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SEP - 7 2005

Part of
Public Record



214659

BY MAIL AND FAX

September 7, 2005

Hon. Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street
Washington, D.C. 20423-0001

RE: FD No. 34745, Penn Eastern Rail Lines, Inc.
-Operation Exemption-Expressway 95 Industrial Parks

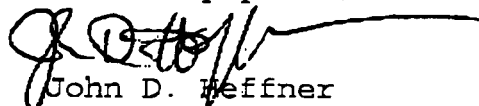
Dear Mr. Williams:

I am writing on behalf of Penn Eastern Rail Lines, Inc. ("Penn Eastern"), in connection with a filing submitted to the Board on Friday August 19, 2005.

Pursuant to my telephone call today with Ms. Darlene Evans of the Office of Proceedings' staff, I am confirming that Penn Eastern's operating rights over the subject trackage do not arise from any sort of agreement between the railroad and the underlying property owners. Rather those rights arise out of a series of easements which burden the real estate. Specifically, the property deeds grant a railroad operating easement to "any railroad company licensed as a public carrier." In effect, the rights which Penn Eastern claims are in the nature of "squatters' rights" which Penn Eastern is exercising.

Please date stamp and return the extra copy of this letter in the stamped, self addressed envelop.

Sincerely yours,


John D. Heffner
Counsel

cc: Ms. Darlene Evans (fax to 565-9004)
Mr. John Nolan