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Steel City Flyer to End Service on July 16, 2009

Pittsburgh, Pennsylvania, USA, July 10, 2009 — The *Steel City Flyer* business-class bus service operated by Railroad Development Corporation (RDC) between Pittsburgh and Harrisburg will cease operations upon completion of runs on July 16th. The service, initiated in November 2008, was intended to serve two markets: business travelers between Pittsburgh and Harrisburg, and passengers connecting to Amtrak's high-speed Keystone Corridor between Harrisburg and the East Coast.

"While we have received extensive support from the media and loyal riders from a broad range of the Pittsburgh business community, the reality is that we misread the market," commented RDC and *Steel City Flyer* Chairman Henry Posner III. "Our anchor ridership was intended to be business travelers between Pittsburgh and Harrisburg, the logic being that they would save both time and money, given the ability of passengers to work or relax onboard as opposed to driving. What we did not consider was that in many cases our own potential passengers were the prime competition. Because the bulk of our potential market perceives itself to be receiving compensation through mileage allowances, we were in effect competing with their own economic interests."

"Our goal was to create an intercity passenger service for Pittsburgh that was second to none," added manager George DeBolt. "In that we succeeded. Travelers who tried the *Flyer* loved it and vowed they would never drive to Harrisburg again. Unfortunately, it was just impossible to get enough people out of their private automobiles in spite of an outstanding, convenient green alternative."

Posner added, "To be candid, our single biggest disappointment was that a single health care provider with offices in both Pittsburgh and the Harrisburg area told us that, while we could save them \$1 million per year, that amount was not significant enough to make us part of their corporate travel policy (this is more evidence of why health care is so expensive!). Another disappointment was our inability to obtain access to Harrisburg's 'intermodal' rail/bus terminal, thus preventing us from becoming part of the Amtrak network."

Steel City Flyer President Bob Pietrandrea commented, "We needed an anchor customer that could provide a base passenger load for the service. We thought that we had that customer so we were surprised when they would not commit to using the *Steel City Flyer* even though they acknowledged that they would achieve significant cost savings and productivity improvements. As a result, the region has lost a great transportation option because we could no longer afford to keep the service running while the passenger count built up slowly."

Posner concluded, "To our loyal riders we offer our thanks and appreciate the enthusiastic support that our service received. It has also been a source of personal satisfaction to have been part of the transportation scene in our own hometown. We will take many of the lessons learned in the *Steel City Flyer* to our next venture, an intercity rail passenger business in Europe."

RDC is a privately held Pittsburgh-based railway management and investment company, focusing on "Emerging Corridors in Emerging Markets." Its Iowa Interstate Railroad won the Gold Harriman Safety Award in May 2008 and is the designated route for the proposed Amtrak service to Iowa City under the Midwest Regional Rail Initiative. Most recently the government of France announced a joint venture with RDC to revive its carload freight business. For more information about RDC and its investment and management activities in the USA, Latin America and Europe, please visit www.RRDC.com.