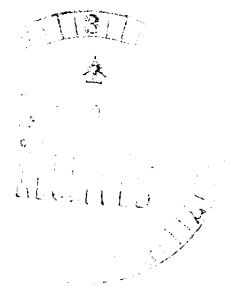


213726

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB Finance Docket No. 34677

EAST PENN RAILWAYS, INC.
-ACQUISITION EXEMPTION-SOUTHEASTERN
PENNSYLVANIA TRANSPORTATION AUTHORITY

ORIGINAL

ORIGINAL

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 AND 49 CFR 1150.41

Office of Public Records

NOTICE OF ACQUISITION OF RAIL LINE

Public Records

Respectfully submitted,

ORIGINAL

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for East Penn
Railways, Inc.

Dated: April 8, 2005

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34677

EAST PENN RAILWAYS, INC.
-ACQUISITION EXEMPTION-SOUTHEASTERN
PENNSYLVANIA TRANSPORTATION AUTHORITY

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 AND 49 CFR 1150.41

NOTICE OF ACQUISITION OF RAIL LINE
INFORMATION REQUIRED BY 49 CFR 1150.43

Name and address of applicant **49 CFR 1150.43(a)**

East Penn Railways, Inc.
1973 Wellington Drive
Suite One
Langhorne, PA 19047

Applicant's representative **49 CFR 1150.43(b)**

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Statement that an agreement has been reached **49 CFR 1150.43(c)**

An agreement has been reached whereby East Penn Railways,
Inc. (East Penn) has agreed to purchase from the Southeastern
Pennsylvania Transportation Authority (SEPTA)¹ a segment of track

¹ The address for SEPTA is 1234 Market Street, 5th Floor, Philadelphia, PA 19107-3780.

that is currently owned by SEPTA and operated by East Penn under a modified certificate of public convenience and necessity.²

Operator of the property

49 CFR 1150.43(d)

In all cases anticipated by this Notice, and as described in the transaction summary described below, East Penn will hold itself out to provide common carrier rail freight service over the subject rail line.

Brief summary of the transaction

49 CFR 1150.43(e)

East Penn, an existing class III rail carrier, proposes to purchase, and SEPTA proposes to sell, a portion of rail line known as the Octoraro Branch (also referred to as Line 142), extending for approximately 27.51 miles between milepost 26.98 at Chadds Ford Junction, Pennsylvania, and milepost 54.49 at the Pennsylvania/Maryland state line near Sylmar, Maryland. East Penn proposes to consummate the transaction on or about April 20, 2005.

As indicated above, East Penn already operates over SEPTA's line pursuant to a modified certificate of public convenience and necessity.

² See East Penn Railways, Inc.-Modified Certificate, (STB Finance Docket No. 34618) (decision served Dec. 21, 2004).

This transaction qualifies for a class exemption under 49 CFR 1150.41 et seq. because it involves the purchase of an active rail line by an existing class III short line rail carrier.³

Map indicating the area to be served **49 CFR 1150.43(f)**

A map depicting the line to be acquired and operated is attached as Exhibit A.

Certificate of carrier classification **49 CFR 1150.43(g)**

East Penn hereby certifies that, with this acquisition and any related transactions, its projected annual revenues will not exceed \$5,000,000 annually. A certificate complying with the provisions of 49 CFR 1150.43(g) is attached hereto as Exhibit B to this notice.

Labor protection

Under 49 U.S.C. 10902 the imposition of labor protective conditions is not authorized for a class III acquisition, and thus none should be imposed on this transaction.

³ Concurrently with this filing, East Penn is filing notices in two separate proceedings to acquire segments of track connecting to the subject line. See East Penn Railways, Inc.-Acquisition And Operation Exemption-ISG Railways, Inc., STB Finance Docket No. 34678; East Penn Railways, Inc.-Acquisition and Operation Exemption-Reading Company, STB Finance Docket No. 34679.

Caption summary

49 CFR 1150.44

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

Environmental and Historic Preservation Data

49 CFR 1105

Pursuant to 49 CFR 1105.6(c)(2), the proposed transaction is exempt from environmental review under 49 CFR 1105(c)(2)(i) because the actions proposed herein will not cause any operating changes that exceed the thresholds established in 1105.7(e)(4) or (5).

In addition, this transaction is exempt from historic review under 1105.8(b)(1). Under this section, a sale lease or transfer of a rail line is exempt if rail operations will continue. Further Board approval is required for the parties to abandon service, and there are no plans to dispose of or alter the properties subject to Board jurisdiction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. D. Heffner", with a long horizontal flourish extending to the right.

John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

Counsel for East Penn
Railways, Inc.

