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SERVICE DATE – DECEMBER 31, 2009

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35337]

Paul Didelius—Continuance in Control Exemption—YCR Corporation

Paul Didelius (applicant), a noncarrier, has filed a verified notice of exemption to continue in control of YCR Corporation (YCR), upon YCR's becoming a Class III rail carrier.

Currently, applicant owns 100 percent of noncarrier, LRY, LLC D.B.A. Lake Railway (LRY). LRY concurrently filed two notices of exemption to lease and operate: (1) 62.21 miles of railroad owned by Union Pacific Railroad Company, consisting of: (a) part of the Modoc Subdivision, extending from milepost 445.6 near MacArthur, CA, to milepost 506.1, near Perez, CA, and (b) part of the Lakeview Branch, extending from milepost 456.89 to milepost 458.60 at Alturas, CA; and (2) 54.45 miles of railroad owned by Lake County, OR, extending from milepost 458.60 at Alturas, to milepost 513.05, at Lakeview, OR. Once consummation occurs, on or after January 1, 2010, LRY will become a Class III carrier.<sup>1</sup>

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<sup>1</sup> See STB Finance Docket No. 35250, LRY, LLC D.B.A. Lake 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. The notices were served and published in the Federal Register on December 18, 2009 (74 FR 67304-5).

YCR, a new corporation owned in part by applicant (49%)<sup>2</sup> and Stan Patterson (51%) has been established for the purpose of leasing and operating a line of railroad owned by Yakima County, WA. The subject line extends between Wesley Junction (Toppenish) and White Swan, WA., a distance of approximately 20.56 miles. The line was formerly operated by Washington Central Railroad Company (WCRC) and Yakima County acquired the line after WCRC was authorized to abandon it. On December 16, 2009, YCR filed an application for a modified certificate of public convenience and necessity in STB Finance Docket No. 35336, YCR Corporation—Modified Rail Certificate, wherein YCR seeks to lease and operate the line.

This transaction cannot be consummated until January 17, 2010, the effective date of the exemption (30 days after the exemption is filed).<sup>3</sup>

Applicant states that: (1) the rail line to be acquired by YCR does not connect with any other railroad in its corporate family; (2) the transaction is not part of a series of anticipated transactions that would connect the rail line with any other railroad in its corporate family;<sup>4</sup> and (3) the transaction does not involve a Class I rail carrier.

Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C.

11323. See 49 CFR 1180.2(d)(2).

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<sup>2</sup> According to applicant, as President of YCR, he is in a position to control YCR.

<sup>3</sup> Applicant states in the notice that he plans to consummate the transaction on or about January 16, 2010.

<sup>4</sup> YCR will operate a rail line in south central Oregon and LRY will operate rail lines in northeastern California and southwestern Oregon. According to applicant, YCR and LRY lines are 380 miles apart.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Section 11326(c), however, does not provide for labor protection for transactions under sections 11324 and 11325 that involve only Class III rail carriers. Accordingly, the Board may not impose labor protective conditions here, because all of the carriers involved are Class III carriers.

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 no later than January 8, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35337, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John D. Heffner, 1750 K Street, N.W., Suite 200, Washington, DC 20006.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: December 24, 2009.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.