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BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36288



OMNITRAX HOLDINGS COMBINED, INC. AND HGS RAILWAY HOLDINGS, INC.
-- CONTINUANCE IN CONTROL EXEMPTION --
CLEVELAND & CUYAHOGA RAILWAY, LLC

Re: Docket No. 36290, Watco Holdings, Inc. – Continuance in Control
Exemption – Decatur & Eastern Illinois Railroad, L.L.C.

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C.F.R. § 1180.2(d)(2), and a check covering the \$1,500 filing fee.

If you have any questions, please call me.

Sincerely,

A handwritten signature in black ink that reads "Karl Morell".

Karl Morell

Enclosures

FEE RECEIVED
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OMNITRAX HOLDINGS COMBINED, INC., AND HGS RAILWAY HOLDINGS, INC. –
CONTINUANCE IN CONTROL—
CLEVELAND & CUYAHOGA RAILWAY, LLC

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

Karl Morell
Karl Morell and Associates
Suite 440
440 1st Street, N.W.
Washington, D.C. 20001
(202) 595-9045

Attorney for Applicants

Date April 1, 2019

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 36288



OMNITRAX HOLDINGS COMBINED, INC., AND HGS RAILWAY HOLDINGS, INC. –
CONTINUANCE IN CONTROL—
CLEVELAND & CUYAHOGA RAILWAY, LLC

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

OmniTRAX Holdings Combined, Inc. (“OmniTRAX”), and HGS Railway Holdings, Inc. (“HGS”), file this Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(2), for OmniTRAX and HGS to continue in control of Cleveland & Cuyahoga Railway, LLC. (“CCR”). In support of this Notice of Exemption, the following information as required by 49 C.F.R. § 1180.4(g) is submitted:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

OmniTRAX, a non-carrier, currently controls 18 Class III railroads, as follows:

Alabama & Tennessee River Railway, LLC

Brownsville & Rio Grande International Railway, LLC

Chicago Rail Link, LLC

Fulton County Railway, LLC

Georgia & Florida Railway, LLC
Georgia Woodlands Railroad, LLC
Great Western Railway of Colorado, LLC
Illinois Railway, LLC
Kettle Falls International Railway, LLC
Manufacturers' Junction Railway, LLC
Nebraska, Kansas & Colorado Railway, LLC
Newburgh & South Shore Railroad, LLC
Northern Ohio & Western Railway, LLC
Panhandle Northern Railway, LLC
Peru Industrial Railroad, LLC
Sand Springs Railway Company
Stockton Terminal and Eastern Railroad
Central Texas & Colorado River Railway LLC

See Finance Docket No. 36032, OmniTRAX Holdings Combined, Inc. – Acquisition of Control Exemption – Alabama & Tennessee River Railway, LLC, et al., (not printed), served July 14, 2016 (“OmniTRAX Holdings Decision”).

HGS, a non-carrier, currently controls two Class III railroads: HGS-ATN, LLC and HGS-FCR, LLC. *See Finance Docket No. 36180, HGS Railway Holdings, Inc. – Continuance in Control Exemption – HGS-FCR, LLC and HGS-ATN, LLC (not printed), served May 23, 2018 (“HGS Decision”).* As noted by the Board in the *HGS Decision*, OmniTRAX and HGS are under

joint managerial and operational control. *HGS Decision*, at 2-3, note 3. Concurrently with the filing of this Notice of Exemption, CCR is filing a Notice of Exemption in Finance Docket No. 36287, *Cleveland & Cuyahoga Railway, LLC – Assignment of Leases and Operation Exemption Containing Interchange Commitment – Cleveland Commercial Railroad Company, LLC*.

The rail lines operated by the OmniTRAX carriers and the HGS carriers do not connect with the rail lines to be operated by CCR. Also, the involved transaction is not part of a series of anticipated transactions that would connect the rail lines that will be operated by CCR with any railroad in the OmniTRAX and HGS corporate families. Finally, neither CCR nor any of the carriers controlled by OmniTRAX or HGS are 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 Board.

Applicants are:

OmniTRAX Holdings Combined, Inc.
252 Clayton Street
Fourth Floor
Denver, CO 80206

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

Cleveland & Cuyahoga Railway, 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

(a)(1)(ii) Consummation Date

The proposed transaction will be consummated on or shortly after the effective date of this Notice of Exemption.

(a)(1)(iii) Purpose Sought to be Accomplished

OmniTRAX and HGS intend to reduce overhead expenses, coordinate billing, maintenance, mechanical and personnel policies and practices of their rail carrier subsidiaries and thereby improve the overall efficiency of rail service provided by the railroads in the OmniTRAX and HGS corporate families.

(a)(5) List of States

The properties of the rail carriers controlled by OmniTRAX and HGS are located in the following states: Alabama, Texas, Illinois, Georgia, Florida, Colorado, Illinois, Washington, Nebraska, Kansas, Ohio, Oklahoma, and California.

(a)(6) Map

A map of the rail lines operated by the Class III carriers controlled by OmniTRAX and HGS is attached as Exhibit 1.

(a)(7)(ii) Agreement

Applicants will not enter into any agreements to effectuate the control of CCR by OmniTRAX and HGS.

