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SERVICE DATE – MAY 6, 2005

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FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34679]

East Penn Railways, Inc.–Acquisition and Operation Exemption–Reading Company

East Penn Railways, Inc. (East Penn), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to acquire from the Wilmington & Northern Railroad Company (W&N) and its corporate parent, Reading Company (collectively, Reading) and operate a line of railroad known as the W&N right-of-way or Line 939. The line extends from the Pennsylvania/Delaware state line at approximately milepost 12.66+/- to milepost 1.89 near Elsmere Junction, DE, a distance of approximately 10.77 miles. The line is currently operated by ISG Railways, Inc. (ISG).¹

¹ East Penn states that, pursuant to an agreement with ISG, it is also acquiring all of ISG's rights to operate the subject line. East Penn notes that ISG and its predecessors previously leased and operated the subject line per agreement with Reading. See ISG Railways, Inc.–Acquisition of Control Exemption–Assets of Keystone Railroad LLC d/b/a Philadelphia, Bethlehem and New England Railroad Company, Conemaugh & Black Lick Railroad Company LLC, Steelton & Highspire Railroad Company LLC, Lake Michigan & Indiana Railroad Company LLC, Brandywine Valley Railroad Company LLC, Upper Merion & Plymouth Railroad Company LLC, Patapsco & Back Rivers Railroad Company LLC, and Cambria and Indiana Railroad, Inc., STB Finance Docket No. 34344 (STB served May 22, 2003), and Brandywine Valley Railroad Company LLC–Acquisition and Operation Exemption–Brandywine Valley Railroad Company, STB Finance Docket 34154 (STB served Jan. 10, 2002) and cases cited therein.

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

East Penn states that it proposes to consummate the transaction on or after April 20, 2005.

Concurrently with this filing, East Penn has filed notices in two separate proceedings to acquire segments of track connecting to the subject line. See East Penn Railways, Inc.–Acquisition Exemption–Southeastern Pennsylvania Transportation Authority, STB Finance Docket No. 34677, and East Penn Railways, Inc.–Acquisition and Operation Exemption–ISG Railways, Inc., STB Finance Docket No. 34678.

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. 34679, must be filed with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on John D. Heffner, 1920 N Street, N.W. Suite 800, Washington, DC 20036.

Board decisions and notices are available on our website at

“WWW.STB.DOT.GOV.”

Decided: April 26, 2005.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary