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SERVICE DATE – SEPTEMBER 14, 2007

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35072]

Austin Western Railroad, Inc.–Operation Exemption–Capital Metropolitan  
Transportation Authority

Austin Western Railroad, Inc. (AWRR), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to operate, pursuant to an agreement with Capital Metropolitan Transportation Authority (CMTA), CMTA’s approximately 164.83 miles of railroad extending between (1) milepost 0.0 west of Giddings, TX, and milepost 56.4 near Austin, TX; (2) milepost 56.4 near Austin, TX, and milepost 154.1 near Llano, TX; and (3) milepost 0.0 near Fairland, TX, and milepost 6.5 near Marble Falls, TX, including the 3.3-mile Scobee Spur and the 0.93-mile Burnett Spur.<sup>1</sup> The agreement also will allow Veolia Transportation Services, Inc. (Veolia) to provide commuter rail operations over a portion of the lines.<sup>2</sup>

This transaction is related to a concurrently filed verified notice of exemption in STB Finance Docket No. 35075, Watco Companies, Inc., and Watco Transportation

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<sup>1</sup> CMTA retains the residual common carrier obligation with respect to these lines. See Capital Metropolitan Transportation Authority–Acquisition Exemption–City of Austin, TX, STB Finance Docket No. 33596 (STB served May 27, 1998).

<sup>2</sup> Veolia will not be providing, and will not have the ability to provide, common carrier freight service to customers on the lines. Because the Board does not have licensing jurisdiction over the commuter operations to be provided by Veolia, it is not seeking Board authority.

Services, Inc.—Continuance in Control Exemption—Austin Western Railroad, Inc. In that proceeding, Watco Companies, Inc. and its wholly owned subsidiary, Watco Transportation Services, Inc., jointly have filed a verified notice of exemption to continue in control of AWRR upon its becoming a rail carrier.

The transaction is expected to be consummated on October 1, 2007, after the September 30, 2007 effective date of the exemption.

AWRR certifies that its projected annual revenues as a result of the transaction will not result in AWRR becoming a Class II or Class I rail carrier. However, because its projected annual revenues will exceed \$5 million, AWRR also certifies that it has complied with the notice requirements of 49 CFR 1150.32(e).<sup>3</sup>

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed by September 21, 2007 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35072, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Karl Morell, Of Counsel, Ball Janik LLP, Suite 225, 1455 F Street, N.W., Washington, DC 20005.

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<sup>3</sup> AWRR certified its compliance with the notice requirements of 49 CFR 1150.32(e) on July 31, 2007.

Board decisions and notices are available on our website at

“[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: September 6, 2007.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary