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ENTERED
Office of Proceedings
March 20, 2019

March 20, 2019

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Part of
Public Record

RE: Docket No. FD 36276 CWW, LLC-Change in Operator Exemption Assigning Union Pacific Railroad Company Lease with Interchange Commitment—Palouse River & Coulee City Railroad, L.L.C.

Dear Ms. Brown:

Enclosed for filing are an original and ten copies of the **Verified Notice of Exemption of CWW, LLC, pursuant to 49 CFR § 1150.41** in the above-captioned proceeding. I am also enclosing a check for \$2,000.00 representing the filing fee, and a complete copy of the filing in MS Word format on a CD-RW disc. *AND 20 COPIES OF EXHIBIT A MAP. JHS*

A duplicate copy of this letter should be stamped with the filing date and returned to the bearer. Please contact the undersigned by telephone at (908) 361-7097 or by email to jsavagelaw@aim.com with any questions regarding this filing.

Respectfully submitted,

James H M Savage
James H. M. Savage
Attorney for CWW, LLC



Enc.

FEE RECEIVED

March 20, 2019
SURFACE

TRANSPORTATION BOARD

FILED
March 20, 2019
SURFACE

TRANSPORTATION BOARD

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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.**

VERIFIED NOTICE OF EXEMPTION

PURSUANT TO 49 CFR § 1150.41

Submitted By:

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

Counsel for Applicant
CWW, LLC



Dated: March 20, 2019

INFORMATION REQUIRED BY 49 CFR 1150.41(c)

Pursuant to 49 CFR § 1150.41, et seq., CWW, LLC (“CWW”), an existing Class III common carrier,¹ hereby files this Verified Notice of Exemption to assume operation of approximately 55.56 miles of interconnected railroad line owned by the Union Pacific Railroad Company (“UP”) and currently leased by the Palouse River & Coulee City Railroad, L.L.C. (“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 “Rail Lines”). Based on projected combined revenues from its existing operations and those that would result from the proposed transaction, CWW expects to remain a Class III rail carrier.

In accordance with the requirements of 49 CFR § 1150.43, CWW supplies the following information:

Name and Address of Applicant:

49 CFR § 1150.43(a)

CWW, LLC
1104 Dell Ave
Walla Walla, WA 99362

Applicant's Representative:

49 CFR § 1150.43(b)

Applicant's representative to whom correspondence regarding this transaction should be sent as follows:

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

Statement Concerning Agreement:

49 CFR § 1150.43(c)

¹ See: Finance Docket No. 36044, CWW, LLC-Lease and Operation Exemption-Port of Columbia, Wash. (Service Date: July 15, 2016).

Currently, the Rail Lines are operated by PCC pursuant to the terms of a lease agreement between UP and Blue Mountain Railroad, Inc. (“BLMR”) dated November 18, 1992 (“1992 Lease”). Board authorization of the 1992 Lease was obtained pursuant to Verified Notice of Exemption filed in Blue Mountain R.R.—Lease, Acquis. & Operation Exemption—Union Pac. R.R., Finance Docket No. 32193 (ICC served Dec. 1, 1992). BLMR was absorbed into PCC under a transaction evidenced by Watco Co.—Corporate Family Transaction Exemption, Finance Docket No. 33898 (STB served July 24, 2000). In accordance with 49 CFR § 1150.43(h)(1)(vi), a confidential version of the 1992 Lease is supplied to the Board under separate cover.

On December 20, 2018, PCC filed an exemption notice seeking authority to discontinue service over the Rail Lines. See Palouse River & Coulee City Railroad, LLC-Discontinuance of Service Exemption-in Walla Walla County, Wash., and Umatilla County, Or., Docket No. AB-570 (Sub. No. 4X). On February 7, 2019, the Board instituted an exemption proceeding providing notice that a final Decision will be issued by April 9, 2019. PCC has advised CWW that it will withdraw its discontinuance exemption upon the Board approving this proceeding and upon CWW and UP consummating their transaction.

