

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36018

CENTRAL TEXAS & COLORADO RIVER RAILWAY, LLC—ACQUISITION AND
OPERATION EXEMPTION—LINE OF HEART OF TEXAS RAILROAD, L.P.

Docket No. FD 36019

OMNITRAX HOLDINGS COMBINED, INC.—CONTINUANCE IN CONTROL
EXEMPTION—CENTRAL TEXAS & COLORADO RIVER RAILWAY, LLC

Decided: May 25, 2016

On April 27, 2016, Central Texas & Colorado River Railway, LLC (CTCR), a noncarrier, filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire from Heart of Texas Railroad, L.P. (HTR), and to operate a line of railroad extending between Lometa, Tex., and Brady, Tex. (the Brady Line).¹ In a concurrently filed verified notice of exemption in OmniTRAX Holdings Combined, Inc.—Continuance in Control Exemption—Central Texas & Colorado River Railway, Docket No. FD 36019, OmniTRAX Holdings Combined, Inc. (OmniTRAX), seeks Board approval under 49 C.F.R. § 1180.2(d)(2) to continue in control of CTCR upon CTCR's becoming a Class III rail carrier.

OmniTRAX explains in its verified notice that it is a noncarrier holding company that already controls 18 Class III rail carrier subsidiaries (the OmniTRAX Railroads) subject to the Board's jurisdiction. It asserts that in preparing the two related class exemption filings, it was discovered that OmniTRAX had acquired direct and exclusive control of the 18 OmniTRAX Railroads on December 31, 2015. It states that it inadvertently did not seek Board authority at the time to acquire control of the OmniTRAX Railroads, "in part because of the preexisting close association among all of the involved carriers and their largely common short line heritage." OmniTRAX Notice 8. On May 5, 2016, OmniTRAX filed a petition for exemption in Docket No. FD 36032 to seek the requisite authority to acquire control of the 18 OmniTRAX Railroads.

OmniTRAX notes that the transaction in Docket No. FD 36019 will permit it to exercise common control of the OmniTRAX Railroads and CTCR once CTCR acquires the Brady Line. But, for that exemption to serve that purpose, OmniTRAX must first have authority to control the 18 OmniTRAX Railroads. And because the continuance in control transaction is premised upon OmniTRAX's first lawfully controlling the 18 OmniTRAX Railroads, CTCR's acquisition

¹ The 67.5-mile Brady Line connects with a BNSF Railway Company line at milepost 0.0 in Lometa and continues to the end of the track in Brady.

exemption should also not be allowed to go into effect until after OmniTRAX has been granted authority to control the 18 OmniTRAX Railroads. Therefore, the two notice of exemption proceedings in Docket Nos. FD 36018 and FD 36019 will be held in abeyance, thereby postponing the effective date of those exemptions. If the Board grants the petition for exemption OmniTRAX seeks in Docket No. FD 36032, the proceedings in Docket Nos. FD 36018 and FD 36019 will be reactivated by service and publication of the notices in the Federal Register.

It is ordered:

1. These notice of exemption proceedings in Docket Nos. FD 36018 and FD 36019 are held in abeyance pending further Board order.
2. This decision is effective on its service date.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.