LABOR PROTECTION

Under 49 U.S.C. § 10502(g), the Surface Transportation Board (“Board”) may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326 (c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

ENVIRONMENTAL AND HISTORIC IMPACTS

OmniTRAX and HGS are obtaining control of CCR 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 Board 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).

The control by OmniTRAX and HGS of CCR 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. The thresholds in 49 C.F.R. §

1105.7(e)(5)(ii) will also not be exceeded as a result of this transaction. Finally, this transaction does not contemplate the transportation of any ozone depleting material. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Karl Morell". The signature is written in a cursive style with a horizontal line underneath it.

KARL MORELL
Karl Morell and Associates
Suite 440
440 1st Street, N.W.
Washington, DC 20001
(202) 595-9045

Attorney for Applicants

Dated: April 1, 2019

FIND OUT WHERE WE OPERATE

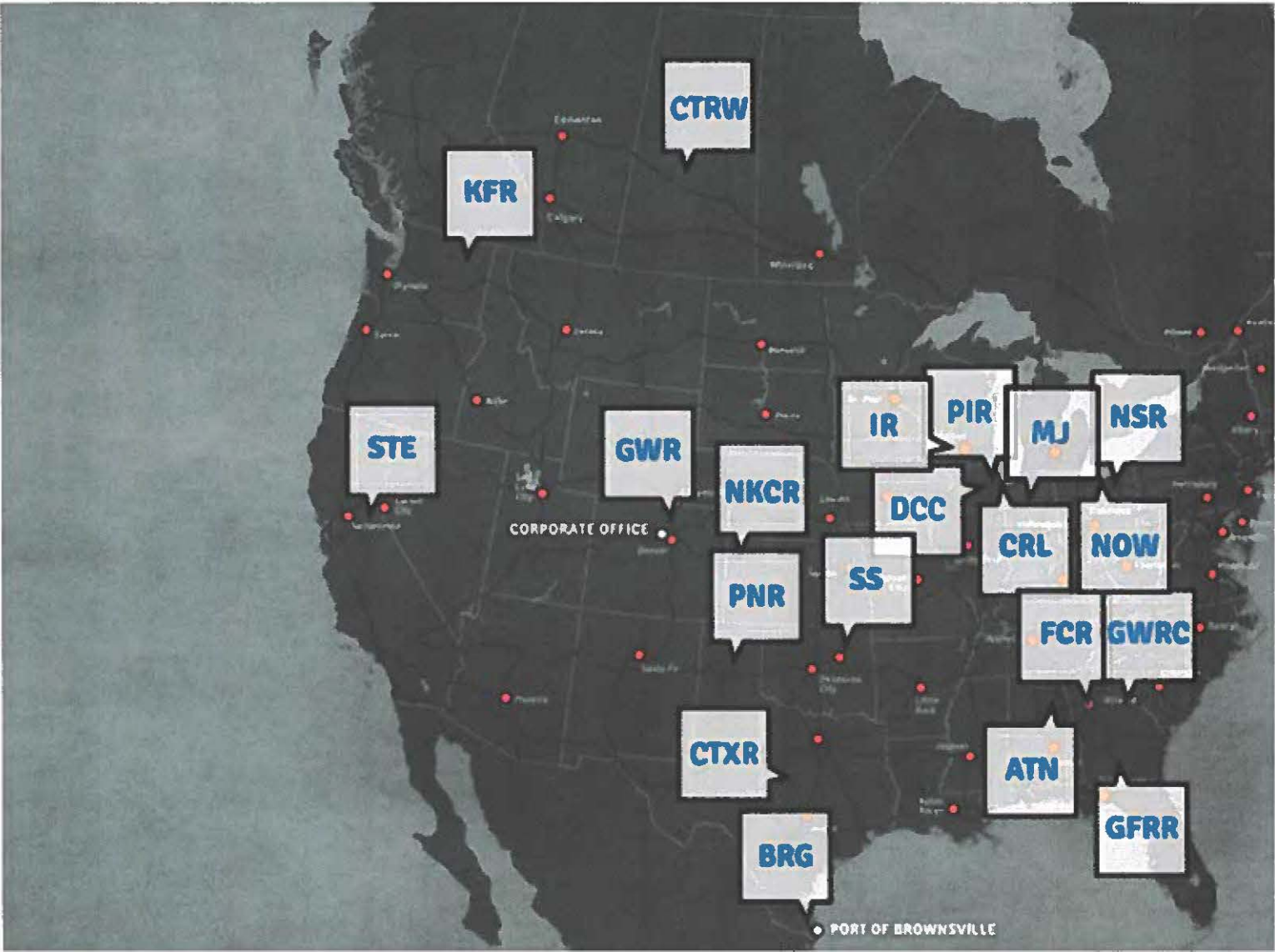


EXHIBIT A



VERIFICATION

I, HUBERT GASSNER of OmniTRAX Holdings Combined, Inc., and HGS Railway Holdings, Inc., hereby verify under penalty of perjury that the foregoing Notice of Exemption is true and correct as stated to the best of my knowledge, information and belief. Further, I certify that I am qualified and authorized to file the foregoing Notice of Exemption.

Executed on 3-29-2019

[Signature]

SUBSCRIBED AND SWORN TO before me this 29th day of March, 2019, in the County of Denver, State of Colorado.

My Commission Expires: 2-6-2020

[Signature]
Notary Public

