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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[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.

CWW, LLC (CWW), a Class III rail carrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.41 to assume operation of approximately 55.56 miles of interconnected railroad line owned by the Union Pacific Railroad Company (UP) and currently leased and operated by the Palouse River & Coulee City Railroad, L.L.C. (PCC), located between: (1) milepost 3.76, at Zangar Jct., Wash., and milepost 33.0 at Walla Walla, Wash.; and (2) milepost 46.8 at Walla Walla and milepost 20.48 at Weston, Or. (the Line).

PCC has been operating over the Line pursuant to a 1992 lease agreement.¹ CWW states that it is entering into an Assignment Agreement with UP and PCC pursuant to which the 1992 lease is being assigned to CWW. Upon consummation of the transaction, CWW will provide common carrier rail service in place of PCC.²

¹ The lease was originally between UP and Blue Mountain Railroad, Inc. (BMR). See Blue Mountain R.R.—Lease, Acquis. & Operation Exemption—Union Pac. R.R., FD 32193 (ICC served Dec. 1, 1992). In 2000, BMR was merged into PCC. See Watco Co.—Corporate Family Transaction Exemption, FD 33898 (STB served July 24, 2000).

² On December 20, 2018, PCC filed a petition under 49 U.S.C. § 10502 for exemption from the prior approval requirements of 49 U.S.C. § 10903 to discontinue its
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CWW notes that the 1992 lease agreement being assigned to it contains an interchange commitment with UP.³ CWW has provided additional information regarding the interchange commitment as required by 49 C.F.R. § 1150.43(h).

CWW certifies that its projected annual revenues as a result of the transaction will not result in the creation of a Class II or Class I carrier and will not exceed \$5 million.

Under 49 C.F.R. § 1150.42(b), a change in operator requires that notice be given to shippers. CWW certifies that it has provided notice of the proposed transaction and interchange commitment to shippers that currently use or have used the Line in the last two years.

The earliest this transaction may be consummated is April 19, 2019 (30 days after the verified notice was filed).

If the verified 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 effectiveness of the exemption. Petitions for stay must be filed no later than April 12, 2019 (at least seven days before the exemption becomes effective).

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lease operations over the Line in Docket No. AB 570 (Sub-No. 4X). The Board instituted an exemption proceeding in that docket on February 7, 2019. CWW's verified notice here states that PCC has advised CWW that it will withdraw that petition for exemption "upon the Board approving this proceeding and upon CWW and UP consummating their transaction. (CWW Verified Notice 4.)

³ A copy of the 1992 lease agreement with the interchange commitment was submitted under seal with the verified notice. See 49 C.F.R. § 1150.43(h)(1).

An original and 10 copies of all pleadings, referring to Docket No. FD 36276, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on CWW's representative, James H. M. Savage, 22 Rockingham Ct., Germantown, MD 20874.

According to CWW, this action is excluded from environmental review under 49 C.F.R. § 1105.6(c) and from historic preservation reporting requirements under 49 C.F.R. § 1105.8(b)(1).

Board decisions and notices are available at www.stb.gov.

Decided: April 2, 2019.

By the Board, C. Davis, Acting Director, Office of Proceedings.