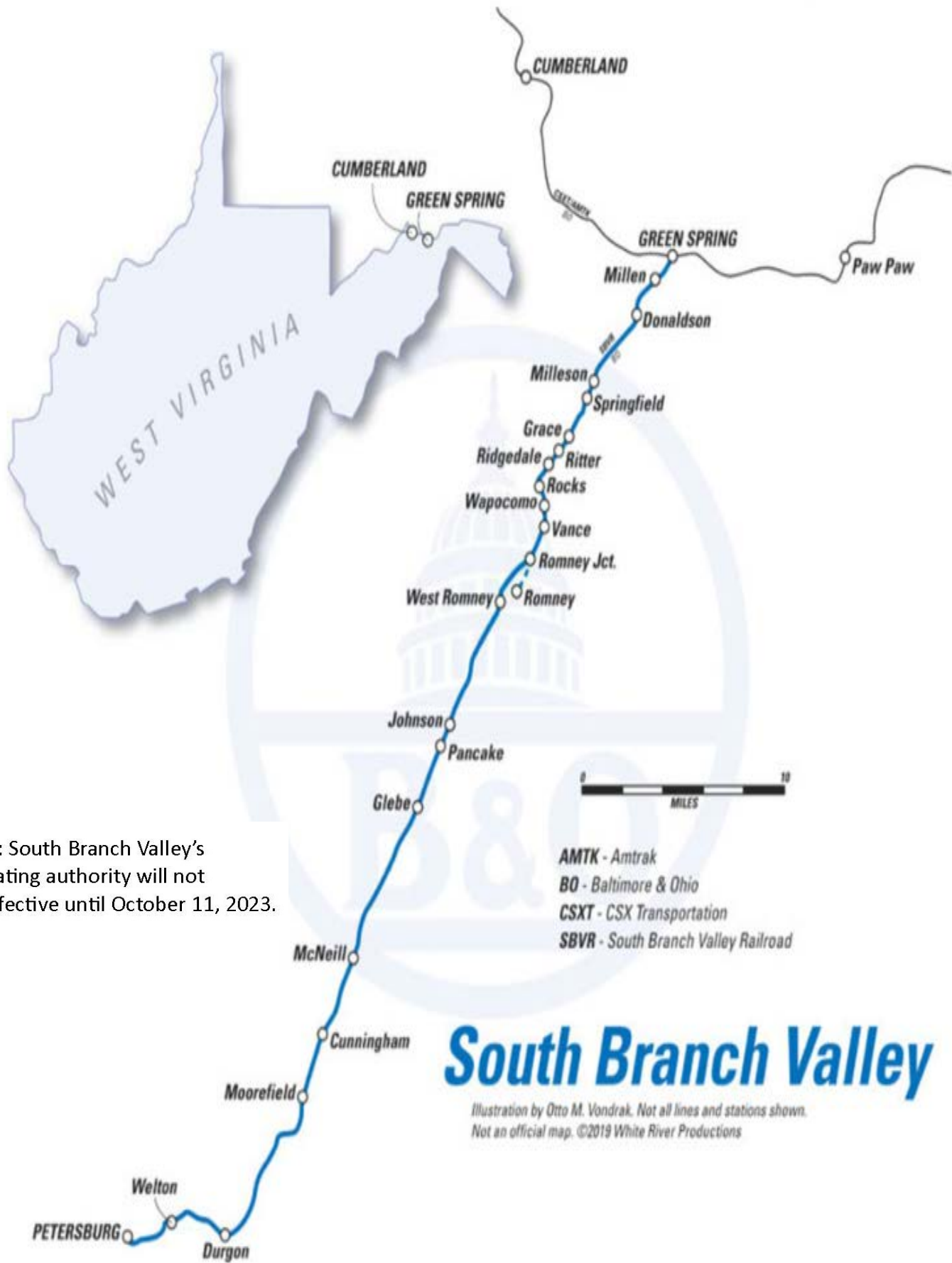
EXHIBIT A

OMNI-HGS RAIL CARRIER MAPS



Savannah Industrial Logistics, LLC

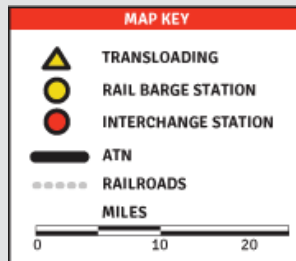
Savannah Industrial Transportation, LLC



Note: South Branch Valley's operating authority will not be effective until October 11, 2023.

ALABAMA & TENNESSEE RIVER RAILWAY, LLC

GADSDEN, ALABAMA



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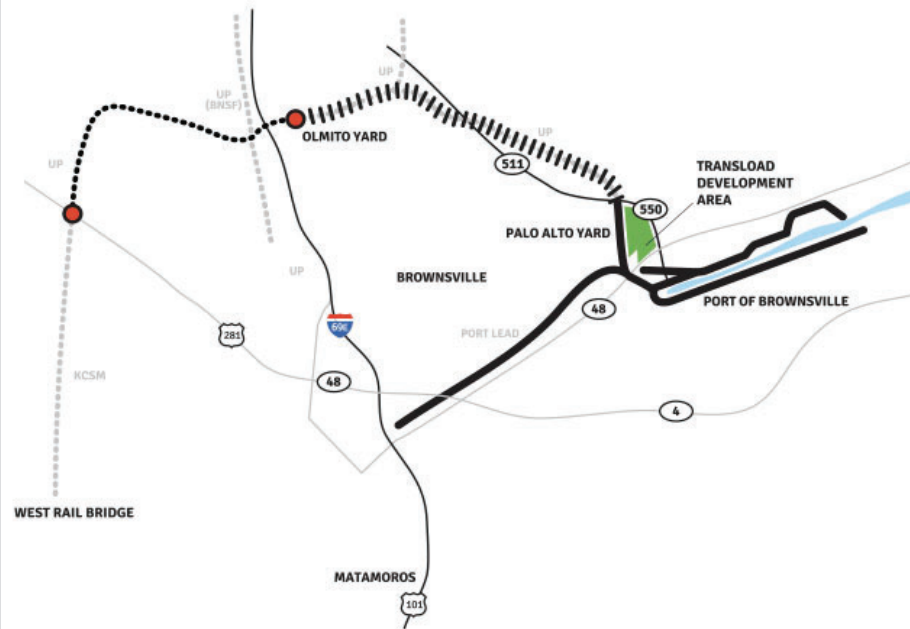
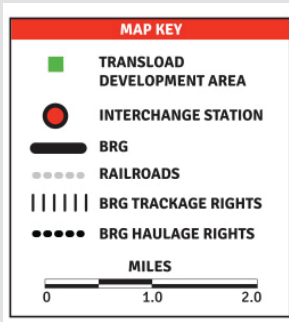
VIEW GOOGLE MAP 



