



BEFORE THE  
SURFACE TRANSPORTATION BOARD

240617

STB FINANCE DOCKET NO. 36003

PAUL DIDEIUS  
-CONTINUANCE IN CONTROL-  
WRL, LLC

**ENTERED**  
**Office of Proceedings**  
**May 6, 2016**  
**Part of**  
**Public Record**

VERIFIED NOTICE OF EXEMPTION  
UNDER 49 CFR 1180.2(d)(2)

Comes now Paul Didelius ("Applicant") and states as follows:

1. Pursuant to the provisions of Section 1180 of the Board's Railroad

Consolidation Rules, 49 C.F.R. §1180 et seq., Applicant hereby files this verified notice of exemption for continuance in control of WRL, LLC, a non-carrier which will become a licensed Class III rail carrier upon the concurrent application for a Modified Certificate of Public Convenience and Necessity taking effect.<sup>1</sup>

2. As may be relevant here, Applicant is an individual and noncarrier who currently owns 100% of LRY, LLC d/b/a Lake Railway ("LRY"), a limited liability company that filed two notices of exemption with the Board on December 2, 2009, to lease and operate a line of railroad owned by the Union Pacific Railroad Company between Perez and MacArthur, CA, and to lease and operate a line of railroad owned by Lake County, OR, between Alturas, CA, and Lakeview, OR. Decisions publishing these two exemptions were served December 18, 2009 in STB Finance Docket No. 35250, LRY, LLC d.b.a Lake

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<sup>1</sup> See, STB Finance Docket No. FD-36002, WRL, LLC-Application for a Modified Rail Certificate. Filed May 6, 2016.

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Railway-Lease and Operation Exemption-Union Pacific Railroad Company and STB Finance Docket No. 35250 (Sub-No. 1), LRY, LLC d.b.a. Lake Railway-Lease and Operation Exemption-Rail Line in Lake County, OR. These two lines connect and total approximately 116 miles of track. Upon consummating the exemptions on or about January 1, 2010, LRY became a Class III short line railroad carrier subject to the I.C.C. Termination Act (“ICCTA”).

3. Additionally, Applicant owns 49% of YCR Corporation (“YCR”), a Class III short line rail carrier established for the purpose of leasing and operating a line of railroad owned by Yakima County, WA. As YCR President, applicant is in a position to exercise control of the railroad. The line extends between Wesley Junction (Toppenish) and White Swan, WA, a distance of about 20.56 miles, and an additional 1.63 miles of industrial spur near White Swan, for a total distance of 22.19 miles, all within Yakima County, WA. The line had formerly been operated by Washington Central Railroad Company, Inc. (“WCRC”). The line was acquired by Yakima County after WCRC was authorized to abandon it. On December 17, 2009, YCR filed an Amended Application for a Modified Certificate of Public Convenience and Necessity with the Board to provide operations over the line. A Decision publishing the exemption was served January 15, 2010 in STB Finance Docket No. 35336, YCR Corporation-Modified Rail Certificate- in Yakima County, WA. On December 18, 2009, applicant filed a verified notice of exemption to continue in control of YCR upon YCR becoming a Class III rail carrier. A Decision publishing the exemption was served December 31, 2009 in STB Finance Docket No. 35337, Paul Didelius-Continuance in Control Exemption-YCR Corporation.

4. Additionally, Applicant owns 100% of CCET, LLC (“CCET”), a Class III short line

rail carrier organized for the purpose of leasing and operating a line of railroad owned by the Norfolk Southern Railway Company (“NSR”). On March 21, 2014 applicant filed a verified notice of exemption to lease and operate an approximately 24-mile portion of NSR’s CT Line, extending between milepost CT 9.0 at Clare, Ohio, east of Clare Yard, and milepost CT 32.83, west of Williamsburg, Ohio, and passing through Hamilton County and Clermont County, Ohio (“CT Line”). A Decision publishing the exemption was served April 4, 2014 in STB Finance Docket No. 35810, CCET, LLC-Lease and Operation Exemption-Rail Line of Norfolk Southern Railway Company.