Dated: April 8, 2005

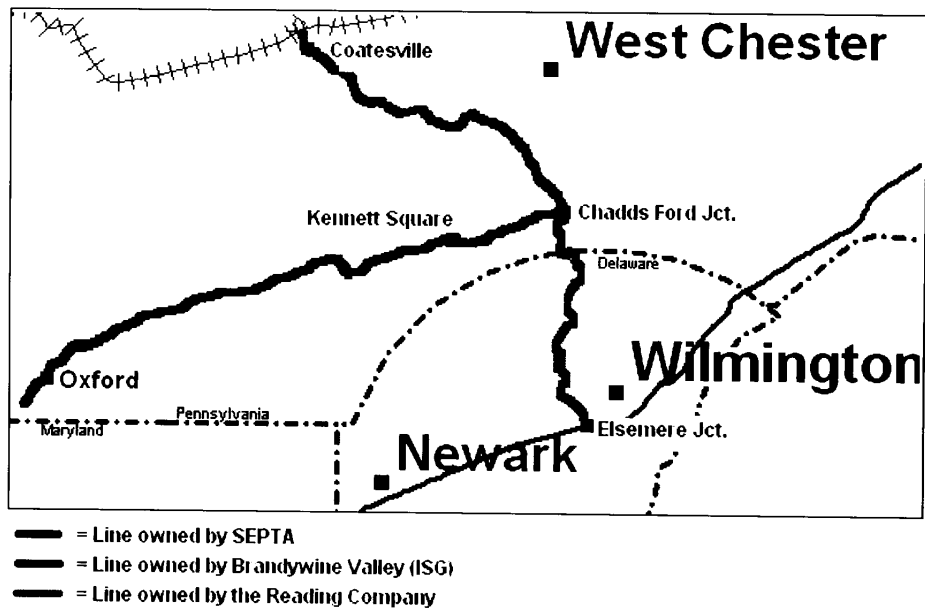


EXHIBIT B

CERTIFICATION

I, John Nolan, an officer of East Penn Railways, Inc. ("EPRY") hereby certify under penalty of perjury that the projected annual revenues of EPRY, in the aggregate, will not exceed \$5,000,000, and that EPRY will be a Class III rail carrier as set forth at 49 CFR 1201 (1-1) (a). Further, I certify that I am qualified and authorized to make this certification on behalf of EPRY.

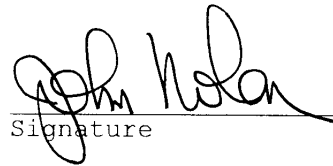

Signature

EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 34677

EAST PENN RAILWAYS, INC.
-ACQUISITION EXEMPTION-SOUTHEASTERN
PENNSYLVANIA TRANSPORTATION AUTHORITY

VERIFIED NOTICE OF EXEMPTION
PURSUANT TO 49 U.S.C. 10902 AND 49 CFR 1150.41

NOTICE OF ACQUISITION OF RAIL LINE

East Penn Railways, Inc. (East Penn), an existing class III short line railroad, has filed a Verified Notice of Exemption under 49 CFR 1150.41 to acquire from the Southeastern Pennsylvania Transportation Authority (SEPTA) a segment of track that is currently owned by SEPTA and operated by East Penn under a modified certificate of public convenience and necessity. The subject line known as the Octoraro Branch (also referred to as Line 142), extends for approximately 27.51 miles between milepost 26.98 at Chadds Ford Junction, Pennsylvania, and milepost 54.49 at the Pennsylvania/Maryland state line near Sylmar, Maryland. East Penn proposes to consummate the transaction on or after April 20, 2005.

Concurrently with this filing, East Penn is filing notices in two separate proceedings to acquire segments of track connecting to the subject line. See East Penn Railways, Inc.-Acquisition and Operation Exemption-ISG Railways, Inc., STB Finance Docket No. 34678; East Penn Railways, Inc.-Acquisition and Operation Exemption-Reading Company, STB Finance Docket No. 34679.

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.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34677 must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Branch, 1925 K Street, N.W., Washington, D.C. 20423-0001. In addition, a copy of each pleading must be served on:

For East Penn:
John D. Heffner
John D. Heffner, PLLC
1920 N Street, N.W.
Suite 800
Washington, D.C. 20036
(202) 263-4180

For SEPTA:

Nicholas J. Staffieri, Esq.
General Counsel
Southeastern Pennsylvania
Transportation Authority
1234 Market Street
5th Floor
Philadelphia, PA 19107-3780

(seal)

Vernon A. Williams
Secretary

VERIFICATION

STATE OF

CITY OF

SS

JOHN C NOLAN, being duly sworn according to law,
hereby deposes and states that (s)he is authorized to make the
Verification, has read the foregoing document, and knows the
facts asserted therein are true and accurate as stated, to the
best of (her)his knowledge, information and belief.

John C. Nolan
John C. Nolan

Subscribed and sworn to before me, a Notary Public, in and for
the City of Yuba in the State of CA, this 23
day of June

[Signature]
Notary Public

My Commission expires:

