

BALL JANIK LLP

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KARL MORELL

kmorell@bjllp.com

July 27, 2010

BY HAND DELIVERY

Victoria Rutson
Chief
Section of Environmental Analysis
Surface Transportation Board
395 E Street S.W.
Washington, DC 20423

227579

Re: STB Docket No. AB-1020 (Sub-No. 1X), East Penn Railroad, LLC –
Abandonment Exemption – In Montgomery County, Pennsylvania

Dear Ms. Rutson:

Attached please find 10 copies of the Environmental Report and Historic Report in the above-captioned matter. East Penn Railroad, LLC expects to file its Notice of Exemption on or shortly after August 16, 2008.

Sincerely,



Karl Morell

Enclosures

ENTERED
Office of Proceedings

AUG 05 2010

Part of
Public Record

ENVIRONMENTAL REPORT

(49 C.F.R. 1105.7)

STB Docket No. AB-1020 (Sub-No. 1X)

EAST PENN RAILROAD, LLC --ABANDONMENT EXEMPTION-- IN MONTGOMERY COUNTY, PA

(1) Proposed Action and Alternatives. Describe the proposed action, including commodities transported, the planned disposition (if any) of any rail line and other structures that may be involved, and any possible changes in current operations or maintenance practices. Also describe any reasonable alternatives to the proposed action. Include a readable, detailed map and drawings clearly delineating the project.

East Penn Railroad, LLC ("ESPN") proposes to abandon the 2.14-mile Chester Valley Line located between milepost 0.0, in the Borough of Bridgeport, and milepost 2.14, at Henderson Road in Upper Merion Township, in Montgomery County, Pennsylvania (the "Line"). Upon receipt of abandonment authority, ESPN intends to remove the rail, track material, and crossties. The bridge, culverts and ballast on the Line will remain in place while ESPN explores rail-banking of the Line.

The Chester Valley Line was initially chartered as the Norristown & Valley Railroad in 1835, but was constructed and operated by the Chester Valley Railroad, commencing in 1852 and starting operation in 1853. It became the Philadelphia & Chester Valley Railroad in 1888 and was leased to the Philadelphia & Reading Railroad ("Reading") and operated by the Reading until 1976. In 1976, the Line was conveyed to Consolidated Rail Corporation ("Conrail") by the United States Railway Association ("USRA") under a federally approved plan for the disposition of the operating assets of the then bankrupt Reading. Mr. John Nolan acquired the Line as the

Chester Valley Railroad in 1995. It was acquired by Emons Transportation in 1997, when the name was changed to Penn Eastern Rail Lines. Mr. Nolan reacquired the Line from Emons Transportation in 2002. ESPN acquired the Line in its acquisition of the company from Mr. Nolan in 2007.

The Line has had no local traffic since January 2008. The Line is stub-ended and, therefore, not capable of handling overhead traffic. Because of the lack of traffic on the Line, only very limited maintenance has been performed on the Line for some time. Therefore, the proposed abandonment will have no impact on rail freight operations and maintenance practices on the Line.

The only alternative to abandonment would be to not abandon the Line.

A map of the proposed abandonment is attached hereto as Exhibit 1.

(2) Transportation System. Describe the effects of the proposed action on regional or local transportation systems and patterns. Estimate the amount of traffic (passenger or freight) that will be diverted to other transportation systems or modes as a result of the proposed action.

No passenger or freight traffic will be diverted to other modes as a result of the proposed abandonment. No local traffic has moved over the Line in well over 2 years and the Line is not capable of handling overhead traffic. Therefore, the proposed abandonment will have no adverse effects on local or regional transportation systems or patterns.

(3) Land Use. (i) Based on consultation with local and/or regional planning agencies and/or a review of the official planning documents prepared by such agencies, state whether the proposed action is consistent with existing land use plans. Describe any inconsistencies. (ii) Based on consultation with the U.S. Soil Conservation Service, state the effect of the proposed action on any prime agricultural land. (iii) If the action affects land or water uses within a designated coastal zone, include the coastal zone information required by 1105.9. (iv)

If the proposed action is an abandonment, state whether or not the right-of-way is suitable for alternative public use under 49 U.S.C. § 10905 and explain why.

(i) According to the Montgomery County Planning Commission, the proposed abandonment is consistent with existing land use plans. See Exhibit 2. A copy of this Report is being supplied to the appropriate local and state agencies for their information and further comment.

(ii) According to the Natural Resources Conservation Service the proposed abandonment will have no detrimental effect on Prime Farmland. See Exhibit 3. A copy of this Report is being supplied to the USDA Natural Resources Conservation Service for its information and further comment.

(iii) The Line does not pass through a designated coastal zone.