CWW advises the Board that it is entering into an Assignment Agreement with UP and PCC pursuant to which the 1992 UP-BLMR Lease together with Exhibit C thereto, the UP-BLMR Interchange Agreement, is being assigned to CWW; with CWW to accept all of PCC’s obligations thereunder except as specifically set forth therein.

Operator of the Property:

49 CFR § 1150.43(d)

As anticipated by this Notice, and as described in the transaction summary provided below, CWW will continue to hold itself out to provide common carrier rail freight service over

the Rail Lines in place of PCC, so that, upon consummation of the proposed transaction, PCC will be relieved of any further common carrier obligation with respect to the Rail Lines.

Brief Summary of Transaction:

49 CFR § 1150.43(e)

This exemption involves the change in operator by CWW, an existing Class III short line railroad carrier, upon this exemption taking effect, of certain Rail Lines owned by UP and which had previously been leased to BLMR and operated by PCC.

(1) Name and address of incumbent railroad.

Palouse River and Coulee City Railroad, L.L.C.
315 West 3rd Street
Pittsburg, KS 66762

(2) Proposed time schedule for consummation of transaction.

CWW plans to commence operations on or after April 8, 2019, more than thirty days after the filing of this Notice.

(3) Mileposts of the subject property.

CWW intends to assume operation of interconnected railroad line owned by UP 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.

(4) Total Route Miles.

CWW intends to assume operation of rail property comprising a total of 55.56 route miles.

Map of Area to be Served:

49 CFR § 1150.43(f)

A map clearly indicating the area to be served, including origins, termini, stations, cities, and states, is attached as Exhibit A to this notice.

Certificate of Carrier Classification:

49 CFR § 1150.43(g)

A certificate complying with the provisions of 49 CFR 1150.43(g) is attached as Exhibit B to this notice. Accordingly, the advance notice requirements of 49 CFR 1150.42(e) are not applicable to this transaction.

Transactions Imposing Interchange Commitments:

49 CFR § 1150.43(h)

(i) The Lease Agreement being assigned to CWW contains an interchange commitment that charges CWW an Interchange Charge for carloads that originate or terminate on the Line that are not interchanged to UP. The affected interchange point is Zangar Jct., WA;

(ii) The Lease Agreement containing the interchange commitment at Section 4.03 is being filed confidentiality with the Board in accordance with the provisions of 49 C.F.R. §§ 1150.43(h)(l)(ii) and 1104.14(a);

(iii) The shippers who currently use or have used the Line within the last two calendar years are as follows: Americold, Brown & Sons, Cliffstar Corporation, Ferrell Gas, Garrett Packing Co., Mountain Oil, Northwest Grain Growers, Seneca Foods, Smith Frozen Foods, Stubblefield Co, Victory Energy, and Koncrete Industries;

(iv) The aggregate number of carloads originated or terminated on the Line during the last two years by the shippers identified in the preceding section is being filed confidentiality with the Board in accordance with the provisions of 49 C.F.R. §§ 1150.43(h)(l)(iv) and 1104.14(a);

(v) CWW certifies that it has provided notice of the proposed transaction and interchange commitment to the shippers identified in subsection (iii) as further evidenced in Exhibit B;

(vi) Upon commencement of operations under the Lease Agreement and subject to the interchange commitment terms thereof, CWW could physically interchange with either UP or BNSF Railway, Inc.

(vii) The Interchange Charge information is being filed confidentially with the Board in accordance with the provisions of 49 C.F.R. §§ 1150.43(h)(1)(vii) and 1104.14(a).

(viii) The case caption reflects the existence of an interchange commitment.

Caption Summary:

49 CFR § 1150.44

A caption summary in prescribed form is attached as Exhibit C to this Notice.