* Owned by HGS-ATN, LLC

BROWNSVILLE & RIO GRANDE INTERNATIONAL RAILWAY, LLC

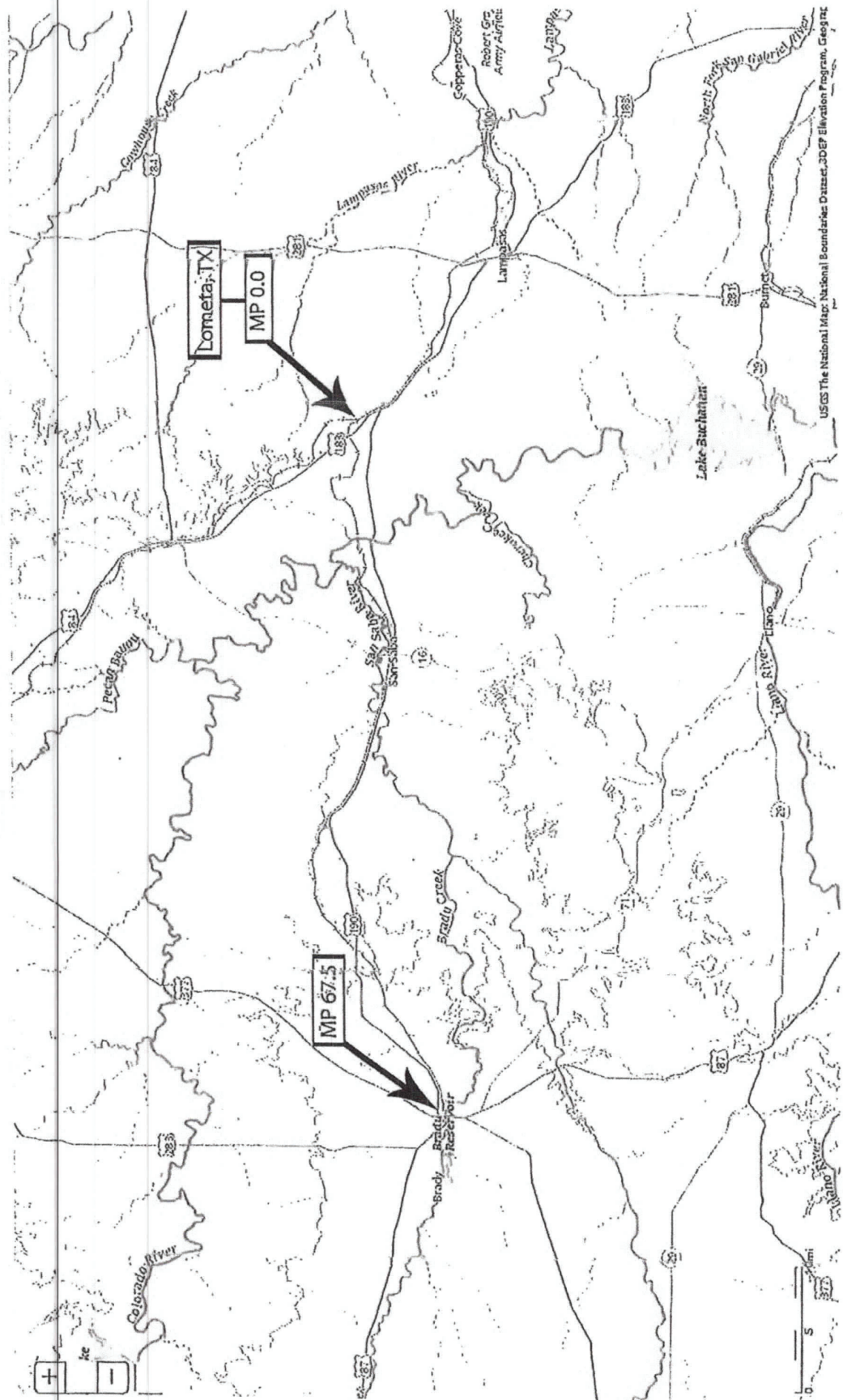
BROWNSVILLE, TEXAS



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Central Texas & Colorado River Railway, LLC



MAP KEY

RAIL-READY SITES

TRANSLOAD FACILITIES

INTERCHANGE STATION

CRL

RAILROADS

MILES

0 2.5 5

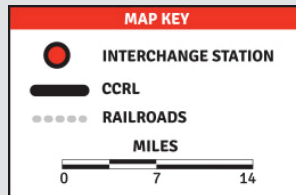


- VIEW GOOGLE MAP
- EXPLORE RAIL-READY SITES
- VIEW PDF OF ALL SITES
- PRINT MAP



CLEVELAND AND CUYAHOGA RAILWAY, LLC

CLEVELAND, OHIO



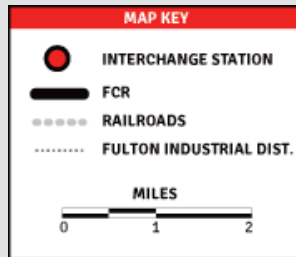
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FULTON COUNTY RAILWAY, LLC *

