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July 28, 2011

Karl Morell  
Of Counsel  
kmorell@balljanik.com

BY HAND DELIVERY

Cynthia Brown  
Chief, Section of Administration  
Surface Transportation Board  
Office of Proceedings  
395 E Street, SW  
Washington, DC 20423

ENTERED  
Office of Proceedings

JUL 29 2011

Part of  
Public Record

Re: STB Finance Docket No. 35542, Regional Rail, LLC --  
Continuance In Control Exemption -- Tyburn Railroad, LLC

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Verified  
Notice of Exemption under 49 C.F.R. § 1180.2(d)(2), and a check  
covering the \$1,300 filing fee.

If you have any questions, please call me.

Sincerely,

Karl Morell  
Of Counsel

**FILED**

JUL 29 2011

**SURFACE  
TRANSPORTATION BOARD**

Enclosures

**FEE RECEIVED**

JUL 29 2011

**SURFACE  
TRANSPORTATION BOARD**

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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STB FINANCE DOCKET NO. 35542

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REGIONAL RAIL, LLC  
--CONTINUANCE IN CONTROL EXEMPTION--  
TYBURN RAILROAD, LLC

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VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1180.2(d)(2)

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

Attorney for:  
REGIONAL RAIL, LLC

Dated: July 28, 2011

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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STB FINANCE DOCKET NO. 35542

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REGIONAL RAIL, LLC  
--CONTINUANCE IN CONTROL EXEMPTION--  
TYBURN RAILROAD, LLC

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VERIFIED NOTICE OF EXEMPTION  
Pursuant to 49 C.F.R. § 1180.2(d)(2)

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Regional Rail, LLC ("Regional") files this Notice of Exemption, pursuant to 49 C.F.R. § 1180.2(d)(2), for Regional to continue in control of Tyburn Railroad, LLC ("Tyburn"), a non-carrier, upon Tyburn's becoming a Class III railroad. In support of this Notice of Exemption, Regional submits the following information as required by 49 C.F.R. § 1180.4(g):

**Section 1180.6(a)**

- (1) A description of the proposed transaction.**
  - (i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of counsel to whom questions regarding the proposed transaction can be addressed.**

Regional, a non-carrier, is a Delaware limited liability company which currently controls two (2) Class III railroads operating in three (3) States. Regional also owns 100 percent of the issued and outstanding shares of Tyburn. Tyburn is a non-carrier that was formed for the purpose of acquiring the railroad assets owned by Tyburn Railroad Company ("TRC"). Concurrently with the filing of this Notice of Exemption, Tyburn is filing a Notice of Exemption in STB

Finance Docket No. 35541, *Tyburn Railroad, LLC – Acquisition and Operation Exemption – Tyburn Railroad Company*, under 49 C.F.R. § 1150.31, to acquire and operate TRC’s rail lines. Upon consummation of the transaction in STB Finance Docket No. 35541, Tyburn will become a Class III carrier.

Regional also controls East Penn Railroad, LLC, a Delaware limited liability company (“ESPN”) and Middletown and New Jersey Railroad, LLC (“Middletown”), also a Delaware limited liability company. ESPN is a Class III rail carrier that operates rail lines in Pennsylvania and Delaware. Middletown is a Class III rail carrier that operates rail lines in New York.

The rail lines operated by ESPN and Middletown do not connect with the rail lines being acquired by Tyburn. The rail lines being acquired by Tyburn are located in the Morrisville, Pennsylvania. The closest ESPN rail line is located in Bristol, Pennsylvania, approximately 8 miles from the rail lines being acquired by Tyburn. Accordingly, the ESPN and Middletown rail lines will not directly connect with the Tyburn rail lines.

Also, the involved transaction is not part of a series of anticipated transactions that would connect the rail lines being acquired by Tyburn with any of the rail lines operated by ESPN and Middletown. Finally, Tyburn, Middletown and ESPN are not Class I rail carriers. Accordingly, this transaction falls within the class of transactions described at 49 C.F.R. § 1180.2(d)(2), and exempt from prior approval by the Surface Transportation Board (“Board”).

The name and business address of Applicants are as follows:

Regional Rail, LLC  
505 South Broad Street  
Kennett Square, PA 19348

East Penn Railroad, LLC  
505 South Broad Street  
Kennett Square, PA 19348

Middletown and New Jersey Railroad, LLC  
505 South Broad Street  
Kennett Square, PA 19348

Tyburn Railroad, LLC  
505 South Broad Street  
Kennett Square, PA 19348

Applicants' representative:

Karl Morell  
Of Counsel  
Ball Janik LLP  
655 Fifteenth Street, N.W.  
Suite 225  
Washington, D.C. 20005  
(202) 638-3307

- (ii) The proposed time schedule for consummation of the proposed transaction.

