

*How tomorrow moves* [CSX]



The National Gateway in Hampton Roads  
*Preparing for Tomorrow*  
April 20, 2010

# *What is the National Gateway?*

**The National Gateway is a plan to create a more efficient freight route linking Mid-Atlantic ports with Midwestern markets, improving the flow of rail traffic between these regions by increasing the use of double-stack trains. This public-private partnership will upgrade tracks, equipment and facilities, and provide clearance allowing double-stack intermodal**

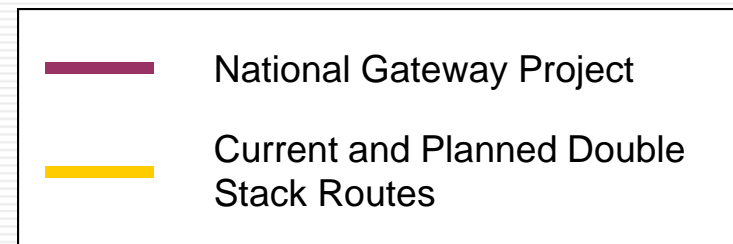
**This public-private partnership will upgrade tracks, equipment and facilities, preparing three major rail corridors for double-stack clearance:**

- \* I-95 Corridor between North Carolina and Baltimore, Maryland via Washington, D.C.
- \* I-70/I-76 Corridor between Washington, D.C. and northwest Ohio via Pittsburgh, Pennsylvania
- \* Carolina Corridor between Wilmington, North Carolina and Charlotte, North Carolina

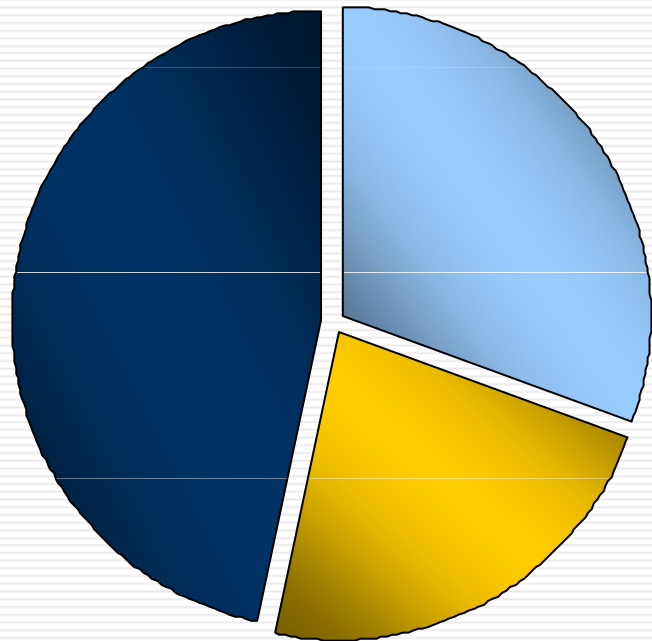
## National Gateway: Good for Virginia



- 63 clearance projects and 6 new/enhanced terminals utilizing the latest technology in 6 states and the District of Columbia
- Double-stack trains can deliver more freight with fewer trains - dramatically increasing efficiency while reducing rail line and highway congestion
- Improves connectivity to Midwest and Southeast