ATLANTA, GEORGIA

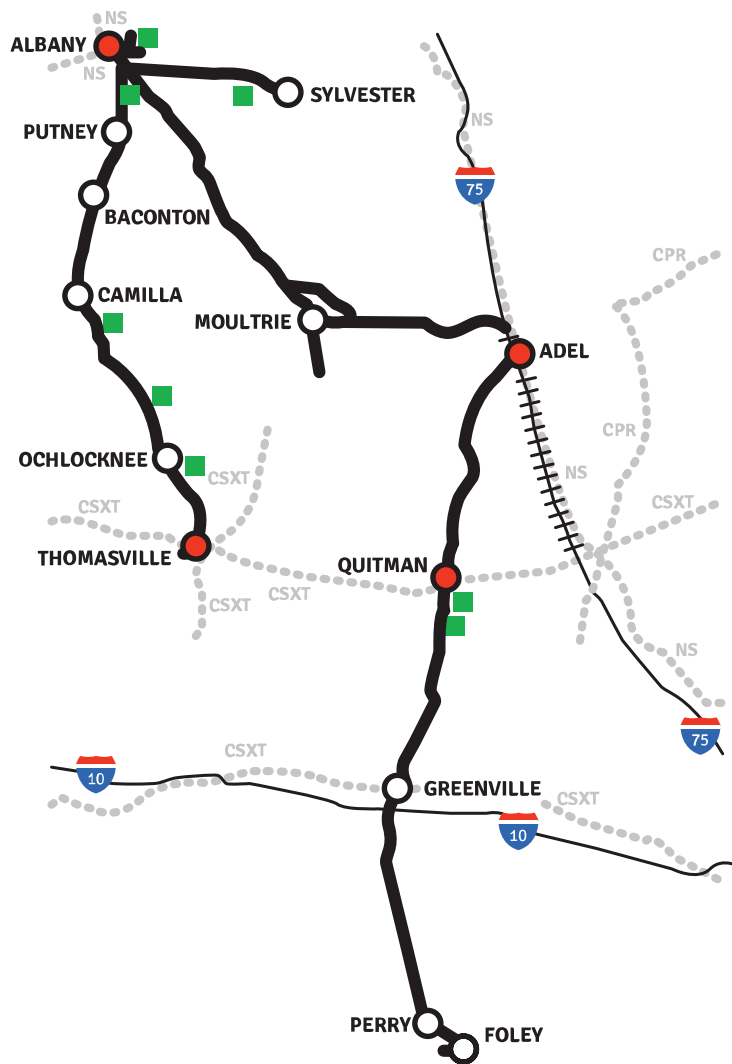


PRINT 

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* Owned by HGS-FCR, LLC



MAP KEY	
	RAIL-READY SITE
	INTERCHANGE STATION
	GFR
	RAILROADS
	GFR TRACKAGE RIGHTS
MILES	
	0 10 20

- [VIEW GOOGLE MAP](#)
- [EXPLORE RAIL-READY SITES](#)
- [VIEW PDF OF ALL SITES](#)
- [PRINT MAP](#)