5. On January 21, 2015 Applicant filed under STB Finance Docket No. 35900, CCET, LLC-Lease and Operation Exemption-Rail Line of Norfolk Southern Railway Company in Clermont County, Brown County and Adams County, Ohio, a verified notice of exemption seeking to amend the CCET-NSR lease agreement to allow CCET to lease additional NSR trackage from CT Line milepost CT 32.83 to milepost CT 62.20, east of Seaman, Ohio (referred to as the “Line Extension”) an additional 29.37 miles of trackage.<sup>2</sup> The exemption took effect February 21, 2015 pursuant to a Board decision served February 6, 2015. Applicant concurrently filed a verified notice of exemption to continue in control of CCET. A Decision publishing the exemption was served February 6, 2015 in STB Finance Docket No. 35901, Paul Didelius-Continuance in Control Exemption-CCET, LLC.

6. Under Section 1180.2(d)(2) of the Board's consolidation rules certain transactions are automatically exempt from the prior approval requirements for common control under 49

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<sup>2</sup> The Board issued a decision in Norfolk Southern Railway Company – Discontinuance of Service Exemption – in Clermont, Brown and Adams Counties, Ohio, Docket No. AB 290 (Sub-No. 370X) (STB served January 15, 2015), authorizing NSR to discontinue its own common carrier obligation including the Line Extension, and the exemption became effective on February 14, 2015. However, NSR advised the Board by letter dated January 20, 2015 that it would not effectuate discontinuance. Thus, the Line Extension remains within Board jurisdiction.

U.S.C. 11323 - 11324. Specifically, Section 1180.2(d) (2) exempts the continuance-in-control of a non-connecting carrier where (i) the railroads will not connect with each other or any railroad in their corporate family, (ii) the continuance in control is not part of a series of anticipated transactions that would connect the railroads with each other or any railroad in their corporate family, and (iii) the transaction does not involve a Class I rail carrier.

7. The rail properties that will be operated and controlled by Mr. Didelius, namely WRL, YCR, LRY, and CCET do not physically connect and there are no plans to acquire additional rail lines for the purpose of making a connection. As noted above, each of these railroads has become Class III short line railroads upon consummation of their respective exemptions. The lines WRL and YCR operate are located in south central Washington State. Applicant attaches a map as Exhibit A depicting the physical separation of WRL from YCR. The lines LRY operates are located in southern Oregon and northern California, while the line CCET operates is located in southern Ohio.

8. In order to claim the Section 1180.2(d)(2) exemption, Section 1180.4(g) requires the filing of a verified notice of exemption furnishing the information requested in Sections 1180.6(1)(i)-(iii); 1180.6(5)-(6); and 1180.6(a)(7)(ii) of those rules and indicating the level of labor protection required.

Information about the carriers: 49 C.F.R. §1180.6(a)(1)(i)

Name: LRY, LLC d/b/a Lake Railway  
Address: 396 Grain Terminal Road, Suite 509, Burbank, WA 99323  
Telephone: (509) 492-3340

Name: YCR Corporation  
Address: 396 Grain Terminal Road, Suite 1219, Burbank, WA 99323  
Telephone: (509) 492-3340

Name: CCET, LLC  
Address: 396 Grain Terminal Road, Suite 2014, Burbank, WA 99323  
Telephone: (509) 492-3340

Name: WRL, LLC  
Address: 396 Grain Terminal Road, Suite 2016, Burbank, WA 99323  
Telephone: (509) 492-3340

Legal counsel to whom questions should be addressed:

Name: James H. M. Savage  
Address: 22 Rockingham Court, Germantown, MD 20874  
Telephone: (908) 361-7097

Schedule for consummation: 49 C.F.R. 1180.6(a)(1)(ii):

On or after June 5, 2016, more than 30 days after the filing date of this exemption notice.