Regional intends to consummate this transaction on or shortly after effective date of this Notice of Exemption.

- (iii) The purpose sought to be accomplished by the proposed transaction.

Regional intends to reduce overhead expenses, coordinate billing, maintenance, mechanical and personnel policies and practices of its rail carrier subsidiaries and thereby improve the overall efficiency of rail service provided by the three railroads.

- (5) A list of the State(s) in which any part of the property of each applicant carrier is situated.

ESPN's rail lines are located in Pennsylvania and Delaware.

Middletown's rail lines are located in New York.

Upon acquiring the rail lines from TRC, Tyburn will own and operate rail lines in Pennsylvania.

(6) Map.

Maps illustrating the rail lines of ESPN and Middletown and the rail lines to be acquired by Tyburn are attached as Exhibit 1.

(7)(ii) Agreement.

Regional will not enter into any agreement, or sign any written instrument, to continue in control of Tyburn.

Because ESPN and Middletown are Class III rail carriers and Tyburn will become a Class III rail carrier upon the acquisition of the rail lines from Seller, no labor protection may be imposed on this transaction pursuant to 49 U.S.C. § 11326(c).

#### **ENVIRONMENTAL AND HISTORIC IMPACTS**

Regional will continue to control Tyburn for the purpose of continued rail operations where further Board approval is required to abandon or discontinue any service, and there are no plans to dispose of or alter properties subject to the Board's 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).

Regional's continuance in control of Tyburn will not result in significant 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 these lines 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 lines; (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 thresholds of 49 C.F.R. § 1105.7(e)(5)(ii) will not be exceeded. Finally, this transaction does not contemplate the

transportation of any ozone depleting materials. 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 cursive script that reads "Karl Morell".