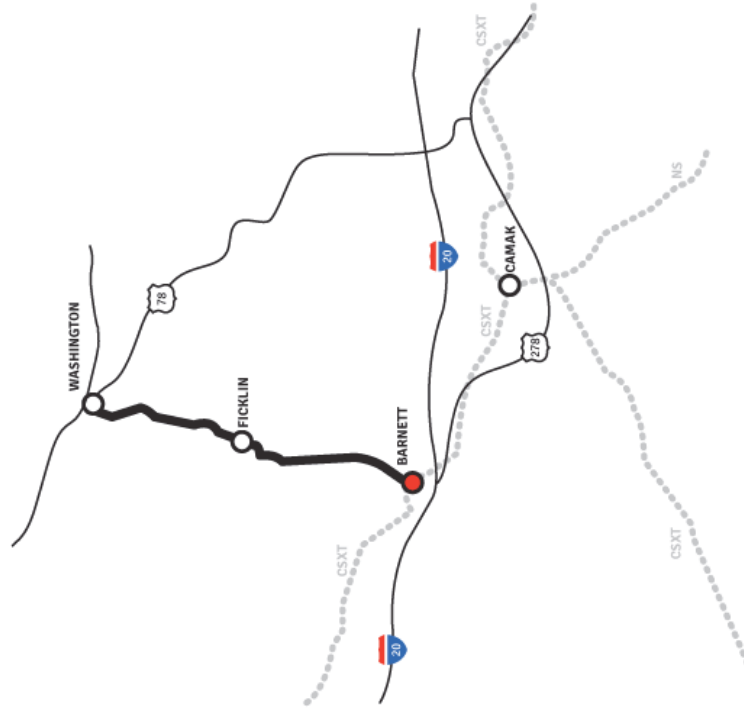
MAP KEY

- INTERCHANGE STATION
- GWRC
- RAILROADS
- MILES

0 5 10

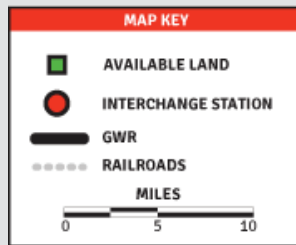

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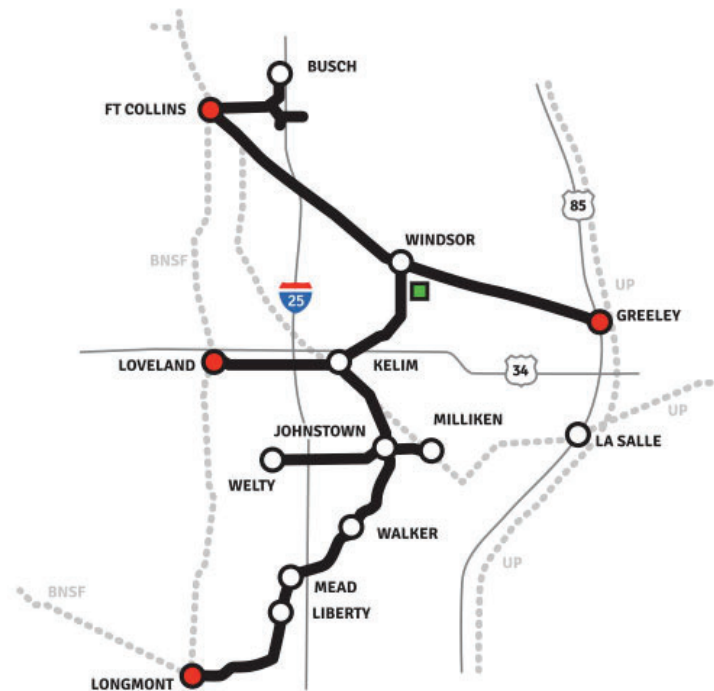
GREAT WESTERN RAILWAY OF COLORADO, LLC

LOVELAND, COLORADO



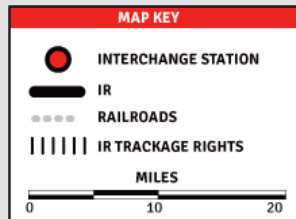
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ILLINOIS RAILWAY, LLC

OTTAWA, ILLINOIS



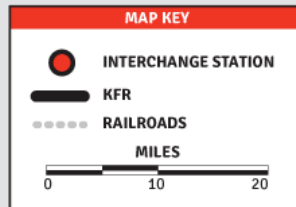
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KETTLE FALLS INTERNATIONAL RAILWAY, LLC

KETTLE FALLS, WASHINGTON



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MANUFACTURERS' JUNCTION RAILWAY, LLC CICERO, ILLINOIS



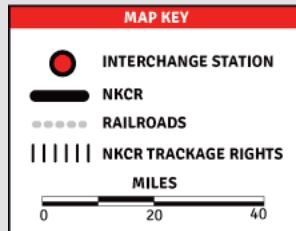
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NEBRASKA, KANSAS & COLORADO RAILWAY, LLC

GRANT, NEBRASKA



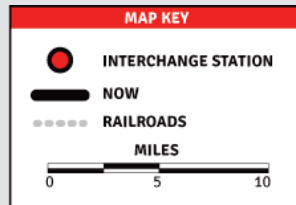
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NORTHERN OHIO & WESTERN RAILWAY, LLC

TIFFIN, OHIO



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River Ridge Mainline Maintenance Responsibility

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PERU INDUSTRIAL RAILROAD, LLC

