

OCC

FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36882]

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

Continuance in Control Exemption—Sunrise Industrial Rail, 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 Sunrise Industrial Rail, LLC (Sunrise), a noncarrier currently controlled by OmniTRAX, once Sunrise is authorized to commence common carrier operations.

This transaction is related to a concurrently filed verified notice of exemption in Sunrise Industrial Rail, LLC—Lease & Change of Operator Exemption—Railroad Lines of Brookhaven Logistics Center, LLC, in Suffolk County, N.Y., FD 36883, in which Sunrise Industrial Rail, LLC, seeks Board approval to (1) lease and operate approximately 0.47 miles of rail line and 14,348 feet of additional track owned by Brookhaven Logistics Center, LLC, located in Suffolk County, N.Y.; and (2) replace Brookhaven Rail, LLC, as the common carrier service provider.

Omni-HGS states that Sunrise is currently a noncarrier entity controlled by OmniTRAX and that Omni-HGS will continue to exercise control of Sunrise upon Sunrise'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 currently controls 24 Class III carriers, and HGS is also a noncarrier holding company that controls two Class III railroads.¹

Omni-HGS represents that: (1) the line that Sunrise seeks to lease and operate as a common carrier does 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 transaction does not involve a Class I 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.

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; Santa Maria Valley Railroad, LLC; 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.

Accordingly, because this transaction involves Class III rail carriers only, the Board may not impose labor protective conditions here.

The earliest this transaction may be consummated is October 4, 2025, 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 by September 26, 2025 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36882, 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, a copy of each pleading must be served on Omni-HGS's representative, Daniel R. Elliott, GKG Law, PC, 1055 Thomas Jefferson Street, N.W., Suite 620, Washington, DC 20007.

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: September 12, 2025.

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