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KARI MORELL



October 16, 2007

220452

BY HAND DELIVERY

The Honorable Vernon Williams
Secretary
Surface Transportation Board
395 E Street, S W
Washington, DC 20423-0001

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SURFACE
TRANSPORTATION BOARD

Re STB Finance Docket No. 35089, East Penn Railroad, LLC --
Acquisition Exemption -- County of Berks, PA

Dear Secretary Williams:

Attached for filing are the original and ten copies of a Verified Notice of Exemption under 49 C F R § 1150.41 and a check covering the \$1,600 filing fee. Also enclosed is a Disc containing the Notice and Summary.

Please time and date stamp the extra copy of the Notice of Exemption and return it with our messenger.

If you have any questions, please contact me.

Sincerely yours,

Karl Morell

Enclosures

FILED
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SURFACE
TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35089

EAST PENN RAILROAD, LLC
--ACQUISITION EXEMPTION--
COUNTY OF BERKS, PA

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.41, Et Seq.



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KARL MORELL
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N W
Washington, D C 20005
(202) 638-3307

Attorneys for
EAST PENN RAILROAD, LLC

Dated October 16, 2007

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

FINANCE DOCKET NO. 35089

**EAST PENN RAILROAD, LLC
--ACQUISITION EXEMPTION--
COUNTY OF BERKS, PA**

**VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C F R § 1150.41, Et Seq.**

East Penn Railroad, LLC ("ESPN"), a Class III rail carrier, files this Notice of Exemption pursuant to 49 C.F.R. Part 1150, Subpart E--Exempt Transactions Under 49 U.S.C 10902, to permit ESPN to acquire a 8 60-mile rail line from the County of Berks, Commonwealth of Pennsylvania ("Berks County").

In support of this Notice of Exemption, ESPN submits the following information as required by 49 C.F.R. § 1150.43.

(a) Full name and address of applicant:

East Penn Railroad, LLC
505 S. Broad Street
Kennett Square, PA

(b) Applicant's Representative

Karl Morell
Of Counsel
BALL JANIK LLP
Suite 225
1455 F Street, N W
Washington, DC 20005
(202) 638-3307

(c) Statement of Agreement

One of ESPN's predecessors entered into an agreement with Berks County for the acquisition of the rail line

(d) The operator of the property.

ESPN and one of its predecessors have been the operator on the line for over 10 years

(e) Summary of proposed transaction

Penn Eastern Rail Lines, Inc ("PERL") acquired (by purchase of certain rail lines and assignment of certain leases on other rail lines) approximately 45.24 miles of rail lines, including the 8.60-mile line between Colebrookdale Township and Pottsgrove Township ("Colebrookdale Line") that was formerly leased and operated by East Penn Railways, Inc. See STB Finance Docket No 33512, *Penn Eastern Rail Lines, Inc – Acquisition and Operation Exemption – Lines of Lancaster Northern Railway, Inc , Chester Valley Railway, Inc , East Penn Railways, Inc , and Bristol Industrial Terminal Railway, Inc* (not printed), served December 1, 1997. Subsequently, John C. Nolan ("Mr. Nolan"), an individual that controlled East Penn Railway, Inc. ("EPRY"), a Class III railroad, obtained authority to control PERL. See STB Finance Docket No 34223, *John C Nolan – Control Exemption – Penn Eastern Rail Lines, Inc* (not printed), served July 22, 2002. Mr Nolan merged PERL and EPRY into ESPN. See STB Finance Docket No 35056, *John C Nolan, Penn Eastern Rail Lines, Inc , and East Penn Railways, Inc – Corporate Family Transaction Exemption* (not printed), served

July 13, 2007. Recently, Mr. Nolan sold his membership units in ESPN to Regional Rail, LLC, a non-carrier that does not control any other railroads. In conducting due diligence, it came to the attention of the new owner of ESPN that one of ESPN's predecessors, PERL, had acquired the Colebrookdale Line in July 2003, but failed to obtain prior approval for the acquisition. It appears that this error was inadvertent and that Mr. Nolan was of the view that the previously obtained authority to lease and operate the Colbrookdale Line included authority to acquire the Line

- (1) The name and address of the entity that sold the subject property is:

County of Berks, PA
633 Court Street
Reading, PA 19601

- (2) The acquisition of the Colbrookdale Line was consummated in July 2003.

- (3) The rail line ESPN's predecessor acquired is located between Milepost 0 00, at Pottsgrove Township, PA, and Milepost 8 60, at Colebrookdale Township, PA

- (4) The length of the rail line is 8.60 miles

- (f) A map of the rail line is attached as Exhibit 1.

- (g) ESPN hereby certifies that ESPN's revenues as a result of this transaction will not result in ESPN becoming a Class II or Class I rail carrier. ESPN further certifies that the projected annual revenue of ESPN will not exceed \$5 million as a result of this transaction. Accordingly, the requirements of 49 C.F.R. § 1150.42(e) do not apply to this transaction.

A caption summary, as required by 49 C F R § 1150.44, is attached.

ENVIRONMENTAL AND HISTORIC IMPACTS

ESPN's predecessor acquired the rail line for continued rail operations. Further Board approval is required for ESPN to abandon any service and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. § 1105.8(b)(1).

Because ESPN's predecessor leased and operated the line prior to its acquisition, the acquisition of the line will not result in any changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of this line to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least 100 percent or an increase of at least eight trains a day on any segment of the line, (2) an increase of rail yard activity of at least 100 percent, or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. The acquisition of the rail line will not affect a Class I or nonattainment area under the Clean Air Act. In any event, the thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, the transportation of ozone depleting materials is not contemplated. Therefore, no environmental documentation is required under 49 C.F.R. § 1105.6(c)(2).

