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SERVICE DATE - DECEMBER 1, 1997

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[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.

Penn Eastern Rail Lines, Inc. (PERL), a noncarrier, has filed a verified notice of exemption under 49 CFR 1150.31 to acquire (by purchase of certain rail lines and assignment of certain leases on other rail lines) and operate approximately 45.24<sup>1</sup> miles of rail lines (the Subject Lines) of Lancaster Northern Railway, Inc. (LANO), Chester Valley Railway, Inc. (CVR), East Penn Railways, Inc. (EPRY), and Bristol Industrial Terminal Railway, Inc. (Bristol). PERL will become a Class III rail carrier.<sup>2</sup>

PERL, LANO, CVR, EPRY and Bristol have entered into an agreement providing for PERL's acquisition of all the rights, title and interests in the Subject Lines. PERL intends to

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<sup>1</sup> In the verified notice of exemption, PERL states that the total miles of rail line to be acquired and operated totals approximately 44 route miles, but other references in the notice, which identify the mileposts and the route miles for each specific segment of rail line, total approximately 45.24 route miles.

<sup>2</sup> This proceeding is related to STB Finance Docket No. 33511, wherein Emons Transportation Group, Inc., a noncarrier, has filed a notice of exemption to continue in control of PERL upon PERL's becoming a Class III rail carrier.

consummate the purchase agreement and begin operations on or soon after November 20, 1997, the effective date of the exemption.

CVR owns and operates the Bridgeport Industrial Track, between the connection with the Consolidated Rail Corporation (Conrail) at approximately milepost 0.0 and milepost 2.14 at Henderson Road. This 2.14-mile rail line is located entirely within Bridgeport, Montgomery County, PA.

LANO owns and operates the Akron Secondary Track, between approximately milepost 0.05 at Sinking Spring, Berks County, PA, and the end of the track at Stevens, approximately milepost 12.94, in Lancaster County, PA.

EPRY operates four rail lines as follows: (1) The Perkiomen Branch, USRA Line No. 906, between milepost 22.38 at Pennsburg, PA, and milepost 38.23 at Emmaus Jct., Emmaus, PA, a distance of 15.85 miles, in Berks, Lehigh, and Montgomery Counties, PA; (2) the Colebrookdale Industrial Track (Boyertown Branch), USRA Line No. 909, between milepost 0.00 at Colebrookdale Jct. (Pottstown), PA and milepost 8.60 at Boyertown, PA, a distance of 8.60 miles, in Berks and Montgomery Counties, PA; (3) the Kutztown Branch, USRA line No. 910, between milepost 0.17 at Topton, PA, and milepost 4.29 at Kutztown, PA, a distance of 4.12 miles, in Berks County, PA; and (4) the Mt. Hope Industrial Branch, USRA Line No. 916, between milepost 0.36 and milepost 1.0, a distance of .64 miles, in Manheim, Lancaster County, PA. The lines were acquired by the Commonwealth of Pennsylvania in 1982 and were formerly

operated by Blue Mountain and Reading Railroad Company.<sup>3</sup> They connect with Conrail at Emmaus, Pottstown, Tipton and Manheim, PA.

Bristol leases and operates approximately 1 mile of rail line extending between a connection at Grundy and a point within the Bristol Industrial Park, in Bristol Township, Bucks County, PA.

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. 33512, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on: Kevin M. Sheys, Oppenheimer Wolff & Donnelly, 1020 Nineteenth Street, N.W., Suite 400, Washington, DC 20036.

Decided: November 21, 1997.

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

Vernon A. Williams

Secretary

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<sup>3</sup> See Blue Mountain and Reading Railroad Company--Modified Rail Certificate, Finance Docket No. 30305 (Sub-No. 1) (ICC served June 13, 1990).