

52294
EB

SERVICE DATE—SEPTEMBER 26, 2024

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. FD 36802

MACQUARIE INFRASTRUCTURE PARTNERS V GP, LLC, ET AL.—
CONTROL EXEMPTION—HONDO RAILWAY, LLC

Docket No. FD 36803¹

HONDO RAILWAY, LLC—ACQUISITION EXEMPTION—
RAIL LINE OF SOUTH TEXAS LIQUID TERMINAL, INC.

Digest:² This decision permits the exemptions for control of Hondo Railway, LLC (HRC), by Macquarie Infrastructure Partners V GP, LLC, and related entities, and for acquisition of a rail line by HRC, to become effective on September 30, 2024.

Decided: September 25, 2024

On August 28, 2024, Macquarie Infrastructure Partners V GP, LLC (MIP GP), a noncarrier, filed on behalf of Macquarie Infrastructure Partners V fund vehicle; MIP V Rail, LLC; Pinsly Holdco, LLC; and Pinsly Railroad Company, LLC, all noncarriers, a verified notice of exemption under 49 C.F.R. § 1180.2(d)(2) to acquire control of Hondo Railway, LLC (HRC), a Class III rail carrier currently owned by Mark Holland and Donald Lee. Also on August 28, 2024, HRC filed a verified notice of exemption under 49 C.F.R. § 1150.41 to acquire from South Texas Liquid Terminal, Inc., 13,200 feet of track in the vicinity of Hondo, Tex., in Medina County.³

The parties supplemented their notices on September 10, and September 11, 2024. Following the filing of the September 11 supplements, notices of the exemptions in Docket Nos. FD 36802 and FD 36803 were served and published in the Federal Register on September 19, 2024 (89 Fed. Reg. 76,911 and 76,910, respectively).

¹ These proceedings are not consolidated. A single decision is being issued for administrative convenience.

² The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. See Pol’y Statement on Plain Language Digs. in Decisions, EP 696 (STB served Sept. 2, 2010).

³ These are collectively referred to as the Transactions.

In a joint motion to expedite, filed on September 11, 2024, in both dockets, the parties request that the Board permit the exemptions to become effective no later than September 30, 2024. They note that the Transactions are contingent on each other and relate to a larger, more complex transaction involving the owners of HRC that is set to close by the end of September. The parties argue that any delay would needlessly complicate the closing of the larger transaction, which has elements unrelated to HRC, its service, or its customers, and that rail service would not be impacted by either Transaction becoming effective. They also note that they acted promptly in supplementing their verified notices upon request and that no comments or pleadings have been filed in opposition to the verified notices.

As reflected in the served and published notices of exemption, September 11, 2024—the date of the most recent supplement—was deemed the filing date for the purpose of calculating the effective date of the exemptions. Therefore, each exemption ordinarily would become effective on October 11, 2024. *See* 49 C.F.R. § 1180.4(g)(1) (a notice of exemption filed pursuant to 49 C.F.R. § 1180.2(d)(2) must be filed at least 30 days before a transaction is consummated); 49 C.F.R. § 1150.42(b) (“[t]he exemption will be effective 30 days after the notice is filed”).

Here, however, the Board finds good cause to expedite the effectiveness of the exemptions. The parties acted promptly to cure the deficiencies in their verified notices, accelerating the effective dates would help ensure a prompt closing of the parties’ larger overall transaction, and no one has objected to the Transactions or the parties’ request to expedite. Therefore, the Board will grant the parties’ request for expedited action and will waive 49 C.F.R. § 1180.4(g)(1) for Docket No. FD 36802 and 49 C.F.R. § 1150.42(b) for Docket No. FD 36803 to the extent necessary to permit the exemptions to take effect on September 30, 2024.

It is ordered:

1. The request for expedited consideration is granted, as described above.
2. To the extent described above, 49 C.F.R. § 1180.4(g)(1) is waived in Docket No. FD 36802. The exemption in that docket, unless stayed, will become effective on September 30, 2024.
3. To the extent described above, 49 C.F.R. § 1150.42(b) is waived in Docket No. FD 36803. The exemption in that docket, unless stayed, will become effective on September 30, 2024.
4. This decision is effective on its service date.

By the Board, Board Members Fuchs, Hedlund, Primus, and Schultz.