This action will not significantly affect either the quality of the human environment or energy conservation

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Karl Morell", written over a horizontal line.

KARL MORELL

Of Counsel

BALL JANIK LLP.

Suite 225

1455 F Street, N W.

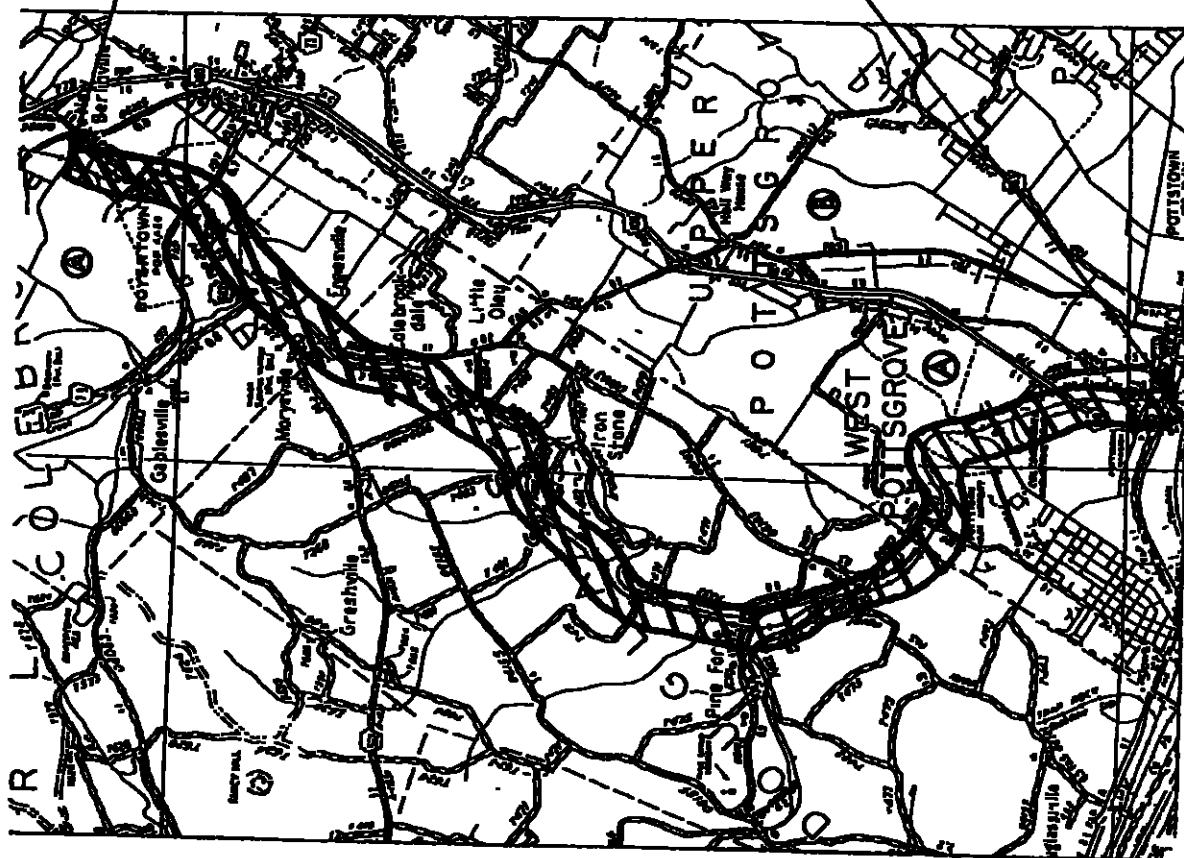
Washington, DC 20005

(202) 638-3307

Attorneys for.

EAST PENN RAILROAD, LLC

Dated October 16, 2007



LOCATION MAP

END ACQUISITION

M.P. 8.60

COLEBROOKDALE TOWNSHIP
BERKS COUNTY

BEGIN ACQUISITION

M.P. 0.00

POTTSGROVE TOWNSHIP
MONTGOMERY COUNTY

SURFACE TRANSPORTATION BOARD

NOTICE OF EXEMPTION

FINANCE DOCKET NO. 35089

**EAST PENN RAILROAD, LLC
--ACQUISITION EXEMPTION--
COUNTY OF BERKS, PA**

East Penn Railroad, LLC, a Class III rail carrier, has filed a notice of exemption to acquire from the County of Berks, PA the rail line located between Milepost 0 00, at Pottsgrove Township, PA, and Milepost 8.60, at Colebrookdale Township, PA.

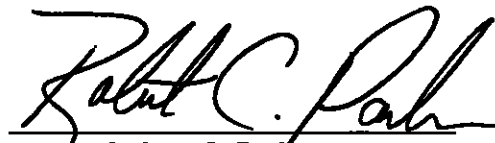
Comments must be filed with the Board and served on Karl Morell, Of Counsel, BALL JANIK LLP, Suite 225, 1455 F Street, N.W , Washington, DC 20005, (202) 638-3307.

This notice is filed under 49 C.F.R. 1150.41. If the notice contains false or misleading information, the exemption is void ab initio. The filing of a petition to revoke will not automatically stay the transaction.

VERIFICATION

STATE OF PENNSYLVANIA)
)
COUNTY OF CHESTER) ss.

I, Robert C Parker, being duly sworn depose and state that I am President and Chief Executive Officer of the East Penn Railroad, LLC, that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief


Robert C. Parker

SUBSCRIBED AND SWORN TO before me this 11 day of October, 2007, in the County of Chester, State of Pennsylvania.

My Commission Expires: August 1, 2009


Notary Public