(iv) The involved right-of-way does not appear to be suitable for alternative public use other than a recreational trail. ESPN has been contacted by local officials seeking to rail-bank the Line.

(4) Energy. (i) Describe the effect of the proposed action on transportation of energy resources. (ii) Describe the effect of the proposed action on recyclable commodities. (iii) State whether the proposed action will result in an increase or decrease in overall energy efficiency and explain why. (iv) If the proposed action will cause diversions from rail to motor carriage of more than: (A) 1,000 rail carloads a year; or (B) an average of 50 rail carloads per mile per year for any part of the affected line, quantify the resulting net change in energy consumption and show the data and methodology used to arrive at the figure given.

(i) The proposed abandonment will have no effect on the transportation of energy resources.

(ii) The proposed abandonment will have no effect on the transportation of recyclable commodities.

(iii) The proposed abandonment will have no adverse effect on overall energy efficiency since no local traffic has moved over the Line in well over 2 years and the Line is not capable of handling overhead traffic. The traffic that previously moved over the Line has been transferred either to other modes or other routings.

(iv) The proposed abandonment will not cause the diversion of any rail traffic to motor carriage since no local traffic has been handled over the Line in well over 2 years and the Line is not capable of handling overhead traffic.

(5) Air. (i) If the proposed action will result in either: (A) An increase in rail traffic of at least 100 percent (measured in gross ton miles annually) or an increase of at least eight trains a day on any segment of rail line affected by the proposal, or (B) an increase in rail yard activity of at least 100 percent (measured by carload activity), or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on any affected road segment, quantify the anticipated effect on air emissions. For a proposal under 49 U.S.C. § 10901 (or § 10505) to construct a new line or reinstitute service over a previously abandoned line, only the eight train a day provision in sub-section (5)(i)(A) will apply. (ii) If the proposed action affects a class I or nonattainment area under the Clean Air Act, and will result in either: (A) an increase in rail traffic of at least 50 percent (measured in gross ton miles annually) or an increase of at least three trains a day on any segment of rail line; (B) an increase in rail yard activity of at least 20 percent (measured by carload activity); or (C) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day on a given road segment, then state whether any expected increased emissions are within the parameters established by the State Implementation Plan. However, for a rail construction under 49 U.S.C. § 10901 (or 49 U.S.C. § 10505), or a case involving the reinstatement of service over a previously abandoned line, only the three train a day threshold in this item shall apply. (iii) If transportation of ozone depleting materials (such as nitrogen oxide and freon) is contemplated, identify: the materials and quantity; the frequency of service; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and spills; contingency plans to deal with accidental spills; and the likelihood of an accidental release of ozone depleting materials in the event of a collision or derailment.

(i) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(ii) The proposed abandonment will not result in meeting or exceeding the specified thresholds.

(iii) The proposed abandonment will not affect the transportation of ozone depleting materials.

(6) Noise. If any of the thresholds identified in item (5)(i) of this section are surpassed, state whether the proposed action will cause: (i) an incremental increase in noise levels of three decibels Ldn or more; or (ii) an increase to a noise level of 65 decibels Ldn or greater. If so, identify sensitive receptors (e.g., schools, libraries, hospitals, residences, retirement communities, and nursing homes) in the project area, and quantify the noise increase for these receptors if the thresholds are surpassed.

Not applicable

(7) Safety. (i) Describe any effects of the proposed action on public health and safety (including vehicle delay time at railroad grade crossings). (ii) If hazardous materials are expected to be transported, identify: the materials and quantity; the frequency of service; whether chemicals are being transported that, if mixed, could react to form more hazardous compounds; safety practices (including any speed restrictions); the applicant's safety record (to the extent available) on derailments, accidents and hazardous spills; the contingency plans to deal with accidental spills; and the likelihood of an accidental release of hazardous materials. (iii) If there are any known hazardous waste sites or sites where there have been known hazardous materials spills on the right-of-way, identify the location of those sites and the types of hazardous materials involved.

(i) The proposed abandonment will have no detrimental effects on public health and safety.

(ii) The proposed abandonment will not affect the transportation of hazardous materials.

(iii) There are no known hazardous material waste sites or sites where known hazardous material spills have occurred on or along the rail corridor of the Line.

(8) Biological Resources. (i) *Based on consultation with the U.S. Fish and Wildlife Service, state whether the proposed action is likely to adversely affect endangered or threatened species or areas designated as a critical habitat, and if so, describe the effects.* (ii) *State whether wildlife sanctuaries or refuges, National or State parks or forests will be affected, and describe any effects.*

(i) According to the U.S. Fish and Wildlife Service, the proposed abandonment will not have an adverse affect on endangered or threatened species or areas designated as a critical habitat. See Exhibit 4. A copy of this Report is being supplied to the U.S. Fish and Wildlife Service for its information and further comment.

