

SERVICE DATE — MAY 20, 2020

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 1272X

CENTRAL TEXAS & COLORADO RIVER RAILWAY, LLC—ABANDONMENT
EXEMPTION—IN MCCULLOCH, SAN SABA, MILLS, AND LAMPASAS COUNTIES,
TEX.

Decided: May 20, 2020

By petition filed on August 9, 2019, Central Texas & Colorado River Railway, LLC (CTXR), a Class III rail carrier, filed with the Board a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 to abandon a railroad line covering approximately 67.5 miles of track in McCulloch, San Saba, Mills, and Lampasas Counties, Tex. (the Line), which constitutes CTRX's entire railroad system. Notice of CTRX's petition was served and published in the Federal Register on August 29, 2019 (84 Fed. Reg. 45,618). According to CTRX, the Line was embargoed as of July 25, 2019, due to bridge problems and unsafe track conditions and has become a burden to CTRX and interstate commerce. (CTXR Pet. 2.)

On October 25, 2019, CTRX requested that the Board hold the abandonment proceeding in abeyance for 90 days because it was engaged in negotiations with multiple parties for the sale of the Line. The request for abeyance was approved on November 5, 2019, and CTRX was ordered to file a status report by January 23, 2020. In its January 2020 status report, CTRX requested that the Board continue to hold the proceeding in abeyance. The Brady Line Shipper Group (Shipper Group)¹ filed letters opposing any additional abeyance of the proceeding, arguing that CTRX's continued embargo will have a serious adverse impact on its members.

On February 14, 2020, the Board granted, in part, CTRX's abeyance request, held the proceeding in abeyance until April 14, 2020, stayed the environmental assessment period until further Board order, and ordered CTRX to file a status report by April 14, 2020, describing in detail the progress of its negotiations. In its April 2020 status report, CTRX reports that it is pursuing two options that would avoid abandonment of the Line. One option would involve the sale of the line to a third party. CTRX states that it and the third party have exchanged an

¹ The Shipper Group is an association of active users of the rail service provided by CTRX—specifically, The J.C. Smith Co., P.W. Gillibrand Co. of Texas Inc., and Jacoby and Jacoby, Inc. On September 9, 2019, in response to CTRX's petition, the Shipper Group and the North Central Railcorp, Inc., a noncarrier, filed formal expressions of intent to file offers of financial assistance. Both entities were deemed to be preliminarily financially responsible. See 49 C.F.R. § 1152.27(c)(1)(ii).

unexecuted letter of intent and other transaction documents. The other option would involve withdrawing its petition without a line sale. CXTR states that it is engaging in due diligence with respect to traffic prospects. CTXR therefore requests that the Board continue to hold this proceeding in abeyance. On May 4, 2020, the Shipper Group filed a response opposing further abeyance, arguing that CTXR has had ample time to complete a private sale of the Line and that the continued embargo prevents rail service over the Line.

Because it appears that CTXR's negotiations to privately sell the Line are still actively progressing and CTXR is also engaged with prospective shipper interests whose potential traffic might warrant withdrawal of CTXR's petition, the Board will grant a further extension of the abeyance period. However, in light of the ongoing embargo, the further abeyance will be limited to 60 days from the service date of this decision, after which CTXR will be directed to file a status report describing in specific detail the status of the two options CTXR is pursuing.

It is ordered:

1. This proceeding is held in abeyance until July 20, 2020. CTXR shall file a status report by July 20, 2020, with the information requested by the Board as described in this decision.
2. The environmental assessment period remains stayed until further Board order.
3. This decision is effective on its service date.

By the Board, Allison C. Davis, Director, Office of Proceedings.