9. Purpose to be accomplished by the transaction: 49 C.F.R. 1180.6(a)(1)(iii)

WRL seeks to lease and operate a line of railroad owned by the Port of Royal City ("Port") in Adams and Grant Counties, WA, to restore local service on a line of railroad formerly known as the Royal Slope Railroad that was acquired by the Port to forestall abandonment.<sup>3</sup> WRL management has decided to form a new corporation to insulate WRL from the financial and operating obligations of its sibling companies.

State(s) where proposed operations will be conducted: 49 C.F.R. 1180.6(a)(5)

Washington State

Map showing relationship between LRY, YCR, CCET and WRL: 49 C.F.R.1180.6(a)(6)

See Exhibit A. In addition to the Map accompanying this application, 20 unbound copies of the map are being filed with the Board.

Copy of Agreement: 49 C.F.R.1180.6(a)(7)(ii)

Not applicable. There is no agreement covering the common ownership by Mr. Didelius of LRY, YCR, CCET and WRL

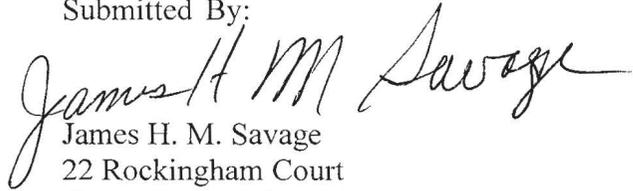
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<sup>3</sup> See Exhibit B- Map depicting WRL with mileposts per WSDOT Royal Slope Railroad Inspection and Assessment, April 2015. <http://www.portofroyal.com/images/April2015Inspection.pdf>. In addition to the Map accompanying this application, 20 unbound copies of the map are being filed with the Board.

10. This acquisition of control proceeding is exempt from environmental review under 49 CFR 1105.6(c)(2)(i) because the proposed action will not cause any operating changes that exceed the threshold established in 49 C.F.R. 1105.7(e)(4) or (5). In addition, this proceeding is exempt from historic review under 49 C.F.R. 1105.8(b)(i) because there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Accordingly, no historic report is required.

11. Labor protection required: None. Under 49 U.S.C. 11326 transactions between Class III rail carriers are not subject to labor protection.

Submitted By:



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Germantown, MD 20874  
(908) 361-7097  
[jsavagelaw@aim.com](mailto:jsavagelaw@aim.com)  
Counsel for WRL, LLC