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

Attorney for:  
REGIONAL RAIL, LLC

Dated: July 28, 2011

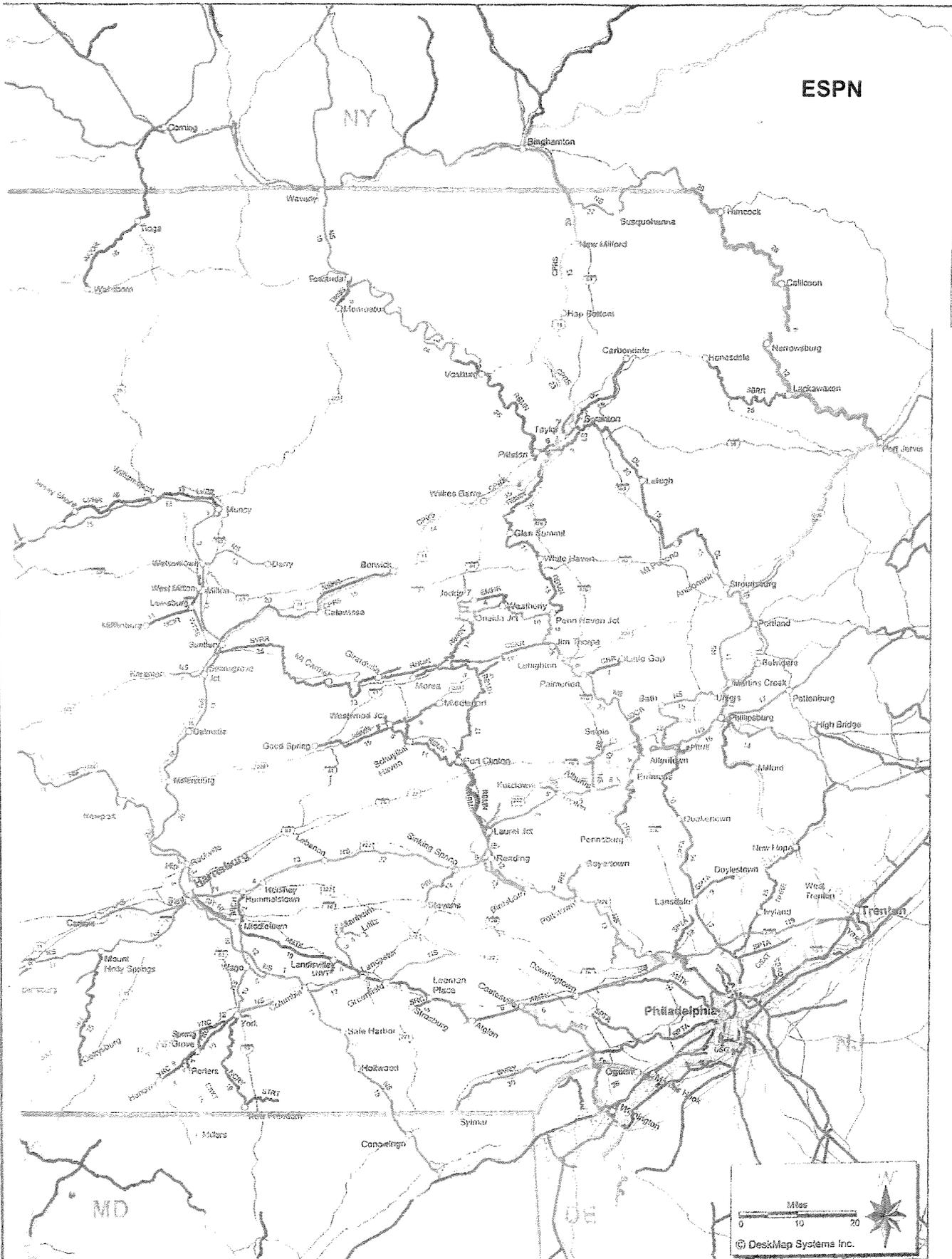
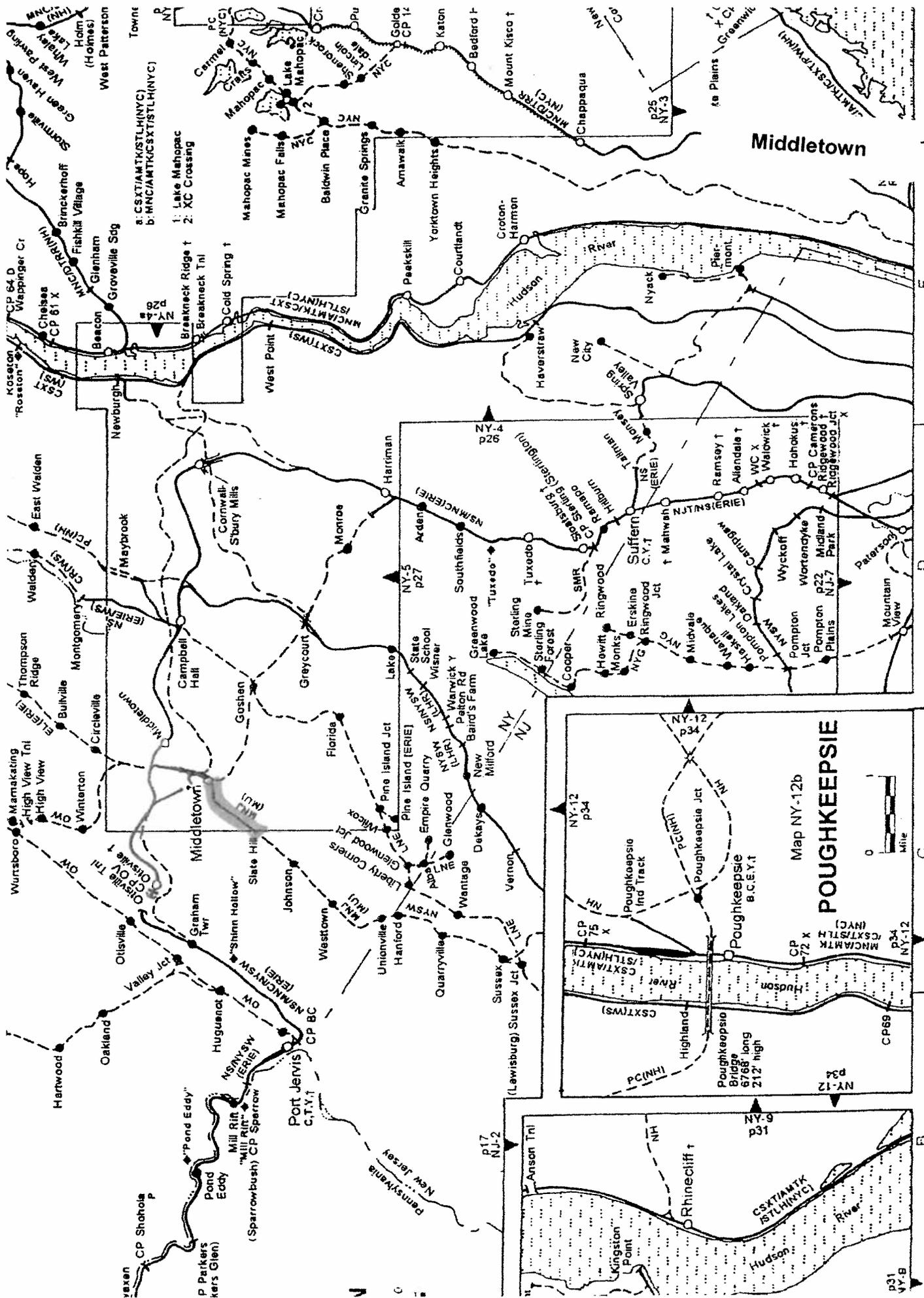


