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January 23, 2020

The Honorable Cynthia T. Brown
Chief, Section of Administration
Surface Transportation Board
395 E Street, S.W., Room #1034
Washington, DC 20423-0001

ENTERED
Office of Proceedings
January 23, 2020
Part of
Public Record

Re: **Docket No. AB-1272X**
Central Texas & Colorado River Railway, LLC – Abandonment Exemption –
In McCulloch, San Saba, Mills, and Lampasas Counties, TX

Dear Ms. Brown:

Central Texas & Colorado River Railway, LLC (“CTXR”) hereby offers a status report in accordance with the Director’s Stamp Order issued in the above-referenced proceeding on November 5, 2019. For the reasons set forth below, CTXR respectfully requests that the Board continue to hold this proceeding in abeyance, subject to subsequent updates.

As background, on August 9, 2019, CTXR filed an individual petition for exemption for authority to abandon its entire, roughly 67.5-mile railroad line (the “Line”) extending from a connection with BNSF Railway Company at milepost 0.0 at Lometa, Texas, to the end of the Line at milepost 67.5 near Brady, Texas. Thereafter, having been approached by multiple parties, each expressing an interest in the Line for potential continued (restored) service, CTXR requested that this proceeding be held in abeyance to facilitate private negotiations that might yield an agreement for the sale of the Line to a new rail operator. In the aforementioned Director’s Stamp Order, CTXR’s abeyance request was granted, subject to periodic status updates such as this one.

On January 22, 2020, the Brady Line Shipper Group (“BLSG”) served CTXR with written opposition to continued abeyance, in which BLSG expressed its concern over not having as much detail as it would like on the status of negotiations over the sale of the Line. CTXR submits that lifting the abeyance order would be counter-productive. Negotiations concerning the Line are actively progressing, with CTXR engaged in arriving at terms that would enable withdrawing the subject abandonment petition. CTXR remains confident that such discussions will yield a positive result. However, negotiations are governed by the terms of a non-disclosure agreement barring CTXR from revealing the entity (or entities) with which it is engaged, or the terms that the parties have exchanged and continue to develop.

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As the Board may already be well aware, CTXR's corporate family has been among the most active buyers of railroad lines in the U.S. That experience teaches that rail line transactions, more often than not, take far longer than 90 days to reach conclusion. CTXR is working diligently on this matter. In fact, the record evidence supporting abandonment of the Line reflects that a prolonged negotiation would not be to CTXR's advantage. But lifting the present abeyance order would undermine ongoing efforts to preserve the Line through private negotiation, and would increase the prospect that the Line will be abandoned and salvaged. There is no assurance that a return to Board-administered processes would result in the preservation of the Line; it could actually hasten the exact opposite result.

Because CTXR remains optimistic that ongoing efforts (protected as they are by non-disclosure terms) would permit CTXR to withdraw its abandonment petition, CTXR asks the Board to continue to hold this proceeding in abeyance. CTXR is prepared to offer the Board additional supplemental updates on efforts to avert abandonment through ongoing private discussions.

Respectfully submitted,



Robert A. Wimbish
Attorney for Central Texas &
Colorado River Railway, LLC

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cc: All parties of record