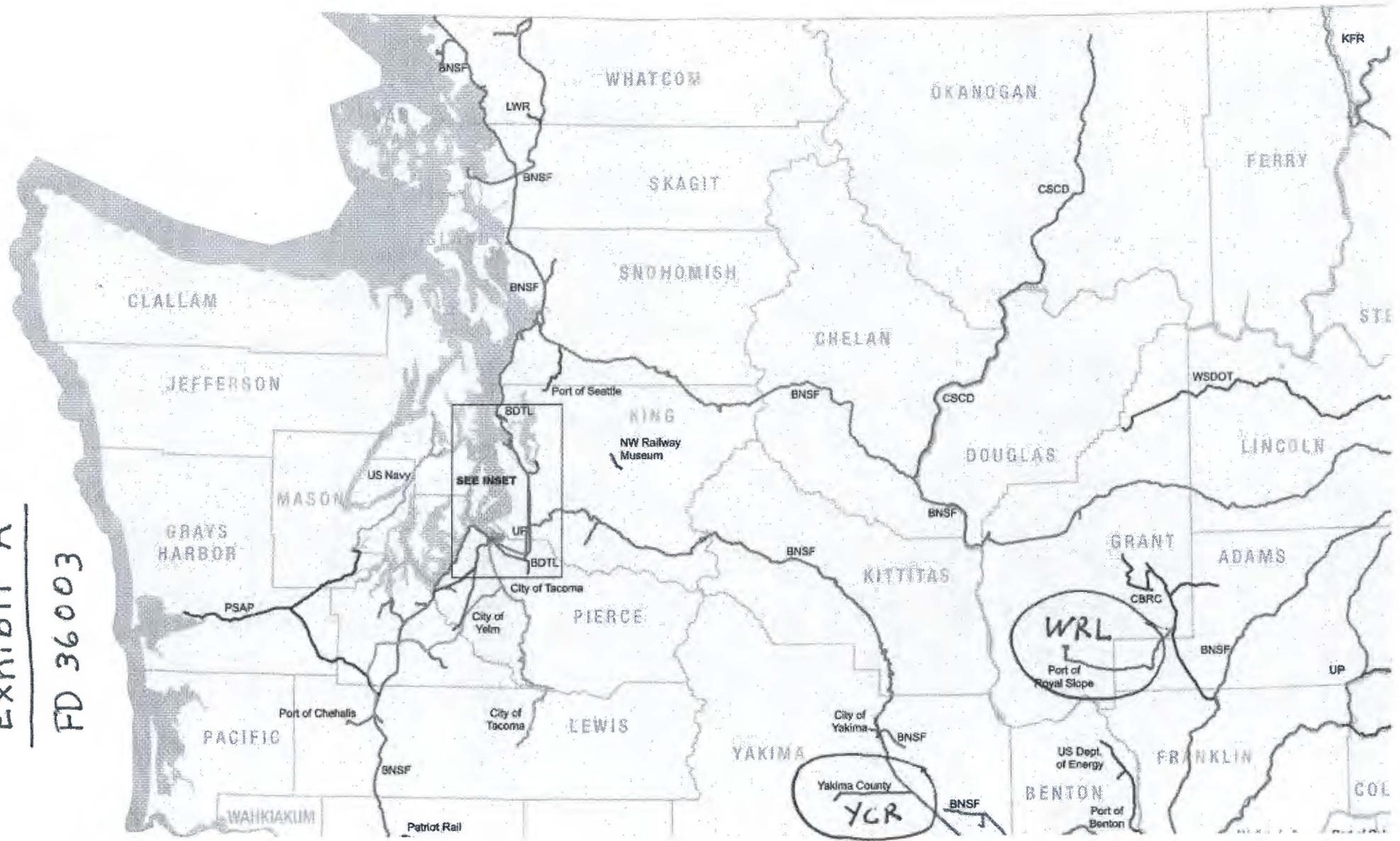
Dated: May 6, 2016

**EXHIBIT A**

MAP OF WASHINGTON STATE DEPICTING RAIL LINES YCR AND WRL

Exhibit A

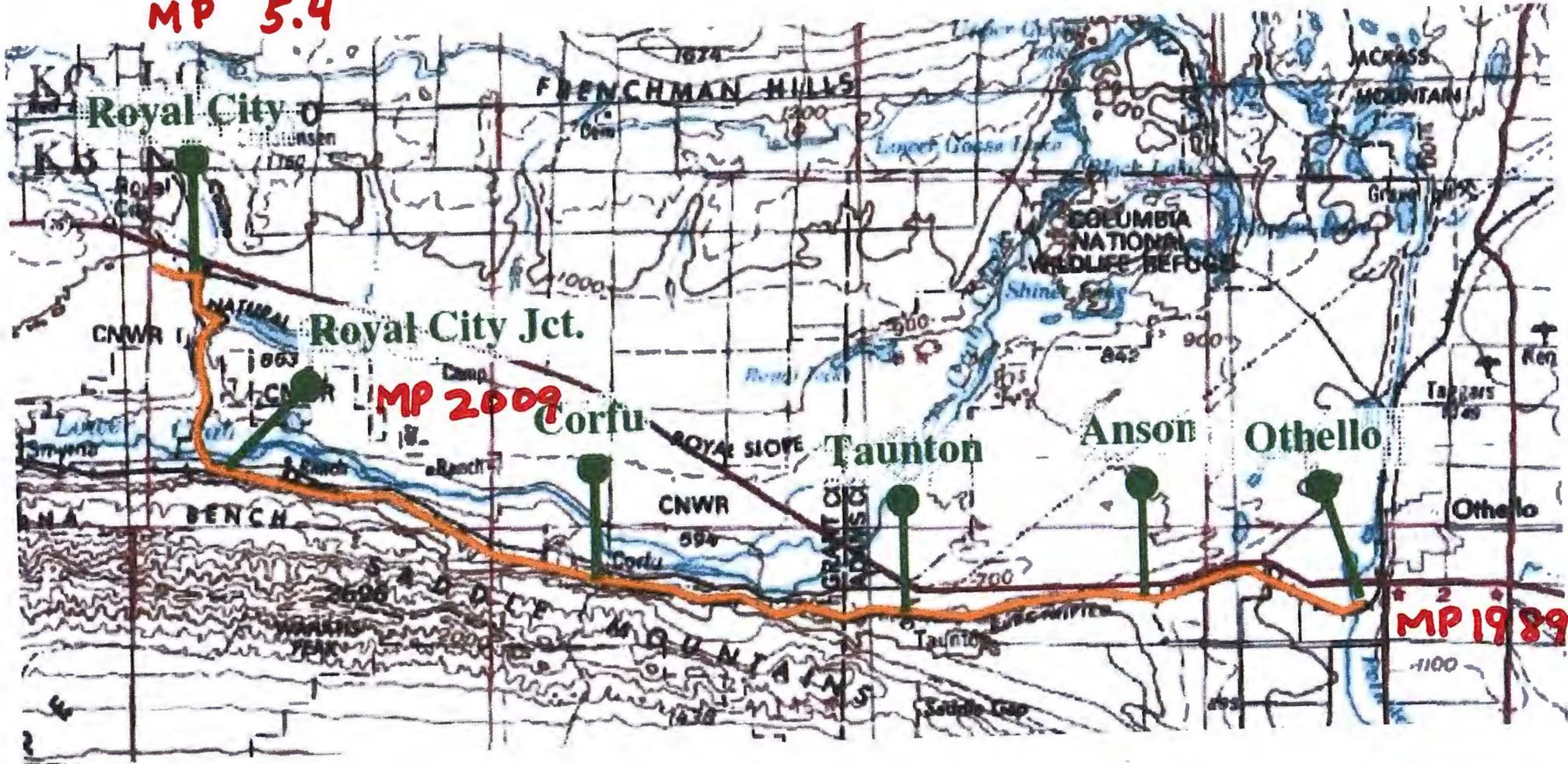
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**EXHIBIT B**

MAP OF WRL

MP 5.4



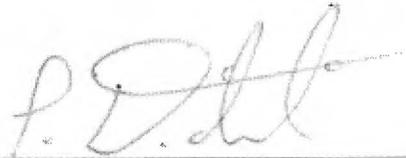
MP 2009

MP 1989

**VERIFICATION AND CERTIFICATE OF COMPLIANCE**

I, Paul Didelius, declare under penalty of perjury that I am the Owner of WRL, LLC, that I have read the foregoing Notice of Exemption, know the facts asserted therein, and that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this notice.

I also hereby certify that WRL's projected annual revenues will not as a consequence of this transaction result in WRL becoming a Class II or Class I rail carrier so as to require processing of the foregoing notice of exemption under 49 C.F.R. § 1150.35, and that WRL's projected annual revenue for the lines to be operated pursuant to this notice does not exceed \$5 million dollars.



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Paul Didelius  
Owner, WRL, LLC

Dated: 4-22, 2016

CERTIFICATION OF SERVICE

I, James H. M. Savage, an attorney-at-law of the District of Columbia, certify that I have served this 6 day of May 2016, by electronic mail a true copy of the within pleading upon the following persons:

Columbia Basin Railroad

Cathy Potter  
Executive Director  
Port of Royal Slope  
P O Box 147  
4975 Road 13.5 SW  
Royal City, WA 99357  
portofroyal@centurytel.net  
Voice: (509) 346-2317

and

Anna Franz  
Lemargie Kenison Franz and Whitaker  
107 D Street NW / PO Box 965  
Ephrata, WA 98823  
Voice: (509) 754-2493  
E-mail: afranz@basinlaw.com  
Counsel for Port of Royal Slope

  
James H. M. Savage



EXHIBIT B

FD-36003

MP 5.4

