

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36180

HGS RAILWAY HOLDINGS, INC.
-- CONTINUANCE IN CONTROL EXEMPTION --
HGS-FCR, LLC AND HGS-ATN, LLC

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1180.2(d)(2)



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Part of
Public Record

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(202) 595-9045

Attorney for: HGS RAILWAY
HOLDINGS, INC.

Dated: April 4, 2018

FILED
April 4,, 2018
SURFACE
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HGS Railway Holdings, Inc. ("HGS Holdings"), files this Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(2), for HGS Holdings to continue in control of HGS-ATN, LLC ("HGS-ATN"), and HGS-FCR, LLC ("HGS-FCR") both non-carriers, upon HGS-ATN and HGS-FCR becoming Class III railroads. In support of this Notice of Exemption, HGS Holdings submits the following information as required by 49 C.F.R. § 1180.4(g):

Section 1180.6(a)

- (1) A description of the proposed transaction.
 - (i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of counsel to whom questions regarding the proposed transaction can be addressed.

HGS Holdings, a non-carrier, 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 rail lines from CSX Transportation, Inc. ("CSX") See Finance Docket No. 36175, *HGS-ATN, LLC – Acquisition Exemption – CSX Transportation, Inc.* and Finance Docket No. 36176, *HGS-FCR, LLC – Acquisition Exemption – CSX Transportation,*

Inc. HGS-ATN is acquiring 121 miles of rail lines located in Alabama. Those rail lines will be leased to Alabama & Tennessee River Railway, LLC, which will continue to be the operator of those lines. HGS-FCR is acquiring 55 miles of rail lines located in Atlanta, Georgia. Those lines will be leased to Fulton County Railway, LLC which will continue to be the operator of the lines in Atlanta. Upon consummation of the transactions in Finance Docket Nos. 36175 and 36176, HGS-ATN and HGS-FCR will become Class III carriers.

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, Georgia. Also, the involved transaction is not part of a series of anticipated transactions that would connect the rail lines to be owned by HGS-ATN and HGS-FCR. Finally, HGS-ATN and HGS-FCR are not Class I rail carriers. Accordingly, this transaction falls within the class of transactions described at 49 C.F.R. § 1180.2(d)(2), and exempt from prior approval by the Surface Transportation Board.

The name and business address of Applicants are as follows:

HGS Railway Holdings, Inc.
252 Clayton Street
Fourth Floor
Denver, CO 80206

HGS-ATN, LLC
252 Clayton Street
Fourth Floor
Denver, CO 80206

HGS-FCR, LLC
252 Clayton Street
Fourth Floor
Denver, CO 80206

Applicants' representative:
Karl Morell
Karl Morell & Associates
440 1st Street, N.W.
Suite 440
Washington, D.C. 20001
(202) 595-9045

- (ii) The proposed time schedule for consummation of the proposed transaction.

HGS Holdings intends to consummate this transaction on or shortly after the effective date of this notice of exemption.

- (iii) The purpose sought to be accomplished by the proposed transaction.

HGS Holdings intends to reduce overhead expenses and coordinate personnel policies and practices of its two rail carrier subsidiaries.

- (5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

HGS-ATN's rail lines will be located in Alabama.

HGS-FCR's rail lines will be located in Georgia.

- (6) Map.

Maps illustrating the rail lines to be owned by HGS-ATN and HGS-FCR are attached as Exhibit 1.

- (7)(ii) Agreement.

HGS Holdings will not enter into any agreement, or sign any written instrument, to continue in control of HGS-ATN and HGS-FCR.

HGS-ATN and HGS-FCR will become Class III carriers. Because the transaction involves the control of one or more Class III rail carriers the transaction is not subject to the labor protective requirements of 49 U.S.C. § 11326.

ENVIRONMENTAL AND HISTORIC IMPACTS

HGS Holdings will continue to control HGS-ATN and HGS-FCR for the purpose of continued rail operations where further Board approval is required to abandon any service, and there are no plans to dispose of or alter properties subject to the Board's jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

HGS Holdings' continuance in control of HGS-ATN and HGS-FCR will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the lines; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. This transaction will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, this transaction does not contemplate the transportation of any ozone depleting materials. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