PERU, ILLINOIS



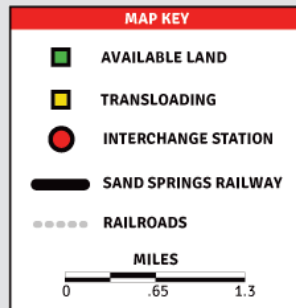
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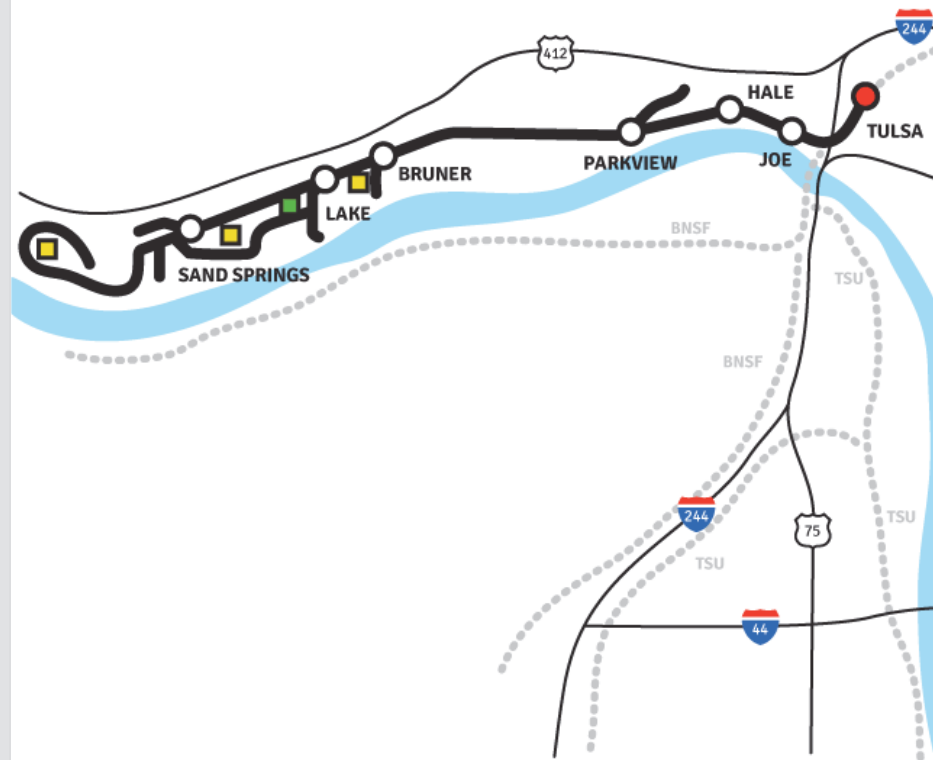
SAND SPRINGS RAILWAY COMPANY

