

JAMES H. M. SAVAGE, ESQ.
22 ROCKINGHAM COURT
GERMANTOWN, MD 20874
jsavagelaw@aim.com

Admitted to Practice
DC & New Jersey

Tel: (908) 361-7097
Fax: (301) 972-5743

January 12, 2021 301438

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 12, 2021
Part of
Public Record

Via E-Filing

**Re: STB Finance Docket No. 36477 Paul Didelius-Continuance in Control Exemption-
RYAL, LLC**

Dear Ms. Brown:

Attached for filing is an original **Continuance in Control Exemption Notice** on behalf of Paul Didelius under 49 CFR 1180.2(d)(2) in the above proceeding. The filing fee has been submitted electronically to Pay.gov.

If you have any questions about these filings, please contact me directly. Thank you for your assistance in this matter.

Respectfully submitted,

/s/ James H. M. Savage
[By electronic signature]
James H. M. Savage
Counsel for Paul Didelius

Attachments

FILED
January 12, 2021
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
January 12, 2021
SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 36477

PAUL DIDEIUS
-CONTINUANCE IN CONTROL-
RYAL, LLC

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 RYAL, 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.¹
2. 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

¹ See, STB Finance Docket No. FD-36476, RYAL, LLC-Application for a Modified Rail Certificate. Filed January 12, 2021.

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.

3. 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.

4. 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.² 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.

5. Additionally, Applicant owns 70% of WRL, LLC (“WRL”), a Class III short line rail carrier organized for the purpose of leasing and operating a line of railroad owned by the Port of Royal Slope, WA (“PRS”), known as the Royal Slope Rail Line.

(i) On May 6, 2016, applicant filed a verified notice for a modified certificate to lease and operate an approximately 26-mile line of rail originating at milepost 1989.06 near Othello, WA, and continuing west to Royal City Jct. (MP 2009), thence north, terminating at MP 5.2, an industrial siding near Royal City, WA. The Line traverses Adams County and Grant County, all within the State of Washington. Being the same rail line forming the subject matter of the present Application. A Decision publishing the notice for a modified certificate was served June 3, 2016 in STB Finance Docket No. 36002, WRL, LLC—Modified Rail Certificate of Public Convenience and Necessity—Adams and Grant Counties, Wash. Applicant concurrently

² 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.

filed a verified notice of exemption to continue in control of WRL upon WRL becoming a Class III rail carrier. A Decision publishing the exemption was served May 16, 2016 in STB Finance Docket No. 36003, Paul Didelius-Continuance in Control Exemption-WRL, LLC.

(ii) On September 3, 2016 applicant filed a verified notice of exemption to acquire from the City of Tacoma Department of Public Works a 34.6 mile rail line known as “Tacoma Rail” between Milepost 33 near Rainier, WA and Milepost 67.6 near Chehalis, WA, and traversing Lewis County and Thurston County, all within the State of Washington. A Decision publishing the exemption notice was served October 14, 2016 in STB Finance Docket No. 36074, WRL, LLC—Acquisition Exemption—City of Tacoma, Department of Public Works.

(iii) On June 30, 2017, applicant filed a verified change in operator exemption notice to assume operation over the 34.6 mile rail line previously acquired by WRL from the City of Tacoma, Department of Public Works dba Tacoma Rail (“Tacoma Rail”), and currently operated by Western Washington Railroad, LLC, pursuant to lease. Said rail line having previously been the subject of STB Finance Docket No. 36074 ((ii)above.) A Decision publishing the exemption notice was served July 14, 2017 in STB Finance Docket No. 36132, WRL, LLC—Change in Operator Exemption—Western Washington Railroad, LLC.

(iv) On August 26, 2019, applicant filed a Verified Notice of Exemption to acquire from the City of Tacoma, Department of Public Works d/b/a Tacoma Rail (“Tacoma Rail”) and operate a 4.4 mile rail line previously operated by Tacoma Rail. The line originates at Milepost 33C north of Rainier, WA and terminates at Milepost 28.6 near McKenna, WA. The line traverses Thurston County and Pierce County, all in the State of Washington. A Decision publishing the exemption notice was served September 20, 2019 in STB Finance Docket No.

36341, WRL, LLC d/b/a Rainier Rail—Acquisition and Operation Exemption—City of Tacoma, Department of Public Works d/b/a Tacoma Rail.

6. Additionally, Applicant owns 100% of CWW, LLC (“CWW”), a Class III short line rail carrier organized for the purpose of leasing and operating a line of railroad owned by the Port of Columbia, WA known as the Dayton Line

(i) On June 30, 2016 applicant filed a verified notice of exemption to lease and operate an approximately 37.1-mile portion of the Dayton Line, between milepost 33.0 near Walla Walla, WA and milepost CT 70.1 at Dayton, WA, and traversing Walla Walla and Columbia Counties, all within the State of Washington. A Decision publishing the exemption was served July 15, 2016 in STB Finance Docket No. 36044, CWW, LLC—Lease and Operation Exemption—Port of Columbia, Wash. Applicant concurrently filed a verified notice of exemption to continue in control of CWW upon CWW becoming a Class III rail carrier. A Decision publishing the exemption was served July 15, 2016 in STB Finance Docket No. 36045, Paul Didelius-Continuance in Control Exemption-CWW, LLC.