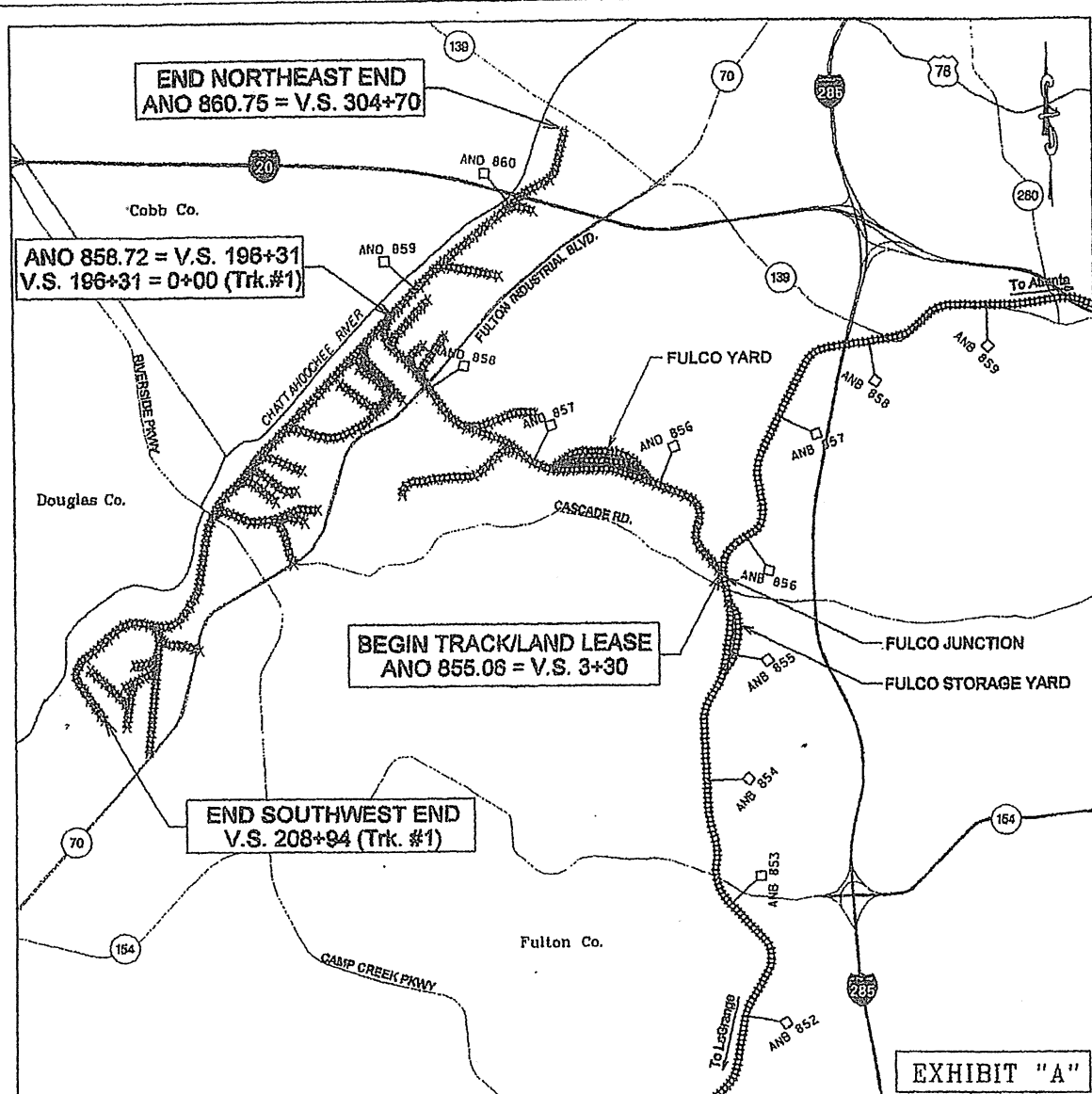
A handwritten signature in cursive script that reads "Karl Morell". The signature is written in dark ink and is positioned above a horizontal line.

KARL MORELL
KARL MORELL & ASSOCIATES
440 1st Street, N.W.
Suite 440
Washington, D.C. 20001
(202) 595-9045

Attorney for:
HGS Railway Holdings, Inc.

Dated: April 4, 2018

EXHIBIT 1



LEGEND

PROPOSED LEASE
284 Acres (+/-) and
55 Miles of Track (+/-)

