



Cannon Moss
President & GM

**NORFOLK AND PORTSMOUTH
BELT LINE RAILROAD COMPANY**

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CHESAPEAKE, VIRGINIA
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September 10, 2014

The Honorable Daniel R. Elliott III
Chairman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Dear Chairman Elliott,

The Norfolk and Portsmouth Belt Line (NPB) is a class III, terminal switching railroad running through the communities of Norfolk, Portsmouth, and Chesapeake, Virginia. We operate on approximately 26 miles of track and serve the various terminals at the Port of Virginia and several private companies located on the Southern Branch of the Elizabeth River. Our fall peak season begins in October and is driven primarily by export grain going through the Perdue grain elevator. NPB handles bulk materials with our primary products being grain, ethanol, and cement.

In 2013 NPB handled a total of 22,700 rail cars, 42% of which were delivered during the 4th quarter. We have seen steady volumes through August 2014 with an overall increase to our traffic of 48% (5,783 rail cars). This increase is all grain business which is export corn, soybeans, wheat, and meal. Our volume levels normally drop off in March but this year grain has continued to be strong throughout the entire year. We expect that strength to continue through our peak season this year. To get ready for our 2014 peak we have:

- Hired four more Train & Engine employees
- Invested \$4.5 million of capital in 2014, including major yard upgrades and expansions to add additional capacity.
- We have begun work on major yard expansion in conjunction with the City of Chesapeake to do a highway grade separation along with an expansion of our Virginia yard. If we are able to accomplish this, we will be able to add additional capacity, get rid of three at-grade crossings, and mitigate the extended maritime delays vessels occasionally experience at our main line drawbridge.

With all this good news, we do have some cause for concern for this peak season. As you mentioned in your letter, the Class Is are experiencing service issues. While they initially stemmed from this harsh winter, they are now stemming from unexpected volume growth and the lead time it takes to get additional people and equipment. While their delays will not have a negative impact on our operation, they do affect our customers supply chain which could impact their future business. We are more directly

affected by equipment shortages since it hinders our customer's ability to grow their business. I am sure our Class I partners are doing everything they can to meet the demands of this increase in traffic. We expect volumes to steadily increase and have some great opportunities for new customers in the next few years. We are very bullish on rail and I see nothing but opportunities for continued growth for our company and our customers.

One last point, I would also ask you not to support "re-regulating" our industry. I have recently read comments from Senator Rockefeller regarding the state of our industry and it causes me great concern. The United States has the best rail system in the world, something that would not have been accomplished without the Staggers Act. The strength of our rail system is important to our country's economy and the industry needs to be allowed to continue to prosper the way we have since 1980.

Please feel free to call me with any questions or clarifications.

Sincerely

A handwritten signature in black ink, appearing to read "Cannon Moss". The signature is written in a cursive style with a large, sweeping initial "C".

Cannon Moss