(ii) On March 20, 2019, CWW filed a Verified Notice of Exemption to assume operation of approximately 55.56 miles of interconnected railroad lines owned by the Union Pacific Railroad Company (“UP”) and leased by the Palouse River & Coulee City Railroad, LLC (“PCC”) located between (1) milepost 3.76, at Zangar Jct., WA and milepost 33.0 at Walla Walla, WA; and (2) milepost 46.8 at Walla Walla, WA, and milepost 20.48 at Weston, OR. The lines traverse Walla Walla County, WA, and Umatilla County, OR. A Decision publishing the exemption was served April 5, 2019 in STB Finance Docket No. 36276, CWW, LLC—Change in Operator Exemption Assigning Union Pacific Railroad Company Lease with Interchange Commitment—Palouse River & Coulee City Railroad, L.L.C.

(iii) On May 22, 2019, CWW filed a Verified Notice of Exemption to assume operation of approximately 9.7 miles of interconnected railroad line owned by the BNSF Railway Company ("BNSF") and leased by PCC located between milepost 0.6 at Walulla, WA and milepost 4.3 at Zangar Jct., WA; and between milepost 62.01 and milepost 68.01 at Walla Walla, WA. The line traverses Walla Walla County, Wash. A Decision publishing the exemption was served June 7, 2019 in STB Finance Docket No. 36304, CWW, LLC—Change in Operator Exemption Assigning BNSF Railway Company Lease with Interchange Commitment—Palouse River & Coulee City Railroad, L.L.C.

7. 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.

8. The rail properties that will be operated and controlled by Mr. Didelius, namely YCR, CCET and CWW, WRL and RYAL 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 have become Class III short line railroads upon consummation of their respective exemptions. The line RYAL will operate is located in south central Washington State. Applicant attaches a map as Exhibit A depicting the physical separation of RYAL from YCR, WRL and CWW. The line CCET operates is located in southern Ohio.

9. 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: YCR Corporation
Address: 709 N. 10th Ave., Walla Walla, WA 99362
Telephone: (509) 492-3340

Name: CCET, LLC
Address: 709 N. 10th Ave., Walla Walla, WA 99362
Telephone: (509) 492-3340

Name: CWW, LLC
Address: 709 N. 10th Ave., Walla Walla, WA 99362
Telephone: (509) 492-3340

Name: WRL, LLC
Address: 709 N. 10th Ave., Walla Walla, WA 99362
Telephone: (509) 492-3340

Name: RYAL, LLC
Address: 709 N. 10th Ave., Walla Walla, WA 99362
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 February 12, 2021, more than 30 days after the filing date of this exemption notice.

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

RYAL seeks to lease and operate a line of railroad owned by the Port of Royal Slope ("PRS") in Adams and Grant Counties, WA, to continue local service on a

line of railroad formerly known as the Royal Slope Railroad that was acquired by PRS to forestall abandonment.³ RYAL management has decided to form a new LLC to insulate RYAL 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 RYAL, YCR, CCET, CWW and WRL: 49 C.F.R.1180.6(a)(6)

See 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 YCR, CCET, WRL, CWW and RYAL.

11. 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.

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

Submitted By:

/s/ James H. M. Savage

[By electronic signature]

James H. M. Savage

³ A map depicting the Royal Slope Rail Line is attached as Exhibit B to the July 29, 2015 Quitclaim Deeds of Adams and Grant Counties, WA and made part of RYAL's Application for Modified Certificate filed concurrently in STB Finance Docket Number 36476 as Exhibit C.

