



Scott M. Saylor
President

October 7, 2009

Dear Friends of the North Carolina Railroad Company,

I want to let you know that the North Carolina Railroad Company (NCRR) has retained Steer Davies Gleave of Boston to study what the potential ridership and revenue would be for commuter rail service within its 140-mile rail corridor between Greensboro and Goldsboro. The results of the study will be available in the second quarter of 2010.

This approximately eight-month study is a follow-up to an NCRR engineering study last year that concluded that with significant improvements, commuter trains and freight trains can co-exist in the Goldsboro-Greensboro corridor.

Steer Davies Gleave will prepare ridership models and revenues forecasts for four potential commuter train routes in the seven-county area for 2012, 2017 and 2022. Those routes could be:

- Goldsboro to Raleigh through Selma, Clayton and Garner
- Raleigh to Burlington through Cary, Research Triangle Park, Durham, and Hillsborough
- Greensboro to Raleigh through Gibsonville, Elon and Burlington
- Chapel Hill/Carrboro connections to Raleigh and Greensboro

The study area also includes 18 state and private universities within 2-mile access to the rail line, including NC State, Shaw, UNC-Chapel Hill, Duke, N. C. Central, UNC-Greensboro, Elon, and N.C. A&T.

The studies are part of NCRR's capital investment planning for 2030. From its early beginning our company has looked over the horizon to determine how this important asset can be used to benefit economic development and transportation in North Carolina. We look forward to working with a variety of interests to explore the potential use of the rail line for the public and business over the next couple of decades.

The study will include:

- A travel survey of citizens in the market areas.
- Data collection on trip making patterns to and from major businesses.
- Projections of parking requirements at commuter rail stations, a key factor in market forecasting.

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- Development of a travel forecasting model (building upon existing Triangle Regional Model and Piedmont Triad Regional Model) and use of other forecasting tools.
- Estimating of ranges of projected fares to provide a basis for fare box revenue.
- Evaluation of socio-economic factors and their effects upon ridership demand.
- Examination of bus routes for feeder and distributor services.

Study results will be shared with the public and local and regional planning officials. For additional information about NCRR's Capital Cost Study visit www.ncrr.com. This study will cost approximately \$300,000 and NCRR is funding it with revenues from its operating agreement partnership with Norfolk Southern.

Steer Davies Gleave is a transportation consultant firm with headquarters in London (U.S. headquarters are in Boston). The firm employs a staff of 350 and has annual revenues exceeding \$60 million. They are one of the rail sector's leading independent advisors and have worked in the global market since 1979. The firm recently acquired the transportation planning group of Charles River Associates.

The North Carolina Railroad Company owns and manages the 317-mile rail corridor extending from the Morehead City Port to Charlotte. The railroad carries over 60 freight trains and eight passenger trains daily. NCRR is the state's oldest corporation and remains at the forefront of rail improvements and partnership development to promote jobs and rail-served industry across the state. The North Carolina Railroad touches nearly a quarter of the state's economy. We look forward to working with many interested leaders, from both business and government, to plan our state's transportation future.

If you have any questions about this study, please contact NCRR Public Affairs Director, Kat Christian at 919-954-7601 or at katchristian@ncrr.com. Thank you for your interest and support as we work to build a better railroad for our citizens and businesses.

Sincerely,



Scott Saylor
President, North Carolina Railroad Company