

December 15, 2008

Mr. Dan Gillis  
1770 Wicklawn Drive  
Lancaster, PA 17603

Re: Followup to Meeting with TRRAAC Representation

Dear Dan:

I am writing in follow-up to the meeting Bob Macina, Jan Bergen, and I had with you and Sarah Young Fisher last week concerning the Dillerville Railyard Project. We appreciate you taking the time to meet with us on behalf of TRRAAC to share your concerns. Following our meeting with you, I met with the leadership of Franklin & Marshall College (F&M) to share your specific requests, which covered alternate sites for the railyard relocation, project grant applications, a public meeting for NEPA-related topics, and lastly, the condition of the property south of the rail tracts owned by F&M.

Regarding the two alternate sites for the railyard, which TRRAAC requested project partners to consider, I learned that Craig Lewis, Norfolk Southern's Vice President for Corporate Affairs, has made it very clear that Norfolk Southern has reviewed both of your alternate locations and does not consider either location a viable alternative to the current site. Additionally, Gannett Fleming, the project engineer, studied multiple configurations of the existing railyard to meet the goals of Norfolk Southern, the City, and our institutions. They determined that both of the alternate sites proposed by TRRAAC are unworkable for operational reasons. A copy of correspondence from Gannett Fleming describing the results of their research is enclosed. Lastly, I also confirmed with senior leadership at Donnelley Printing that they were contacted about the possibility of selling land to make the current railyard larger. They clarified and affirmed that Donnelley is not willing to consider selling any of their land at the expense of losing future flexibility. In conclusion, I do not feel an independent study of the alternate sites would be a worthwhile endeavor in light of Norfolk Southern's hard position, Donnelley's unwillingness to consider the sale of their land, and project engineer conclusions regarding operational considerations. Essentially, there are no other sites to consider at this time.

The second request TRRAAC made was to provide access to all applications submitted to public funding sources for the project. I believe your request was based upon a concern that our funding applications contained different information than what we have previously represented. I can assure this is not the case and information contained in these applications is consistent with material made public in previous meetings and on the project's web site.

**Thomas E. Beeman, President and CEO**

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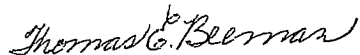
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We know there are some members of the community that would like additional opportunities to meet with the project partners to discuss the Dillerville railyard project. In fact, we are planning another round of "living room" meetings for small groups of neighbors to continue the dialogue about the project. We do not support more large group meetings, however, as they have proven to be less useful and informative than the smaller meetings held in the past. Regarding the NEPA process, our official document will be posted on our web site after it is filed in accordance with the governmental regulations for this program.

Lastly, in my conversations with Franklin & Marshall College about your request for remediating the land south of the railroad tracks, I was informed that the project's environmental consultant, ARM Group, Inc., has conducted an appropriate Act 2 characterization of the Lancaster County Solid Waste Management tract, and they have determined that there is no need for any off-site characterization for Act 2 purposes. Legal counsel for the project has also advised us to refrain from additional dialogue on this topic until your appeal of the Act 2 approval is resolved.

We hope this information is helpful to you in addressing any remaining questions you may have. As I noted when we met, we are committed to being transparent with our communication and progress with the project, as is Franklin & Marshall College leadership. Accordingly, we have attached a binder of information that supports the details outlined above.

Sincerely,



Thomas E. Beeman  
President and CEO

TEB/bg

Enclosures