22 Rockingham Court
Germantown, MD 20874
(908) 361-7097
jsavagelaw@aim.com
Counsel for RYAL, LLC

Dated: January 12, 2021

VERIFICATION

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

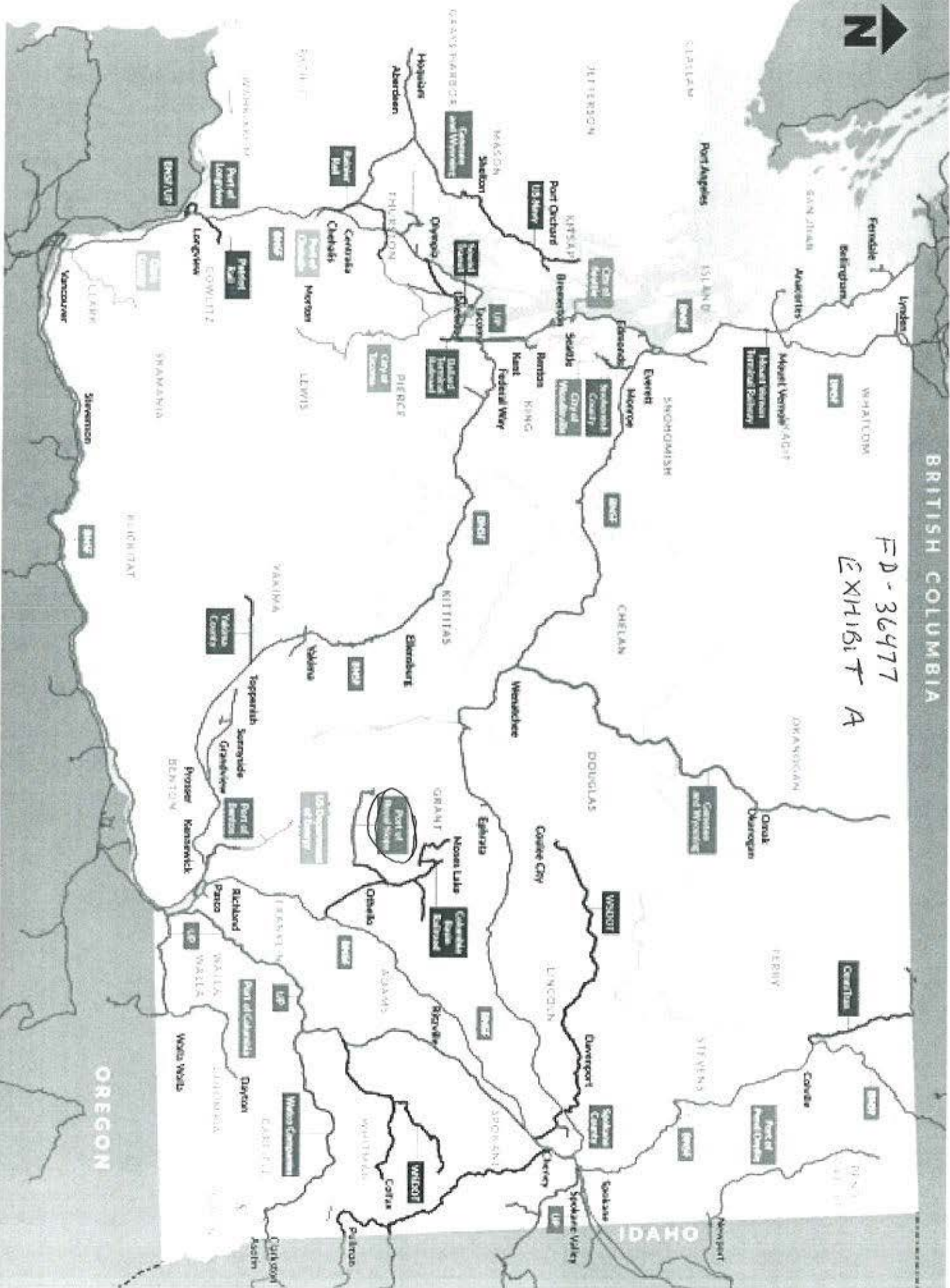
/s/ Paul Didelius
[By electronic signature]

Paul Didelius
Owner, RYAL, LLC

Dated: January 12, 2021

EXHIBIT A

MAP OF WASHINGTON STATE DEPICTING RAIL LINES CWW, YCR, WRL AND RYAL

FD-36477
EXHIBIT A

- Owner**
- BNSF Railway
 - BNSF/UP
 - Ballard Terminal Railroad
 - City of Seattle
 - City of Tacoma
 - City of Woodinville
 - Clark County
 - Columbia Basin Railroad
 - Concrete and Wyeating
 - Mount Vernon Terminal Railway
 - OmniTrax
 - Pacific Rail
 - Port of Benton
 - Port of Chehalis
 - Port of Columbia
 - Port of Langview
 - Port of Fond Orelle
 - Port of Royal Slope
 - Rainier Rail
 - Snohomish County
 - Sound Transx
 - Spokane County
 - US Department of Energy
 - US Navy
 - Union Pacific Railroad (UP)
 - WSDOT
 - Walco
 - Walla Walla County

CERTIFICATION OF SERVICE

I, James H. M. Savage, an attorney-at-law of the District of Columbia, certify that I have served this 12 day of January 2021, by electronic mail a true copy of the within pleading upon the following persons:

Bonnie Valentine
Director
Port of Royal Slope
P O Box 147
4572 Road 13.6 SW
Royal City, WA 99357
bvalentine@portofroyal.com
(509) 346-2317

Chris Ries
Ries Law Firm
1340 E Hunter Pl,
Moses Lake, WA 98837
E-mail: chrisr@rieslawfirm.com
Phone: (509) 765-4437
Counsel for Port of Royal Slope

Steve Salzman
Director- Shortline Development
BNSF Railway Company
2500 Lou Menk Drive
Fort Worth, TX 76131
E-mail: Steven.Salzman@BNSF.com
Office: (817) 352-6012

Todd Leinbach, CFO
Columbia Basin Railroad
111 University Parkway, Suite 200
Yakima, WA 98901
E-mail: tleinbach@cbrr.com
Phone: (509) 834-2532

/s/ James H. M. Savage
[By electronic signature]
James H. M. Savage
22 Rockingham Court
Germantown, MD 20874
(908) 361-7097

jsavagelaw@aim.com
Counsel for RYAL, LLC