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October 24, 2024
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BEFORE THE
SURFACE TRANSPORTATION BOARD

FD 36816

PAUL DIDEIUS, CWW LLC, AND KET LLC —
INTRA-CORPORATE FAMILY TRANSACTION EXEMPTION

**VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 C.F.R. § 1180.2(d)(3)**

Robert A. Wimbish
Fletcher & Sippel LLC
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**ATTORNEY FOR PAUL DIDEIUS, CWW
LLC AND KET LLC**

Dated: October 24, 2024

FILED
October 24, 2024
SURFACE
TRANSPORTATION BOARD

FEE RECEIVED
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Paul Didelius (“Didelius”), a non-carrier individual, and CWW LLC (“CWW”) and KET LLC (“KET”) – each LLC a Didelius-controlled railroad common carrier (CWW and KET, collectively, “CWW/KET”) – hereby invoke the class exemption at 49 C.F.R. § 1180.2(d)(3) to engage in an intra-corporate family transaction pursuant to which CWW and KET will consolidate, with CWW emerging as the surviving carrier. Didelius controls CWW and KET along with other Class III railroad carriers.¹ The proposed CWW-KET merger – the intra-corporate family transaction that is the subject of the present proceeding – will not result in adverse changes in service levels, significant operational changes, or a change in the competitive balance with carriers outside the corporate family, thus satisfying the class exemption criteria set forth at Section 1180.2(d)(3).

¹ *Paul Didelius — Continuance in Control Exemption — Rainier Rail LLC*, FD 36659, *et al.* (STB served May 1, 2023) (“*Didelius – Control*”). However, CCET LLC, one of the carriers listed in *Didelius – Control* no longer exists, and the successor railroad is no longer under Didelius’ control. See *Paul Didelius and CCET LLC – Intra-Corporate Family Transaction Exemption – Cincinnati Eastern Railroad LLC*, FD 36782 (STB served June 14, 2024); and *3I Holdings GP LLC, et al. – Control Exemption – Cincinnati Eastern Railroad LLC*, FD 36783 (STB served June 14, 2024). Additionally, YCR Corporation, another Didelius Class III carrier holding, recently has filed a notice of intent to terminate its current modified certificate common carrier status in *YCR Corporation — Modified Rail Certificate — in Yakima County, Wash.*, FD 35336 (filed October 17, 2024).

In accordance with 49 C.F.R. § 1180.4(g), Didelius and CWW/KET submit the following information:

Description of Proposed Transaction: 49 C.F.R. § 1180.6(a)(1)(i)

Didelius has arranged for CWW and KET to merge under an “Articles of Merger” that is not yet finalized. Under the Articles of Merger, CWW will be the surviving carrier entity.

The full names and address of CWW and KET are:

CWW LLC
KET LLC
709 10th Ave.
Walla Walla, Washington 99362

Questions should be sent to the Applicants’ representative:

Robert A. Wimbish
Fletcher & Sippel LLC
29 North Wacker Drive, Suite 800
Chicago, Ill. 60606-3208
(312) 252-1500
rwimbish@fletcher-sippel.com

Proposed Schedule for Consummation: 49 C.F.R. § 1180.6(a)(1)(ii)

CWW/KET intend to consummate their merger on or after the effective date of the present class exemption.

Purpose: 49 C.F.R. § 1180.6(a)(1)(iii)

Merger will promote efficiencies within the Didelius corporate family of short line railroads by reducing duplicative corporate and administrative functions and related overhead costs.

States in Which Property of Applicants is Located: 49 C.F.R. § 1180.6(a)(5)

CWW — Washington
KET — Washington

Maps - Exhibits A: 49 C.F.R. § 1180.6(a)(6)

Exhibit A is a system map showing the location of the Didelius-controlled rail carriers, including CWW and KET.

Agreement– Exhibit B: 49 C.F.R. § 1180.6(a)(7)(ii)

Exhibit B is a working draft of the Articles of Merger.

