

Dear Representative Ballentine,

I am writing concerning your interest in the location for a CSX passing siding in the White Rock area of Richland County. In order to maintain a safe and viable network for our customers and the state of South Carolina, CSX is committed to this project and I am pleased to be able to share this information with you.

The United States is currently experiencing a tremendous amount of growth in freight rail volumes. The country is moving more freight, driven by population growth-especially in the Southeast. U.S. consumption is expected to grow by 62% between 2005 and 2020. In order for this growth to be productive, the country needs a strong rail system. At CSX, we are taking steps to ensure a safe, efficient and reliable rail network is in place. In 2007, CSX spent approximately \$1.7 billion in capital expenditures and we expect to spend between \$1.6 billion and \$1.7 billion annually through 2010.

As you will recall in 2006, CSX was asked by Richland County and the Town of Irmo to explore alternative locations for a planned siding in Richland County. In response to that request, CSX entered into a thoughtful review process, conducted engineering studies, considered a number of factors, including environmental impacts, and decided on the White Rock location.

The location in White Rock met our exacting criteria for siding development. Its location is important for two reasons:

The location is along a 30 mile stretch of single main track. Placing the siding next to such a long stretch of track will assist with the fluidity of the network and will keep trains moving in the area.

Secondly, because of its close proximity to Columbia, the siding will reduce congestion in CSX's Cayce Terminal and beyond, to utility, automotive and plastics customers.

The line that currently exists in the White Rock area is part of CSX's I-26 Gateway. This line carries coal for utilities to produce electricity for South Carolina residents, finished automobiles, plastics, grain and intermodal containers.

While I understand the shipment of hazardous materials is a concern, CSX does not release detailed information about these shipments publicly, for security reasons. However, we will provide detailed information to emergency response officials.

We work very closely with emergency response officials to ensure they are prepared and properly trained to respond to railroad incidents. CSX provides this training at no cost to the emergency responders. In fact in October, 2006, CSX completed a hazardous materials drill in Columbia with representatives from the City of Columbia, Richland County and the University of South Carolina in attendance. In 2007, CSX also participated in a brief table top exercise at the Lowman Home, along with emergency response officials, to discuss responses to a railroad incident. I will be glad to work with you to ensure all appropriate emergency responders receive additional information on hazardous materials and receive any additional training they feel is necessary.

As a common carrier, CSX is obligated by federal law to haul hazardous materials.

It is a responsibility we take seriously and we strive every day to ensure the safe delivery of these vital commodities. CSX has achieved a better than 99% success rate for transporting those carloads without incident.

Rail is by far the safest and most environmentally friendly way to transport goods and is three times more efficient than over the road alternatives. A train can move a ton of freight 423 miles on a single gallon of fuel. One train can remove approximately 280 trucks from our congested highways. In addition, since 1980, through technology and innovation the railroad industry has improved locomotive fuel efficiency by approximately 80%.

I have attached some additional facts on the proposed siding. Please do not hesitate to contact me if you have further questions. I will also be pleased to speak with any of your constituents, should you feel it beneficial for me to do so.

Sincerely,

John W. Dillard

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