

229569



COMMONWEALTH of VIRGINIA

Office of the Governor

Robert F. McDonnell
Governor

May 12, 2011

ENTERED
Office of Proceedings

MAY 20 2011

Part of
Public Record

Chairman Daniel R. Elliott, III
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Dear Chairman Elliot:

As you proceed with your two hearings, one to review rail traffic exemptions and the other to assess rail competitiveness, I would like to provide the Virginia perspective.

Virginia is well served by rail. We have two Class I Railroads - Norfolk Southern and CSXT - nine Short Line railroads, and we are home to the Port of Virginia. We are one of only 15 states that have partnered with Amtrak to provide state-sponsored passenger rail, which augments the regional and long distance Amtrak services that operate in and through Virginia. Virginia's Lynchburg Amtrak Virginia route is the best performing train in Amtrak's state-supported system. Finally, Virginia is served by Virginia Railway Express, a commuter rail service that is experiencing record ridership levels.

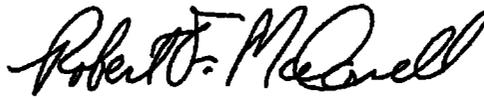
The Virginia rail transportation system works well and is growing. Virginia has established relationships with our freight rail partners that allow for the expansion of both freight and passenger rail services in a mutually beneficial manner. As demand for freight rail services has increased, we have worked together to improve Virginia's rail infrastructure to enhance capacity and reliability, increasing Virginia's economic competitiveness and securing our position as a critical global and domestic portal to the world's economy.

Much of our freight rail success is made possible through the outcomes of the Staggers Rail Act. As you review the provisions of this act, I would like to emphasize the positive economic opportunities that the Act has brought to Virginia's economy. I believe changes to this Act could negatively impact Virginia's rail transportation network and could impede further growth of the system to meet the anticipated increase in demand for both passenger and freight rail service.

Chairman Daniel R. Elliot, III
May 12, 2011
Page Two

Thank you for your consideration. I sincerely hope you will take the success Virginia has experienced into consideration as you proceed through your hearings.

Sincerely,

A handwritten signature in black ink that reads "Robert F. McDonnell". The signature is written in a cursive style with a large, stylized "R" and "M".

Robert F. McDonnell

RFM/cw