Labor Protective Conditions: 49 C.F.R. § 1180.4(g)(1)(i)

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. 49 U.S.C. § 11326(c), however, does not provide for labor protection for transactions under §§ 11324 and 11325 that involve only Class III rail carriers. The Board may not impose labor protective conditions here, because the involved railroads are Class III carriers.

Environmental and Historic Preservation Matters: 49 C.F.R. § 1180.4(g)(3)

Under 49 C.F.R. § 1105.6(c)(2)(i) and (ii), the proposed intra-corporate family transaction is exempt from environmental reporting requirements. The merger would not result in changes that exceed the 49 C.F.R. § 1105.7(e)(4) or (5) thresholds.

Also, under 49 C.F.R. § 1105.8(b)(3), the merger is exempt from historic preservation reporting requirements. The merger would not substantially change the level of maintenance of any railroad property.

Interchange Commitments: 49 C.F.R. § 1180.4(g)(4)

The Articles of Merger to govern the proposed transaction contains no interchange commitment triggering the additional reporting requirements of Section 1180.4(g)(4).

Respectfully submitted,

R. A. Wimbish

Robert A. Wimbish

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**ATTORNEY FOR PAUL DIDEIUS, CWW LLC,
AND KET LLC**

Dated: October 24, 2024

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SURFACE TRANSPORTATION BOARD**

