

**SURFACE TRANSPORTATION BOARD**

[Docket No. FD 36802]

**Macquarie Infrastructure Partners V GP, LLC, et al.—Control Exemption—Hondo Railway, LLC**

Macquarie Infrastructure Partners V GP, LLC (MIP GP), a noncarrier, filed on behalf of Macquarie Infrastructure Partners V fund vehicle (MIP V), MIP V Rail, LLC (MIP Rail), Pinsly Holdco, LLC, and Pinsly Railroad Company, LLC (Pinsly),<sup>1</sup> all noncarriers, a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire control of Hondo Railway, LLC (HRC), a Class III railroad currently owned by Mark Holland and Donald Lee.<sup>2</sup>

The verified notice states that, pursuant to an agreement dated August 27, 2024,<sup>3</sup> Pinsly has agreed to acquire 100% of the equity interests of HRC. According to the verified notice, currently, Pinsly directly controls, and MIP GP, MIP V, MIP Rail, and Pinsly Holdco, LLC, indirectly control, six rail common carriers: Grenada Railroad, LLC; Florida Gulf & Atlantic Railroad, LLC; Camp Chase Rail, LLC; Chesapeake and Indiana Railroad, LLC; Vermilion Valley Railroad Company, LLC; and Pioneer Valley Railroad Company, LLC.

MIP GP states that: (1) the line over which HRC operates does not connect with any of the railroads that would be in the same corporate family following the transaction; (2) the proposed transaction is not part of a series of anticipated transactions that would connect HRC with any railroad in the

<sup>1</sup> The verified notice of exemption states that on May 1, 2024, Gulf & Atlantic Railways, LLC, was renamed Pinsly Railroad Company, LLC.

Pinsly is wholly owned by Pinsly Holdco, LLC, which is wholly owned by MIP Rail, which is wholly owned, indirectly, by MIP V, which is controlled by MIP GP. According to the verified notice of exemption, as part of the overall transaction in this docket, Pinsly Holdco, LLC, a new noncarrier holding company will be placed between Pinsly and MIP Rail in the chain of control. The verified notice states that, “[b]ecause the inclusion of such an intermediate subsidiary does not constitute a change of control, no Board approval is required.” (Verified Notice 2 n.1 (citing *Hainesport Transp. Grp., LLC—Corp. Fam. Transaction Exemption*, FD 36184, slip op. at 1 (STB served May 24, 2018).)

<sup>2</sup> HRC leases and operates approximately 13,200 feet of track in the vicinity of Hondo in Medina County, Tex. *Hondo Ry.—Lease & Operation Exemption—Rail Line of S. Tex. Liquid Terminal, Inc.*, FD 34901 (STB served Aug. 16, 2006). In a concurrently filed notice of exemption in *Hondo Railway—Acquisition Exemption—Rail Line of South Texas Liquid Terminal, Inc.*, Docket No. FD 36803, HRC seeks to convert its lease into fee ownership.

<sup>3</sup> Public and confidential versions of the agreement were filed with the verified notice. The confidential version was submitted under seal concurrently with a motion for protective order, which was granted on September 10, 2024.

corporate family; and (3) the transaction does not involve a Class I rail 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).

The effective date of the exemption will be established in a separate decision.<sup>4</sup>

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. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

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 to stay must be filed no later than September 23, 2024.

All pleadings, referring to Docket No. FD 36802, 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 SW, Washington, DC 20423–0001. In addition, a copy of each pleading must be served on MIP GP’s representative, Terence M. Hynes, Sidley Austin LLP, 1501 K Street NW, Washington, DC 20005.

According to MIP GP, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at [www.stb.gov](http://www.stb.gov).

*Decided:* September 16, 2024.

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

**Brendetta Jones,**

*Clearance Clerk.*

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<sup>4</sup> The verified notice was initially submitted on August 28, 2024. MIP GP 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. MIP GP, 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.

**DEPARTMENT OF TRANSPORTATION****Federal Railroad Administration**

[Docket Number FRA–2014–0014]

**Petition for Extension of Waiver of Compliance**

Under part 211 of title 49 Code of Federal Regulations (CFR), this document provides the public notice that by letter dated April 23, 2024, Texas & Eastern Railroad (TESR) petitioned the Federal Railroad Administration (FRA) for an extension of a waiver of compliance from certain provisions of the Federal railroad safety regulations contained at 49 CFR part 232 (Brake System Safety Standards for Freight and Other Non-Passenger Trains and Equipment; End-of-Train Devices). The relevant Docket Number is FRA–2014–0014.

Specifically, TESR requests to extend the existing relief<sup>1</sup> that allows an extension of the time interval from 1 year to 2 years, to perform the clean, oil, test, and stencil inspection for the passenger equipment operated and equipped with UC and L types of brake valves. TESR operates 14 passenger coaches in excursion service at speeds of up to 30 miles per hour. In support of its request, TESR stated that the cars are presently in service and “have been maintained to the level of the old waiver.”

A copy of the petition, as well as any written communications concerning the petition, is available for review online at [www.regulations.gov](http://www.regulations.gov).

Interested parties are invited to participate in these proceedings by submitting written views, data, or comments. FRA does not anticipate scheduling a public hearing in connection with these proceedings since the facts do not appear to warrant a hearing. If any interested parties desire an opportunity for oral comment and a public hearing, they should notify FRA, in writing, before the end of the comment period and specify the basis for their request.

All communications concerning these proceedings should identify the appropriate docket number and may be submitted at [www.regulations.gov](http://www.regulations.gov). Follow the online instructions for submitting comments.

Communications received by November 18, 2024 will be considered by FRA before final action is taken. Comments received after that date will be considered if practicable.

<sup>1</sup> TESR is requesting relief pursuant to 49 CFR 232.17(b), *Petitions for special approval of an alternative standard or test procedure.*