(ii) ESPN does not believe that any wildlife sanctuaries or refuges, National or State parks or forests would be adversely affected by the proposed abandonment. ESPN notified the National Parks Service of the proposed abandonment and requested assistance in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests. See Exhibit 5. To date, no response to this request has been received. A copy of this Report is being supplied to the National Park Service for its information and comment.

(9) Water. (i) *Based on consultation with State water quality officials, state whether the proposed action is consistent with applicable Federal, State or local water quality standards. Describe any inconsistencies.* (ii) *Based on consultation with the U.S. Army Corps of Engineers, state whether permits under section 404 of the Clean Water Act (33 U.S.C. § 1344) are required for the proposed action and whether any designated wetlands or 100-year flood plains will be affected. Describe the effects.* (iii) *State whether permits under section 402 of the Clean Water Act (33 U.S.C. § 1342) are required for the proposed action.*

(i) The proposed abandonment, in ESPN's view, will be consistent with applicable water quality standards. ESPN contacted the Pennsylvania Department of Environmental Protection ("DEP") and the U.S. Environmental Protection Agency ("US EPA") concerning this matter requesting assistance in determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 6. To date, no response has been received from DEP or US EPA. A copy of this Report is being supplied to the US EPA and the DEP for their information and comment.

(ii) ESPN is confident that no designated wetlands or 100-year flood plains will be adversely affected by the proposed abandonment. ESPN contacted the Department of the Army Corps of Engineers concerning these matters. See Exhibit 7. To date, no response has been received from the Army Corps of Engineers. A copy of this Report is being supplied to the Army Corps of Engineers for its information and comment.

(iii) ESPN believes the proposed abandonment will not require the issuance of any permits under Section 402 of the Clean Water Act. ESPN contacted the US EPA concerning this matter and requested assistance in identifying any potential effects on applicable water quality standards and determining whether the proposed abandonment is consistent with applicable Federal, State, or local water quality standards. See Exhibit 6. To date, no response to this request has been received. A copy of this Report is being supplied to the US EPA for its information and comment.

(10) Proposed Mitigation. Describe any actions that are proposed to mitigate adverse environmental impacts, indicating why the proposed mitigation is appropriate.

ESPN does not expect any adverse environmental impact from the proposed abandonment and, therefore, sees no need for any mitigating actions. ESPN will, of course, adhere to any remedial actions suggested by the recipients of this Report and required by the Board.



MONTGOMERY COUNTY PLANNING COMMISSION

box 311 • norristown • pennsylvania • 19404-0311 • 610-278-3722
office location: suite 201 • one montgomery plaza • swede & airy streets • norristown pa
FAX 610-278-3941 • Website www.planning.montcopa.org

June 8, 2010

Mr. Karl Morell
Ball Janik, LLP
Suite 225
1455 F Street, NW
Washington, DC 20005

Subject: STB Docket No. AB 1020 (Sub-No. 1X), East Penn Railroad, LLC- Abandonment Exemption

Dear Mr. Morell.:

Thank you for your correspondence regarding the intention of East Penn Railroad, LLC to file a Notice Exemption with the Surface Transportation Board (STB) to abandon the 2.14 mile rail line located in Montgomery County. The Montgomery County Comprehensive Plan adopted in 2005 shows the alignment of the proposed Chester Valley Trail along the rail line segment described in your letter. Our plan goes on to further acknowledge a preference for locating trails along rail lines that are no longer needed for passenger and freight service. Rail lines have been successfully converted into trails in the county and offer a sufficiently wide and gently graded surface for multi-purpose trails. Other portions of the comprehensive plan dealing with economic development, transportation, and land use do not identify this rail segment as an important element of existing county rail infrastructure. Future land uses proposed along the corridor would not require rail service.

The county has been in contact with East Penn Railroad, LLC to acquire the necessary rights to rail line for future use as a trail. We intend to utilize the existing rail bed and bridge structure. The rails, railroad ties and crossing signals would not be needed for the trail use.

If you have any questions, please contact me at 610. 278.3729.

Sincerely,

Michael M. Stokes
Assistant Director
mstokes@montcopa.org
(610) 278-3729



Natural Resources Conservation Service
One Credit Union Place, Suite 340
Harrisburg, PA 17110-2993

June 28, 2010

Karl Morell
1455 F Street, NW, Suite 225
Washington, D.C. 20005

Re: STB Docket No. AB-1020 (Sub-No. 1X) East Penn Railroad Abandonment, Montgomery County, PA

We are not aware of any potential effects of Railroad Abandonment on Prime Farmland. The Federal Farmland Protection Policy Act's (FPPA) purpose is to minimize the impact on the conversion of farmland to nonagricultural uses and unless the Railroad Abandonment will convert farmland to nonagricultural uses, the FPPA would not apply.

