

JAMES H. M. SAVAGE, ESQ.
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January 21, 2015

237602

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

ENTERED
Office of Proceedings
January 22, 2015
Part of
Public Record

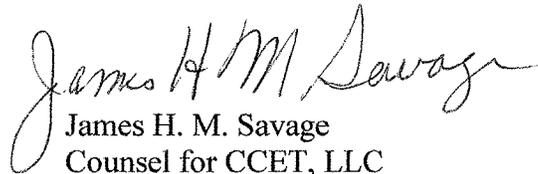
Re: FD 35901: Paul Didelius-Continuance in Control Exemption-CCET, LLC

Dear Ms. Brown:

On behalf of Paul Didelius, Petitioner, I am filing an original and ten copies of a Verified Notice of Exemption under 49 CFR 1180.2(d)(2) in the above-captioned proceeding. I am enclosing with this filing a check for \$1300 to cover the applicable filing fee as well as a copy of the filing on a computer disk formatted for MS word.

Also enclosed please find a duplicate copy of this letter and self-addressed stamped envelope to be stamped with the filing date and returned to the undersigned. If there are any questions about this matter, please contact me directly, either by telephone (908)-361-7097 or by email jsavagelaw@aim.com.

Respectfully submitted,


James H. M. Savage
Counsel for CCET, LLC

Enclosures

FEE RECEIVED
January 22, 2015
SURFACE
TRANSPORTATION BOARD

FILED
January 22, 2015
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35901

PAUL DIDELIUS
-CONTINUANCE IN CONTROL-
CCET, LLC

VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR 11 80.2(d) (2)

Submitted by:
James H. M. Savage
22 Rockingham Court
Germantown, MD 20874

Counsel for Applicant
Paul Didelius

Dated: January 21, 2015

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35901

PAUL DIDEIUS
-CONTINUANCE IN CONTROL-
CCET, LLC

VERIFIED NOTICE OF EXEMPTION
UNDER 49 CFR 11 80.2(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 CCET, LLC, a licensed Class III rail carrier.
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 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, in 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. Concurrent with the filing of this exemption notice, on or about January 21, 2015 Applicant filed under STB 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. The Board recently 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 should become effective on February 14, 2015. However, the Line Extension remains within the Board’s jurisdiction. Applicant now seeks from the Board an exemption to continue in control of 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 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 properties that will be operated and controlled by Mr. Didelius, namely LRY, YCR, 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 that LRY operate are located in northeastern California and southwestern Oregon. The line that YCR operates is located in south central Washington. The line that CCET operates is located in southeastern Ohio. Applicant attaches a map as Exhibit A depicting the physical separation of YCR and LRY from CCET - approximately 2,300 miles.

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: 499 Railex Road, Burbank, WA 99323
Telephone: (509) 540-9499

Name: YCR Corporation
Address: 499 Railex Road, Burbank, WA 99323
Telephone: (509) 540-9499

Name: CCET, LLC
Address: 337 Grain Terminal Road, Suite 2014, Burbank, WA 99323
Telephone: (509) 540-9499

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 February 21, 2015, 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)

To take over the common carrier operation of a line of railroad owned by NSR in Brown County and Adams County, OH, to replace the incumbent railroad's operation with one that is lower cost and equally responsive to local needs. CCET management has decided to form a new corporation to insulate LRY and YCR, respectively, from the financial and operating obligations of the respective sibling companies.

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

Ohio

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

Attached hereto as Exhibit A.

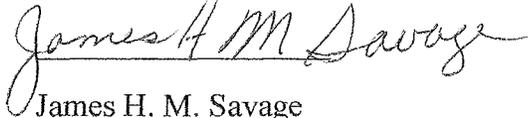
Copy of Agreement: 49 C.F.R.1180.6(a)(7)(ii)

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

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:

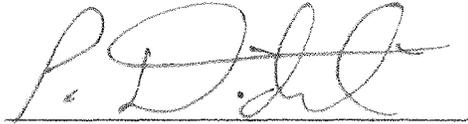


James H. M. Savage
22 Rockingham Court
Germantown, MD 20874
(908) 361-7097
jsavagelaw@aim.com
Counsel for CCET, LLC

Dated: January 21, 2015

VERIFICATION

I, Paul Didelius, declare under penalty of perjury that I am the Owner of CCET, 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.

A handwritten signature in cursive script, appearing to read "P. Didelius", written over a horizontal line.

Paul Didelius
Owner, CCET, LLC

Dated: Jan 19, 2015

EXHIBIT A



Trip to:

Toppenish, WA

4565.41 miles / 71 hours 40 minutes

Notes

POINT A IS ALTURAS, CA (LRY)
POINT B IS WILLIAMSBURG, OH (CLET)
POINT C IS TOPPENISH, WA (YCR)
DISTANCE FROM POINTS A & B
TO POINT C IS APPROX. 2250-2300
MILES



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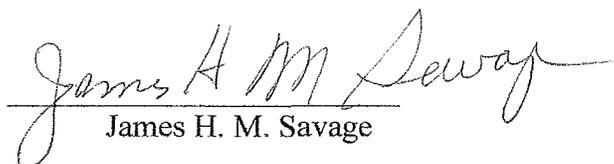
EXHIBIT A

FD - 35904

CERTIFICATION OF SERVICE

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

Aubrey Parsley
Manager, Strategic Planning
Norfolk Southern Corporation
3 Commercial Place, 12th Floor
Norfolk, VA 23510


James H. M. Savage

Dated: January 21, 2015