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April 14, 2020

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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
April 14, 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 Acting Director’s Order issued in the above-referenced proceeding on February 14, 2020 (the “February 14 Order”). For the reasons set forth below, CTXR respectfully requests that the Board continue to hold this proceeding in abeyance, subject to a subsequent status update.

The record in this docket offers detailed background on the abandonment proceeding and the circumstances behind the current abeyance order, which CTXR will not revisit here, except to note that, in its February 14 Order, the Board directed CTXR to provide a status update by no later than April 14, 2020, and it instructed CTXR to provide information in support of continued abeyance if CTXR desired such a continuation.

CTXR is pursuing two viable options for the line simultaneously, one that would involve the sale of the line to an interested third party, and another under which CTXR would be in a position to withdraw the present abandonment petition without a line sale. With respect to a potential sale of the line to a third party, CTXR and the potential buyer (whose identity CTXR is withholding under the terms of a non-disclosure agreement) have been focusing upon initial purchase and sale terms pursuant to an as-yet-unexecuted letter of intent (“LOI”) exchanged between the parties on March 4, 2020. Thereafter, both sides of this potential sale have exchanged transaction documents consistent with the terms of the March 4th LOI.

CTXR also is engaged in due diligence with prospective shipper interests to determine whether emerging traffic prospects would warrant the withdrawal of the pending abandonment petition. Related due diligence is ongoing to the extent possible, but CTXR does not have any timetable by which it could commit to a decision to withdraw its pending abandonment request. Here, also, CTXR is not in a position to reveal details concerning traffic prospects, which would involve disclosing commercially-sensitive, third-party information. Suffice to say that such

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discussions and investigation of the future traffic prospects have taken a decided back-burner to other pressing issues as discussed immediately below.

Both options for the line are severely complicated by the coronavirus pandemic, corresponding shelter-in-place orders, and non-essential travel restrictions. CTXR understands that, due to pandemic-driven circumstances, the prospective buyer of the line has been hampered in its ability to inspect the line, and that it cannot engage in site-specific due diligence, prolonging efforts to arrive at final sale terms. Similarly, CTXR's due diligence on future traffic prospects is equally impaired. OmniTRAX personnel that might otherwise be attending to this matter on behalf of CTXR are currently giving priority to maintaining and protecting active short lines within the corporate family, given the pressing situation.

At this point, CTXR cannot say when it, the prospective buyer of the line, and the prospective traffic-generating businesses each will return to a modicum of business-as-usual. Accordingly, CTXR cannot predict when it will be in a position to advise the Board that – (a) a deal has been struck to sell the line to a third party for restored rail service; (b) CTXR has concluded that traffic opportunities are sufficiently definite to warrant the withdrawal of its request for abandonment authorization; or (c) efforts to preserve the line under either of the first two options have proven fruitless, warranting the resumption of the Board's abandonment processes. CTXR remains hopeful, as we all do, that the country will regain its business footing soon, such that proceedings like this one are no longer overshadowed by looming health concerns, not only for individuals and workers, but also for those businesses that rely upon the essential transportation services that CTXR's numerous rail carrier affiliates provide.

Notwithstanding current setbacks, CTXR believes that there is more than one potentially viable path for the Line. Lifting the abeyance, however, particularly under the current circumstances, would undermine ongoing efforts to preserve the Line, and would hasten the prospect that the Line ultimately would be abandoned – the opposite of the intended effect that abeyance opponents, such as the Brady Line Shippers Group, hope for. For these reasons, CTXR respectfully requests that the Board continue the present abeyance, subject to future supplemental updates as necessary.

Respectfully submitted,

/s/ *R. A. Wimbish*

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

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cc: All parties of record