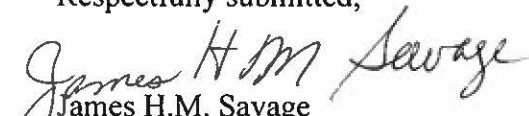
Environmental and Historic Preservation Data:

49 CFR § 1105

Under 49 CFR § 1105.6(c)(2), the proposed transaction is exempt from environmental reporting requirements. The proposed transaction will not result in significant changes in carrier operations, i.e., changes exceeding the thresholds established in 49 CFR § 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 49 CFR § 1105.8(b)(1). The proposed lease is for the purpose of continued rail operations, further Board approval would be required to abandon or discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Respectfully submitted,


James H.M. Savage
Counsel for CWW, LLC

Dated: March 20, 2019

EXHIBIT A

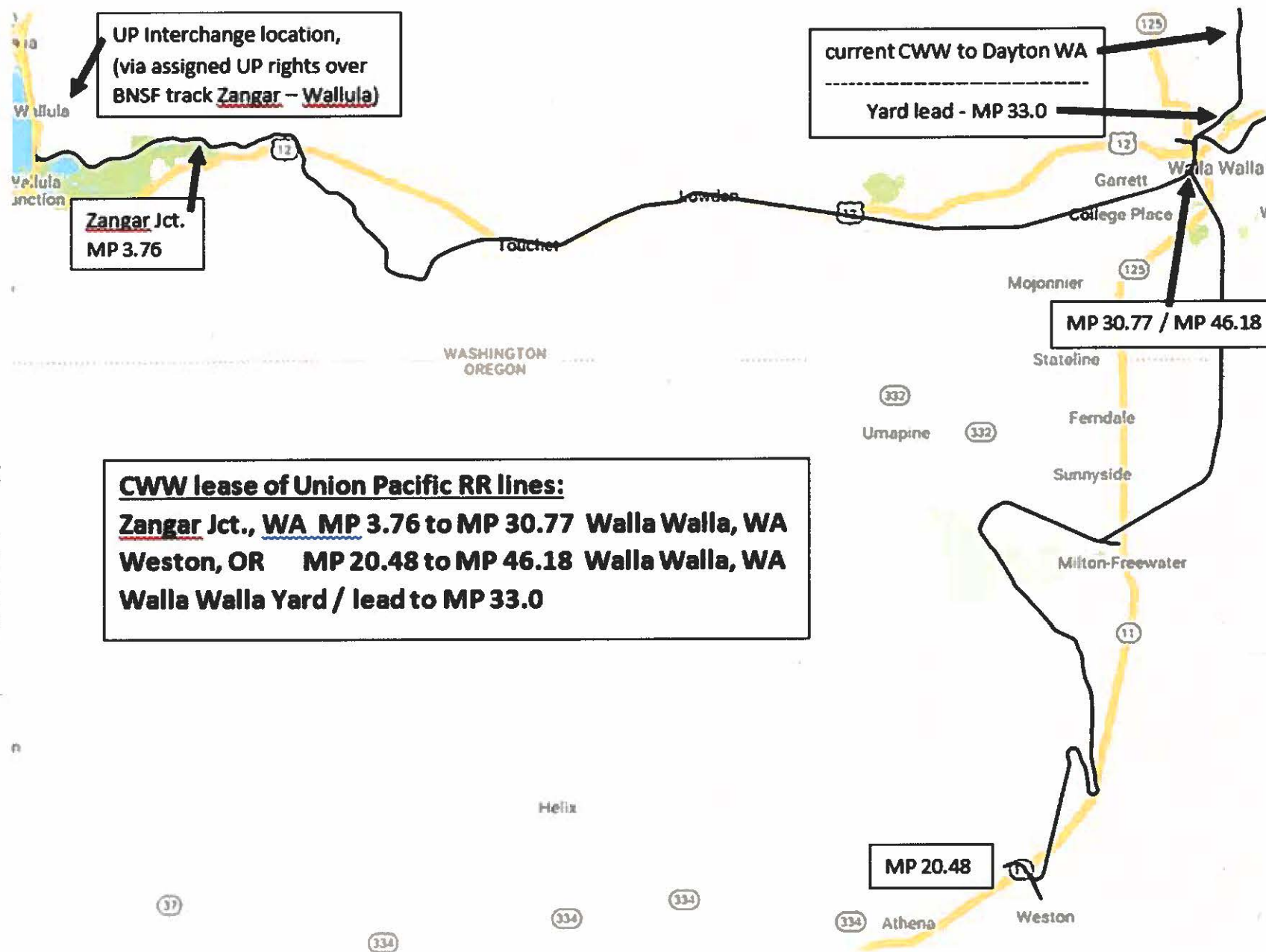


Exhibit B Verification & Certification of Carrier Classification 9 CFR § 1150.41(c)

I, Paul Didelius, certify that I am the owner of CWW, LLC and that applicant's projected annual revenues would not exceed \$5 million and will not result in the creation of a Class II or Class I rail carrier under the provisions of 49 CFR § 1211 (11).

I further hereby certify that CWW has provided, under cover of counsel's attached letter, notice of the proposed transaction and interchange commitment to shippers that currently use or have used in the prior two (2) years the rail lines 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 which are the subject of this proceeding.

I also verify that the Change in Operator Exemption Notice is true and correct to the best of my knowledge and belief.

Dated: Mar 12, 2019



Paul Didelius

March 20, 2019
VIA U.S. MAIL
[SHIPPER ADDRESS]

RE: Docket No. FD 36276 CWW, LLC-Change in Operator Exemption Assigning Union Pacific Railroad Company Lease with Interchange Commitment—Palouse River & Coulee City Railroad, L.L.C.

Dear Sir/Madam:

As a shipper on the rail lines described herein, and in accordance with 49 C.F.R. § 1150.43(h)(l)(v), this letter serves as notification that CWW, LLC (“CWW”) and Union Pacific Railroad Company (“UP”) have agreed to a change in operator assigning the lease from UP to CWW of the rail lines from milepost 3.76, at Zangar Jct., WA and milepost 33.0 at Walla Walla, WA; and from milepost 46.8 at Walla Walla, WA, and milepost 20.48 at Weston, OR, a total distance of 55.56 miles. The lease from UP to CWW contains an interchange commitment under which Interchange Charges for the Line are imposed if CWW interchanges rail traffic originating or terminating on the Rail Lines with a railroad other than UP.

CWW will be filing a Notice of Exemption for a change in operator at the Surface Transportation Board in Docket No. FD 36276.

Sincerely,
James H. M. Savage
Attorney for the CWW, LLC

SURFACE TRANSPORTATION BOARD*Verified Notice of Exemption***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.**

CWW, LLC has filed a Verified Notice of Exemption under 49 C.F.R. § 1150.41 to assume operation of railroad property owned by the Union Pacific Railroad Company ("UP") and currently leased by the Palouse River & Coulee City Railroad, L.L.C. 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 Lease Agreement being assigned to CWW by UP contains an interchange commitment. CWW expects to consummate the proposed transaction on or shortly after the effective date of this notice of exemption.

Comments must be filed with the Board and served on Applicant's representative, James H. M. Savage, 22 Rockingham Court, Germantown, MD 20874. The telephone number of Applicant's representative is (908) 361-7097.

This notice is filed under 49 CFR § 1150.41. If the 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 transaction.

Dated: _____

By the Board

CERTIFICATION OF SERVICE

I, James H. M. Savage, an attorney-at-law of the District of Columbia, certify this 20th day of March 2019:

1. I have served by First Class mail a true copy of the within pleading upon the following entities:

Karl Morell 440 First St., NW, Suite 440 Washington, DC 20001	Victory Energy 10701 E. 126th Street North Collinsville, OK 74021
Brown & Sons 605 Lamb St., P.O. Box 249 Milton-Freewater, OR 97862	Koncrete Industries 502 N 13th Ave. Walla Walla, WA 99362
Cliffstar Corporation 1164 Dell Avenue Walla Walla, WA 99362	Northwest Grain Growers P.O. Box 310 Walla Walla, WA 9936
Ferrell Gas 204 Avery St. Walla Walla, WA 99362	Seneca Foods P.O. Box 100 Dayton, WA 99328
Garrett Packing Co. 11 NW Fourth Ave. Milton-Freewater, OR 97862	Smith Frozen Foods 101 E. Depot Street Weston, OR 97886
Americold 1115 W Rose Street Walla Walla, WA 99362	Stubblefield Co. 116 N 11th Ave. Walla Walla, WA 99362
Mountain Oil 1205 N. 11th Street Walla Walla, WA 99362	


James H. M. Savage
Attorney for CWW, LLC