TULSA, OKLAHOMA

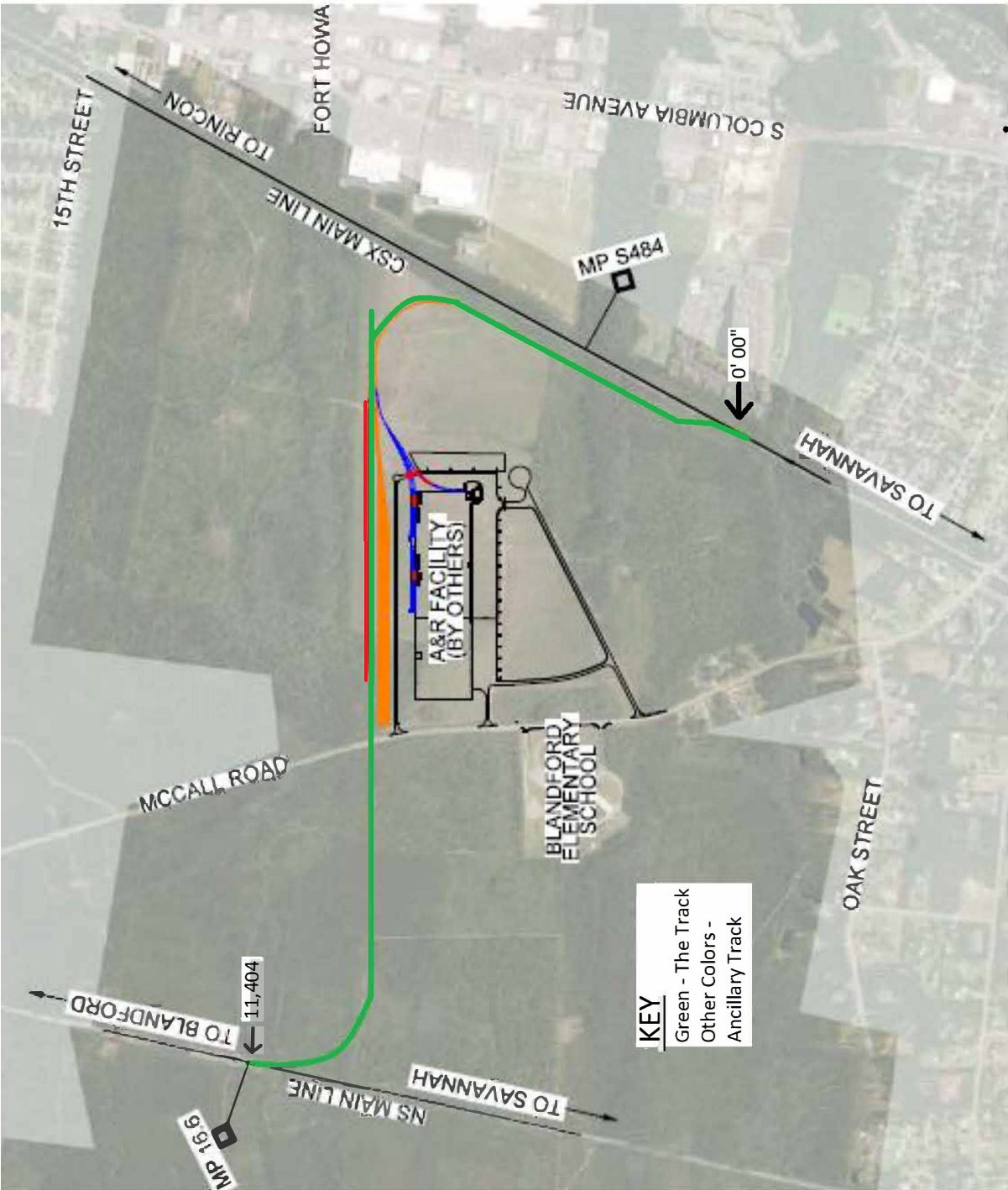


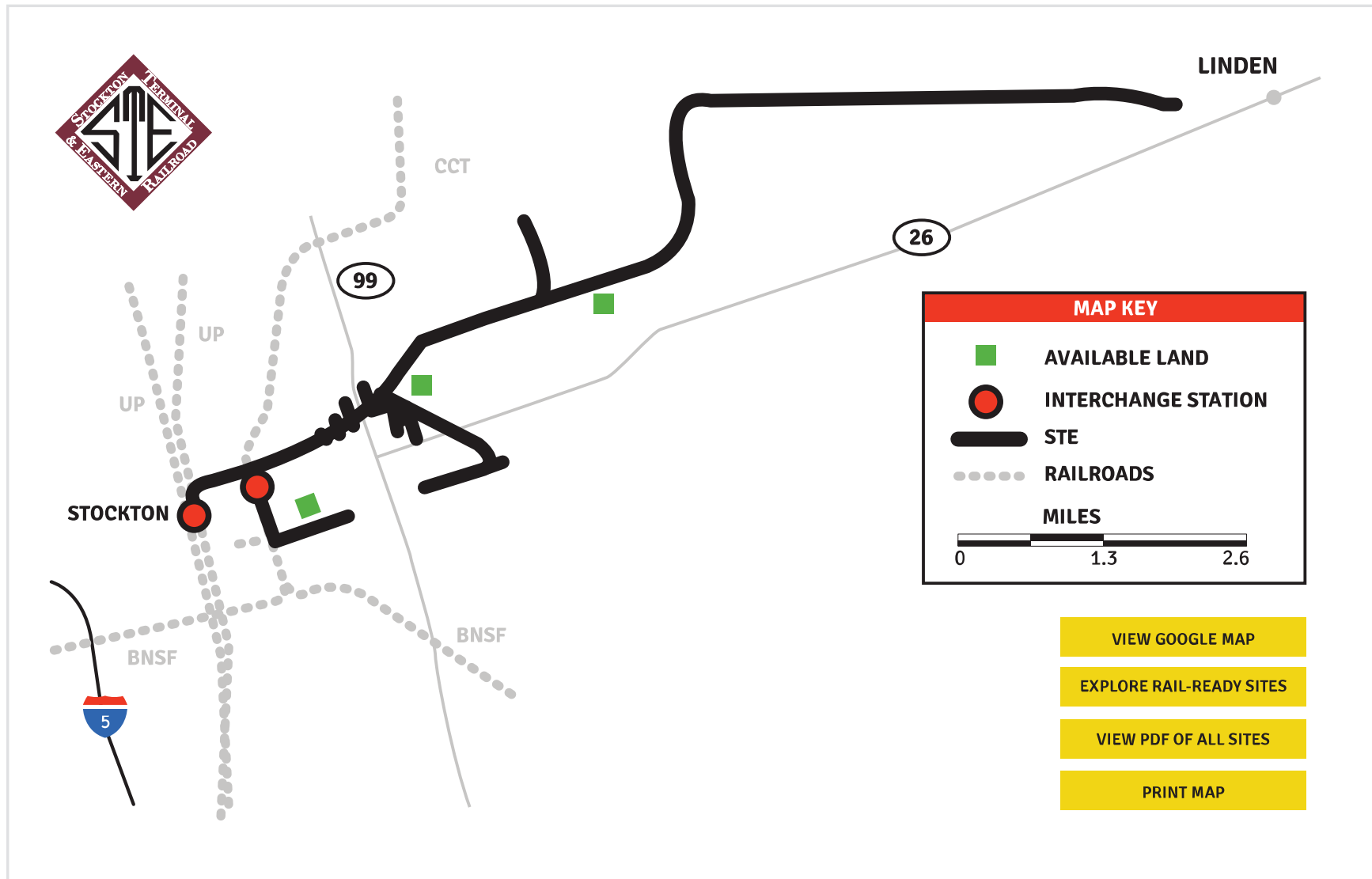
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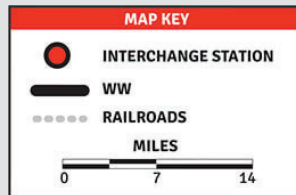
Savannah Industrial Transportation, LLC