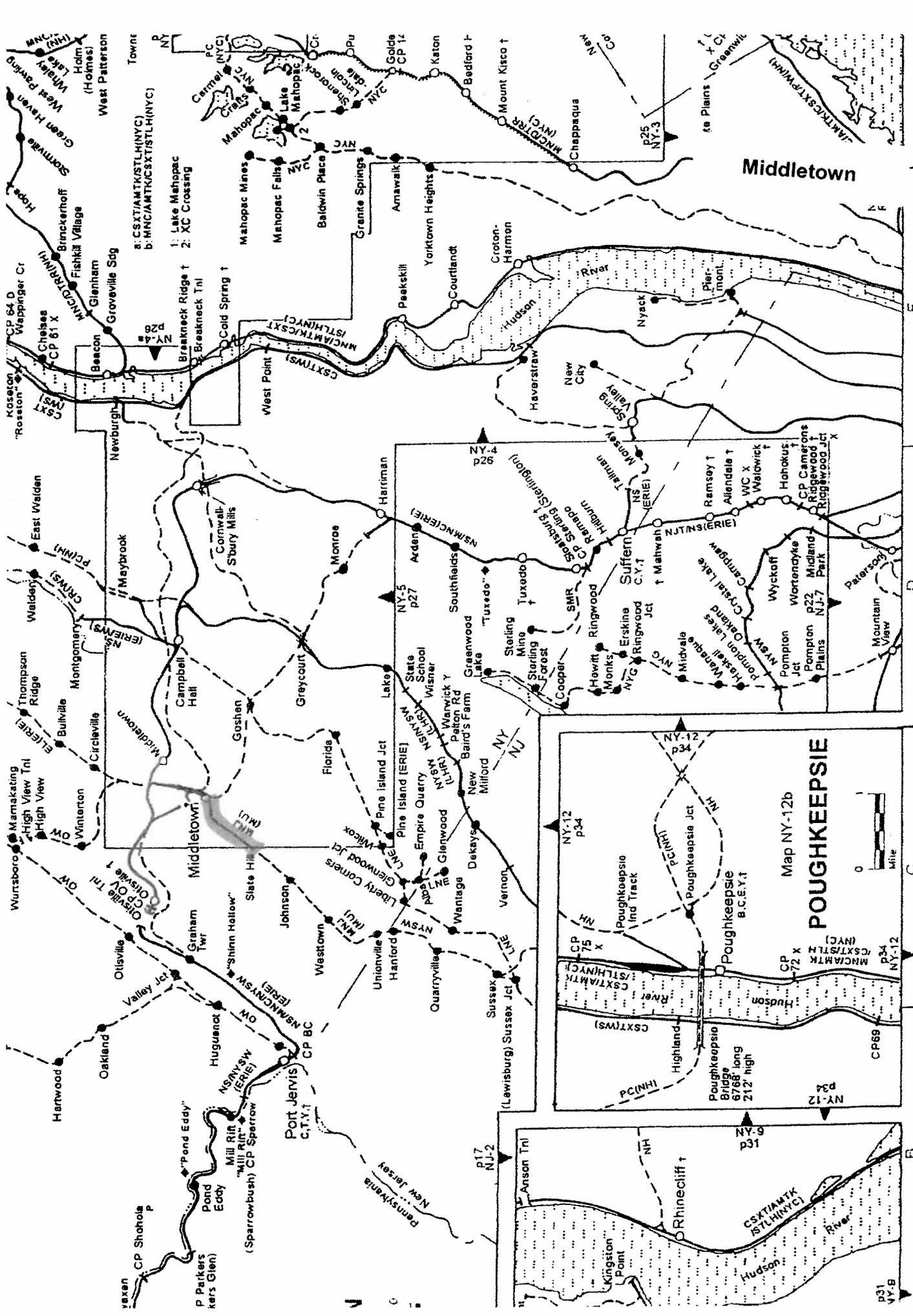
EXHIBIT 1



Middletown

**POUGHKEEPSIE**

Map NY-12b



Middletown

**POUGHKEEPSIE**

Map NY-12b



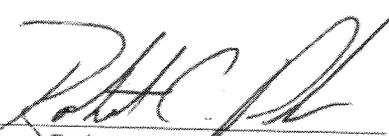
Tyburn



VERIFICATION

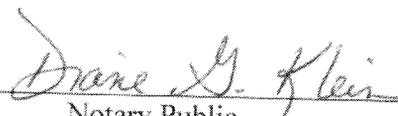
STATE OF PENNSYLVANIA            )  
  )  
COUNTY OF CHESTER            )        ss.

I, Robert C. Parker, being duly sworn depose and state that I am President and Chief Executive Officer of the Regional Rail, 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 28 day of July, 2011, in the County of Chester, State of Pennsylvania.

My Commission Expires: Sept. 3, 2012

  
Notary Public