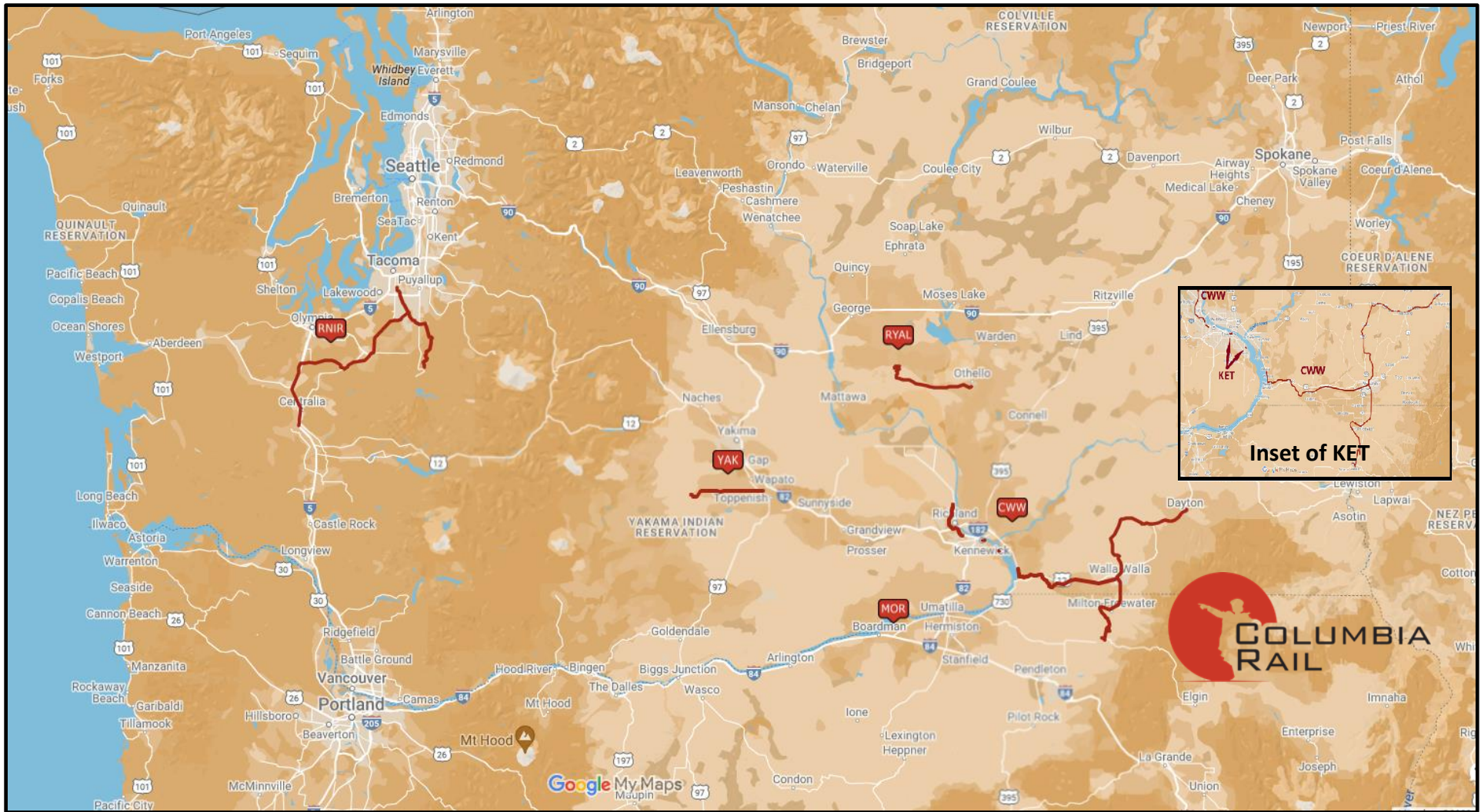
FD 36816

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EXHIBIT A

MAPS OF DIDEIUS RAILROADS

Columbia Rail Group – Washington State and Oregon – 250 miles operated



Interchanges –

RNIR: Centralia (BNSF), Chehalis / Lakeside (UP)

CWW: Wallula (BNSF and UP)

YAK: Toppenish (BNSF)

RYAL: Othello, via CBRW to BNSF (Connell)



www.rainier-rail.com

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offices Walla Walla and Richland WA

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EXHIBIT B

**AGREEMENT —
ARTICLES OF MERGER (DRAFT)**

ARTICLES OF MERGER OF

KET LLC

with and into

CWW LLC

This is an Articles of Merger between **KET LLC**, a Washington limited liability company (“**KET**”) and **CWW LLC**, a Washington limited liability company (“**CWW**”).

ARTICLE 1 ARTICLE OF REORGANIZATION

Articles Adopted

1.01. An Articles of Merger of KET and CWW under the provisions of the Revised Code of Wash. (“RCW”) 25.15.426 and Section 368(a)(1)(A) of the Internal Revenue Code, is adopted as follows:

(a) **KET (Merging Company)** shall merge into CWW to exist and be governed by the State of Washington law, RCW 25.15;

(b) The **Surviving Company** shall be CWW LLC, governed by the State of Washington law, RCW 25.15;

Effective Date

1.02. The Effective Date of the merger shall be the date of filing of the Articles of Merger pursuant to RCW 25.15.426, upon or following the effective date of the intra-corporate family transaction class exemption filed with the Surface Transportation Board in FD ____.

ARTICLE 2 APPROVAL

Submission to Shareholders and Filing

2.01 This Articles of Merger has been submitted for approval to the members of the constituent limited liability companies in a manner consistent with the State of Washington law, RCW 25.15, and has been approved.

ARTICLE 3
GOVERNING STATUTE

Controlling Law

3.01. The validity, interpretation, and performance of this Articles of Merger shall be governed by, construed, and enforced in accordance with the State of Washington law, RCW 25.15, and in accordance with Title 49 of the United States Code.

SIGNATURE PAGE TO FOLLOW

Adopted as of _____, 2023 by the undersigned, constituting all of the members.

PAUL DIDEIUS, Member
KET LLC and CWW LLC

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VERIFICATION

VERIFICATION

I, Paul Didelius, a Governor (Member and Manager) of CWW LLC and KET LLC, verify under penalty of perjury that the foregoing intra-corporate family transaction notice of exemption is true and correct to the best of my knowledge.

Dated: 10-24-2021



Paul Didelius