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SERVICE DATE – JANUARY 15, 2010

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 35336]

YCR Corporation —Modified Rail Certificate—in Yakima County, WA

On December 16, 2009, YCR Corporation (YCR),¹ a noncarrier, filed a notice for a modified certificate of public convenience and necessity under 49 CFR 1150, Subpart C, Modified Certificate of Public Convenience and Necessity, to lease and operate a line of railroad between Wesley Junction at milepost 0.0² at Toppenish and milepost 20.56 near White Swan, and an additional 1.63 miles of industrial spur near White Swan,³ for a total distance of 22.19 miles, in Yakima County, WA.

The line was authorized for abandonment by the Board's predecessor agency, the Interstate Commerce Commission (ICC), in Washington Central Railroad Company, Inc.—Abandonment Exemption—in Yakima County, WA, Docket No. AB-326X (ICC served Aug. 24, 1992). Although authorized for abandonment, the line was subsequently acquired by the State of Washington pursuant to an offer of financial assistance in Washington Central Railroad Company, Inc.—Abandonment Exemption—in Yakima County, WA, In the Matter of an Offer of Financial Assistance, Docket No. AB-326X

¹ YCR is a profit corporation formed under the laws of the State of Washington.

² There is an interline connection with BNSF Railway Company (BNSF) at BNSF milepost 73.6 at Toppenish.

³ On December 17, 2009, YCR filed an amendment to its application to correct the description of the line to include 1.63-mile spur in the description in this notice.

(ICC served March 18, 1993) and, according to YCR, transferred to the County of Yakima (the County). Previously, the line was operated by two other carriers under modified rail certificates.⁴

Pursuant to a lease agreement, YCR, as lessee, and the County, as owner, have agreed that YCR will commence freight rail operation on or after December 21, 2009, for a term of 10 years, which may be extended, upon the occurrence of certain conditions, for an additional 5 years. Under the agreement, the parties may terminate the lease earlier upon the occurrence of certain events (i.e., a final and non-appealable order by the Board, court, or other administrative agency that terminates YCR's authority or ability to provide rail freight services on the line). As operator of the line, YCR will provide rail freight service over the line's only interline connection with BNSF at BNSF milepost 73.6, at Toppenish.⁵

This transaction is related to the verified notice of exemption filed in STB Finance Docket No. 35337, Paul Didelius—Continuance in Control Exemption—YCR

⁴ The Yakima Valley Rail and Steam Museum Association d/b/a Toppenish, Simcoe & Western Railroad (YVR) was issued a modified rail certificate to operate the line in Yakima Valley Rail and Steam Museum Association, d/b/a Toppenish, Simcoe & Western Railroad—Modified Rail Certificate, Finance Docket No. 32487 (ICC served Apr. 28, 1994). YCR states that YVR's lease with the County was terminated on December, 31, 2005. Shortly thereafter, the Central Washington Railroad Company and Columbia Basin Railroad Company, Inc. (CWA/CBRC), was issued a modified certificate to operate the line in Central Washington Railroad Company and Columbia Basin Railroad Company, Inc.—Modified Rail Certificate, STB Finance Docket No. 34804 (STB served Jan. 4, 2006). YCR states that CWA/CBRC's lease with the County was terminated on December 20, 2009. On December 21, 2009, YCR became the operator of the line.

⁵ In its December 17, 2009 amendment to its application, YCR also advises the Board that it intends to enter into an interchange agreement with BNSF, imposing no interchange commitment. YCR states that it will advise the Board in the event that the final interchange agreement differs from what is represented here

Corporation (STB served Dec. 31, 2009), wherein Paul Didelius seeks to continue in control of YCR, upon YCR becoming a Class III rail carrier.

The rail segment qualifies for a modified certificate of public convenience and necessity. See Common Carrier Status of States, State Agencies and Instrumentalities and Political Subdivisions, Finance Docket No. 28990F (ICC served July 16, 1981).

YCR states that no subsidy is involved and that there are no preconditions for shippers to meet in order to receive rail service. YCR also states that the agreement requires it to obtain liability insurance coverage.

This notice will be served on the Association of American Railroads (Car Service Division) as agent for all railroads subscribing to the car-service and car-hire agreement at 50 F Street, N.W., Washington, DC 20001; and on the American Short Line and Regional Railroad Association at 50 F Street, N.W., Suite 7020, Washington, DC 20001.

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Decided: January 12, 2010.

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