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Virginia Port Authority
600 World Trade Center
Norfolk, Virginia 23510-1679
Telephone (757) 683-8000
Fax (757) 683-8500

J. Robert Bray
Executive Director

April 22, 2004



The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

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Office of Proceedings

APR 23 2004

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RE: STB Finance Docket No. 33388 (Sub-No. 91)
CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation and Norfolk Southern Railway
Company – Control and Operating Leases/Agreements –
Conrail Inc. and Consolidated Rail Corporation (General Oversight)

Dear Secretary Williams:

On behalf of the Virginia Port Authority (VPA), I welcome this opportunity to inform the Surface Transportation Board that our port has benefited from the Conrail Transaction. The VPA supports the planned termination of the Conrail General Oversight Proceeding.

The Port of Virginia is the third largest port on the U.S. East Coast. In the year 2003, the four marine terminals operating within our port handled 1,646,279 TEUS. Our port primarily services the Mid-Atlantic market, but we also handle about 22% of our business that moves via rail to/from the Midwest. Rail service is an integral part of day-to-day operations at our port with on-dock and near-dock rail facilities at all of our marine terminals. Through the rail services offered by the Norfolk Southern and CSX, our port is able to serve rail markets in cities such as Columbus, Cleveland, Chicago, Detroit, Louisville, St. Louis, and Kansas City. For this reason, I feel well qualified to speak out in support of the planned termination of the Conrail General Oversight Proceeding.

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Since the Conrail breakup in 1999, our rail volume has increased from 121,297 containers to 175,145 containers, an increase of 44%. In addition, we have seen more competition develop in our port with CSX now serving nine Midwest origins/destinations compared to just one in 1999. The Norfolk Southern has retained its dominant role in our port serving 22 origin/destinations and continuing to handle the majority of rail volume through our port. This added competition as well as the competition that has been created by the two railroads competing in the New York market, has resulted in better service and lower prices to those shippers moving their cargo on rail through our ports.

The Port of Virginia has always had excellent relationships with Norfolk Southern and CSX. The operating scope and efficient services provided by Norfolk Southern and CSX have been a major contributor to our port's growth and success. We feel the Conrail acquisition has been beneficial to ports, the shipper community, and ultimately the U.S. consumer. It is the view of the VPA that there is no need to extend the oversight of the transaction. The transaction has been fully implemented. Should any future problems develop, those can be brought to the attention of your Board.

Yours truly,


J. Robert Bray
Executive Director