A handwritten signature in black ink, appearing to read "Edgar A. White", with a horizontal line extending to the right.

Edgar A. White
State Soil Scientist
Harrisburg, PA

2010-0918
Lat/Long

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MAY 19 '10 AM 10:54

40.0746112
75.3819662

KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 17, 2010

EXHIBIT 4

U.S. Fish and Wildlife Service
300 West Gate Center Drive
Hadley, MA 01035-9589

**RE: STB Docket No. AB-1020 (Sub-No. 1X), East Penn Railroad,
LLC –Abandonment Exemption—In Montgomery County,
Pennsylvania**

Dear Sir/Madam:

East Penn Railroad, LLC (“ESPN”) is planning to file a Notice Exemption with the Surface Transportation Board (“STB”), on or about July 15, 2010, for ESPN to abandon the 2.14-mile rail line located between milepost 0.0, in the Borough of Bridgeport, and milepost 2.14, at Henderson Road in Upper Merion Township, in Montgomery County, Pennsylvania (the “Line”). A map of the proposed abandonment is attached.

During the removal of track and materials, if any, ESPN does not anticipate the use of any new access roads, the need to conduct dredging, or the use of fill. Only existing public and private access roads and ESPN right of way should be needed to facilitate operations. In addition, the underlying roadbed will not be disturbed. There is one bridge on the Line which crosses a narrow road. There are currently no plans to remove the bridge.

Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in determining whether it is likely to adversely affect endangered or threatened species or areas designated as a critical habitat.

We would appreciate your review and any comments you may wish to offer. We would also appreciate any information you can forward it to the STB.



U.S. FISH AND WILDLIFE SERVICE
Pennsylvania Field Office
315 South Allen Street, Suite 322
State College, Pennsylvania 16801-4850



No federally listed species under our jurisdiction is known or likely to occur in the project area. This determination is valid for two years. Should project plans change, or if additional information on listed species become available, this determination may be reconsidered.

[Signature] Supervisor 6/17/10

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 17, 2010

National Park Service
RTCA Program
1201 Eye Street, NW
9th Floor
Org Code 2240
Washington, D.C. 20005

National Park Service
RTCA Program
U.S. Custom House
200 Chestnut Street, Fifth Floor
Philadelphia, PA 19106

**RE: STB Docket No. AB-1020 (Sub-No. 1X), East Penn Railroad,
LLC --Abandonment Exemption--In Montgomery County,
Pennsylvania**

Dear Sir/Madam:

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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on wildlife sanctuaries or refuges, National or State parks or forests.

May 17, 2010

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

Thank you in advance for your prompt assistance. If you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Karl Morell". The signature is written in a cursive style with a large initial "K".

Karl Morell

Attorney for:

East Penn Railroad, LLC

BALL JANIK LLP

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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 17, 2010

Department of Environmental Protection
P.O. Box 2063
Harrisburg, PA 17105-2063**RE: STB Docket No. AB-1020 (Sub-No. 1X), East Penn Railroad,
LLC --Abandonment Exemption--In Montgomery County,
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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on applicable water quality standards. We also seek your assistance in determining whether the proposed abandonment is consistent with applicable Federal, State or local water quality standards. ESPN does not believe any permits under Section 402 of the Clean Water Act will be required.

May 17, 2010

Page 2

We would appreciate your review of the proposed abandonment and any comments you may wish to offer. We would also appreciate you providing us with a written response so that we can forward it to the STB.

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Karl Morell

Attorney for:

East Penn Railroad, LLC

BALL JANIK LLP

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1455 F STREET, NW, SUITE 225
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KARL MORELL
OF COUNSEL

kmorell@bjllp.com

May 17, 2010

U.S. Environmental Protection Agency
1650 Arch Street
Philadelphia, PA 19103

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LLC --Abandonment Exemption--In Montgomery County,
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BALL JANIK LLP

May 17, 2010

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Sincerely,

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Karl Morell

Attorney for:

East Penn Railroad, LLC

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May 17, 2010

U.S. Army Corps of Engineer, Philadelphia District
The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-3390

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LLC --Abandonment Exemption--In Montgomery County,
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Pursuant to the STB's environmental regulations at 49 C.F.R., Part 1105, we are advising you of this proposed action so that you may assist us in identifying any potential effects on designated wetlands or 100-year flood plains. ESPN does not believe any permits under Section 404 of the Clean Water Act will be required.

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Sincerely,

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Karl Morell

Attorney for:

East Penn Railroad, LLC