SOUTHERN REGION
ATLANTA DIVISION
FULCO BRANCH
3319' NORTH OF ANB 855
330' NW. FROM P.S. w/"ANB" LINE

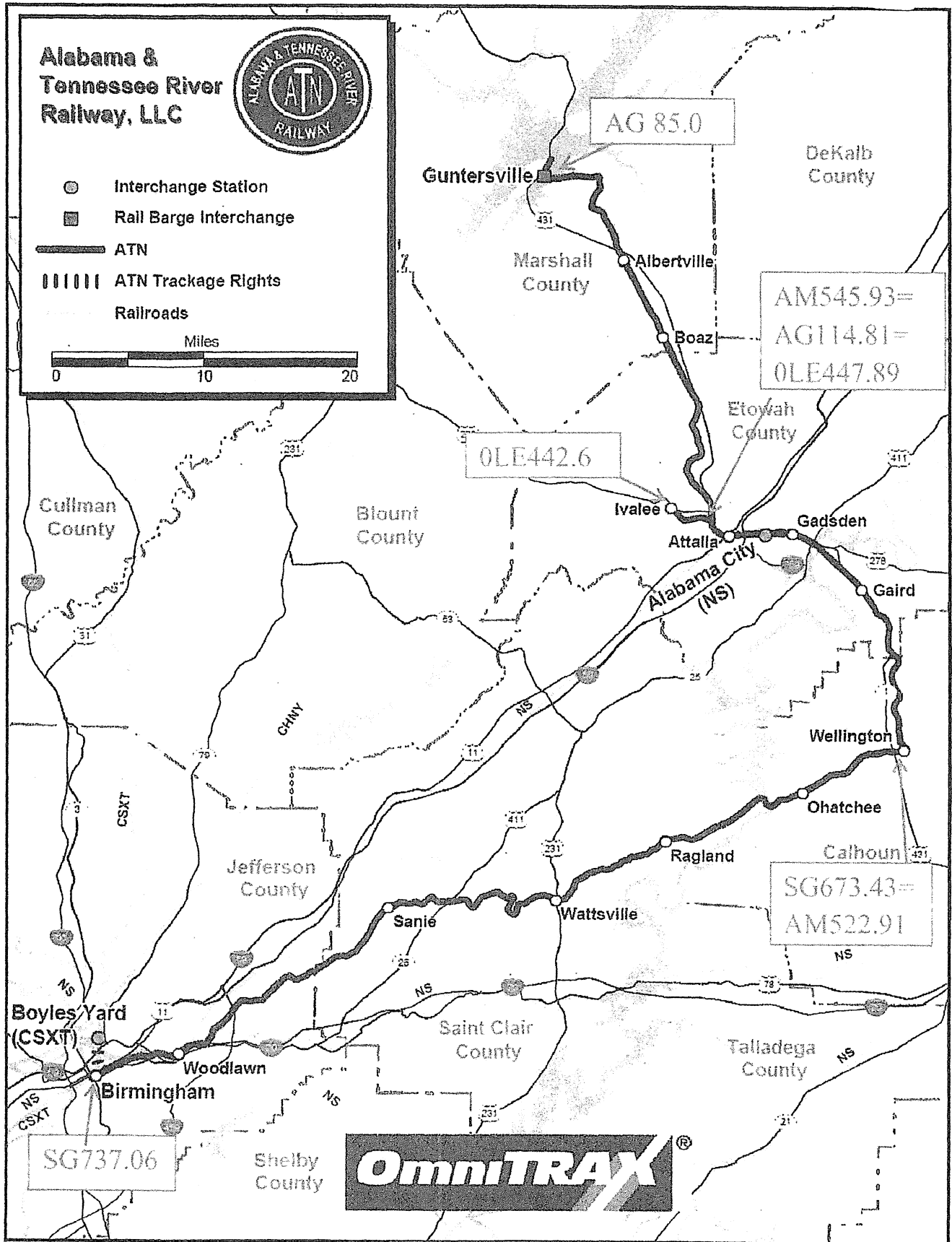
CSX TRANSPORTATION

**PROPOSED LEASE OF
FULCO BRANCH
TO FULTON COUNTY RAILWAY L.L.C.**

City: Atlanta County: Fulton State: GA Fips: 13-121-0211 Site ID: GA-121-0994800	VAL: V8GA/17-A,B,C GIS: 07031 - 07033 Scale: 1" = 1 Mile Date: 9/15/04 Drawn By: LF
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SPRING 13/2012 121-0211034-121-0994800 FULCO COLOR EXHIBIT BY FULTON CO. DGH

EXHIBIT A



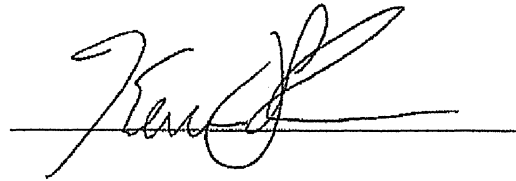
VERIFICATION

STATE OF COLORADO

CITY AND COUNTY OF DENVER

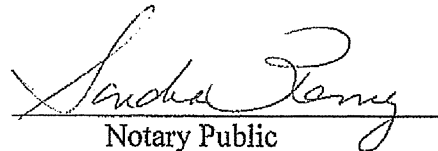
)
)
) SS.

I, Kevin Shuba being duly sworn depose and state that I am President, CEO
of HGS Railway Holdings, Inc, that I am authorized to make this verification, and that I have
read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate
as stated to the best of my knowledge, information, and belief.



SUBSCRIBED AND SWORN TO before me this 29th day of March, 2018, in the City
and County of Denver, State of Colorado.

My Commission Expires: 2-6-2020


Notary Public