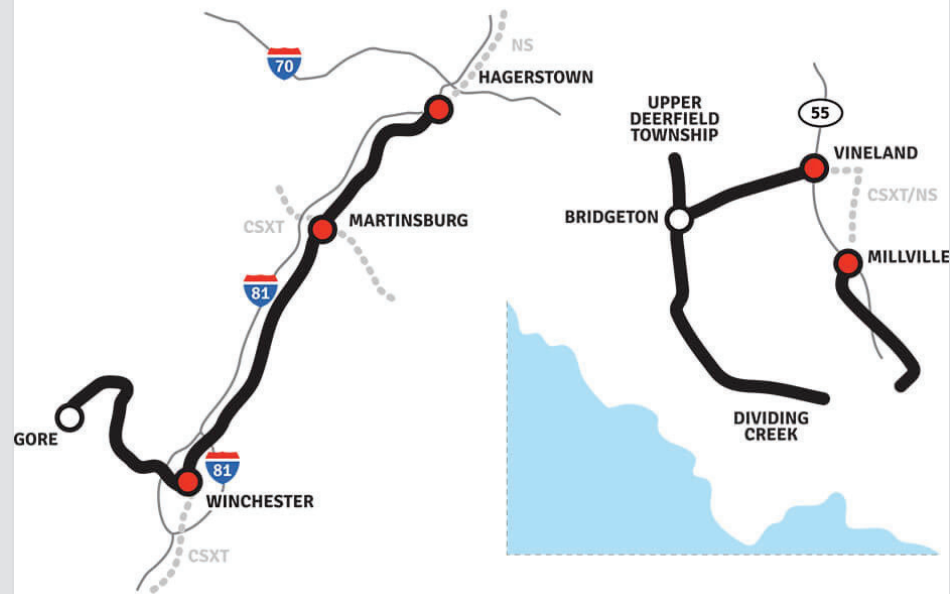
WINCHESTER AND WESTERN RAILROAD COMPANY

WEST VIRGINIA, NEW
JERSEY



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VERIFICATION

VERIFICATION

I, John G. Spiegleman, being duly sworn, deposes and says that he is Chief Legal Officer and General Counsel of OmniTRAX Holdings Combined, Inc., and HGS Railway Holdings, Inc., that he has read the foregoing Notice of Exemption and knows the facts asserted therein, and that the same are true as stated.



John G. Spiegleman

Dated: September 28, 2023