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January 20, 2023

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VIA ELECTRONIC FILING

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

ENTERED
Office of Proceedings
January 20, 2023
Part of
Public Record

Re: *Austin Area Terminal Railroad, Inc. – Discontinuance of Service Exemption –
in Bastrop, Burnet, Lee, Llano, Travis, and Williamson Counties, Texas,
AB 578X*

Request for leave to submit responsive comments, and responsive comments of
Austin Western Railroad, L.L.C., and Watco Holdings, Inc.

Dear Ms. Brown:

Austin Western Railroad, L.L.C. (“AWRR”) and its parent company, Watco Holdings, Inc. (collectively with AWRR, “Watco”), hereby request leave to address, and to tender the following comments in connection with, the discontinuance of service notice of exemption proceeding initiated by Austin Area Terminal Railroad, Inc. (“AATR”) in the above-referenced docket.

AATR has correctly pointed out that, in 2007, AWRR succeeded AATR as the common carrier service provider on the lines that are the subject of AATR’s discontinuance filing. AWRR has since functioned as the exclusive common carrier service provider on those lines, consistent with AWRR’s agreements with the lines’ owner – Capital Metropolitan Transportation Authority. AWRR has a vested interest in the outcome of AATR’s discontinuance efforts, which, if successful, would remove regulatory uncertainty concerning AATR’s status on the lines, and would, in AWRR’s view, also accurately account for the intent of the parties dating back to the 2007 transition in common carrier service. For these reasons,

FLETCHER & SIPPEL LLC

Ms. Cynthia T. Brown
January 20, 2023
Page 2

Watco respectfully submit that AWRR's stake in this proceeding supports the Board's acceptance of these brief, responsive comments, which do not expand beyond the intended scope of the proceeding initiated by AATR.

Watco take no position on the merits of AATR's appeal of the adverse decision issued in this docket on December 30, 2022 by the Board's Director of the Office of Proceedings. However, Watco observe that discontinuance of AATR's common carrier status would, as AATR has explained, tie together regulatory loose ends, and would carry out the intent of the parties at the time of the common carrier service transition from AATR to AWRR some fifteen years ago. (Watco does not recall why, at the time of the transition, the class exemption authorizing AWRR's commencement of common carriage on the subject lines was not styled as a change of operator notice, but we welcome AATR's corrective efforts.)

Finally, Watco support the application of the Board's regulations in a way that minimizes barriers to industry entry and exit in keeping with 49 U.S.C. § 10101(7), and we believe this proceeding will be instructive to the short line industry in general when it comes to that particular policy consideration. As such, Watco generally endorse AATR's discontinuance efforts, and, consistent with Section 10101(7), we urge the Board to facilitate AATR's exit from the subject lines by the most expeditious and cost-effective processes reasonably available, and in keeping with past Board practice.

Respectfully submitted,

R.A. Wimbish

Robert A. Wimbish
Attorney for Austin Western Railroad, L.L.C., and
Watco Holdings, Inc.

cc: All parties of record