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SERVICE DATE – SEPTEMBER 19, 2024

DO

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36803]

Hondo Railway, LLC—Acquisition Exemption—Rail Line of South Texas Liquid Terminal, Inc.

Hondo Railway, LLC (HRC), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to acquire from South Texas Liquid Terminal, Inc. (STLT), 13,200 feet of track in the vicinity of Hondo, Tex. in Medina County (the Line).¹ HRC states that there are no mileposts on the Line.

According to the verified notice, HRC has operated over the Line pursuant to a lease agreement between HRC and STLT since 2006. See Hondo Ry.—Lease & Operation Exemption—Rail Line of S. Tex. Liquid Terminal, Inc., FD 34901 (STB served Aug. 16, 2006).

The verified notice states that the parties have reached an agreement pursuant to which HRC will convert its existing leasehold interest in the Line to fee ownership. HRC states that, following consummation of the proposed transaction, HRC will continue to operate the Line as it has since 2006.

¹ This transaction is related to a concurrently filed verified notice of exemption in Macquarie Infrastructure Partners V GP, LLC—Control Exemption—Hondo Ry., Docket No. FD 36802, for Macquarie Infrastructure Partners V GP, LLC, on behalf of itself and its subsidiaries—the Macquarie Infrastructure Partners V fund vehicle; MIP V Rail, LLC; and Pinsly Railroad Company, LLC—to acquire control of HRC.

HRC certifies that the proposed acquisition of the Line does not involve any interchange commitments. HRC further certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier and will not exceed \$5 million.

The effective date of the exemption will be established in a separate decision.²

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 September 23, 2024.

All pleadings, referring to Docket No. FD 36803, 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 HRC's representative, Kelvin J. Dowd, Slover & Loftus LLP, 1828 L Street, N.W., Suite 1000, Washington, DC 20036.

According to HRC, 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).

² The verified notice was initially submitted on August 28, 2024. HRC filed supplements on September 10 and September 11, 2024. September 11, 2024, therefore, is considered the filing date for the purpose of calculating the effective date of the exemption. HRC, however, has requested that the effective date be advanced to no later than September 30, 2024, to avoid complications with respect to the closing of the transaction. This request will be addressed in a separate decision.

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

Decided: September 16, 2024.

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