# *The National Gateway—a true Public-Private Partnership*



■ Federal   ■ State   ■ CSX

Federal = \$258 Million

State = \$191 Million

CSX = \$393 Million

---

Total = \$842 Million

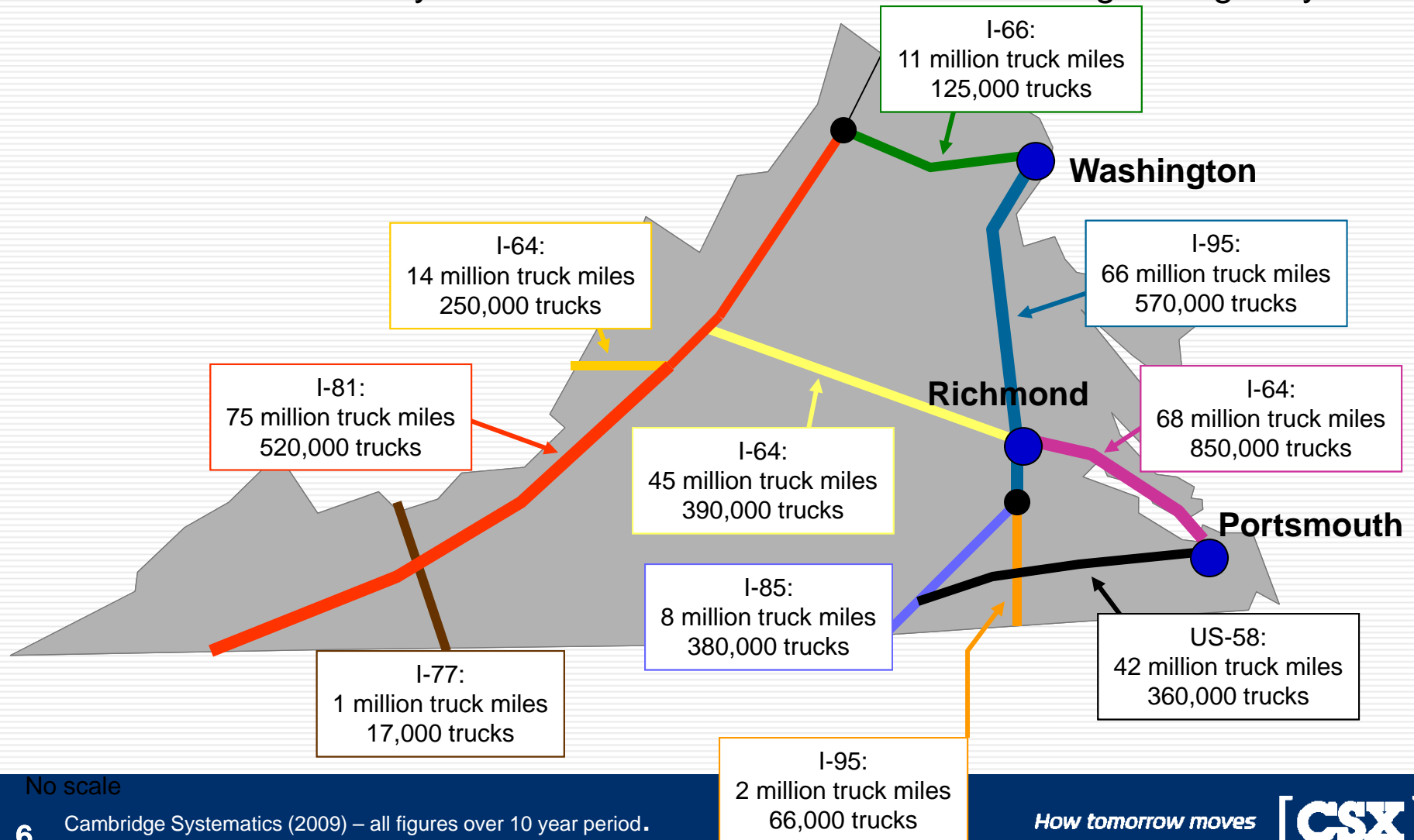
***\$16 in public benefits for every  
\$1 of public funds invested***

*The National Gateway meets the 21<sup>st</sup> Century  
transportation policy priorities of Virginia and the nation*

- **Reduces highway congestion**
- **Reduces costs for road maintenance and logistics**
- **Reduces greenhouse gas emissions and helps improve air quality**
- **Favorably positions the Port of Virginia to be more competitive in the global economy**
- **Enhances Virginia's market access potential**

# *The National Gateway reduces highway congestion*

The National Gateway removes over 3.5 million trucks from Virginia highways



No scale

# *The National Gateway reduces costs for road maintenance and logistics*



- ❑ The National Gateway shifts over 330 million freight vehicle miles traveled in Virginia from the highway to the railway
- ❑ This highway avoidance saves Virginia over \$105 million in highway maintenance costs, and reduces overall freight shipping costs on goods entering and leaving Virginia by nearly \$700 million





## *The National Gateway reduces greenhouse gas emissions and helps improve air quality*



- ❑ Over the first ten years, the National Gateway will reduce CO2 emissions in Virginia by 650,278 tons
- ❑ The National Gateway reduces fuel consumption by nearly 58 million gallons of gasoline

Perhaps the most important thing we deliver doesn't arrive in our freight cars.  
Our low-emission locomotives help improve air quality and drastically reduce fuel consumption.

How tomorrow moves

CSX



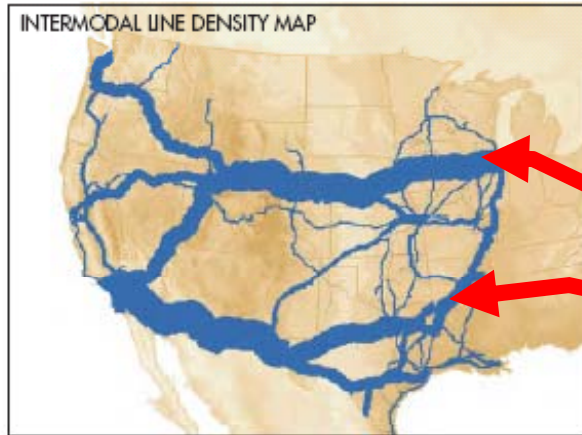
# *The National Gateway favorably positions Virginia to be more competitive in the global economy*



- The Panama Canal Expansion Project is scheduled to be completed in 2014, allowing larger vessels to transit
- The Port of Virginia is the only East Coast port that can handle the new, larger Post-Panamax vessels
- Creating two double-stack cleared freight lines:
  - Increases the port's share of discretionary container cargo
  - Reduces truck traffic in Hampton Roads
  - Attracts more steamship lines

# The National Gateway will enhance Virginia's market access potential

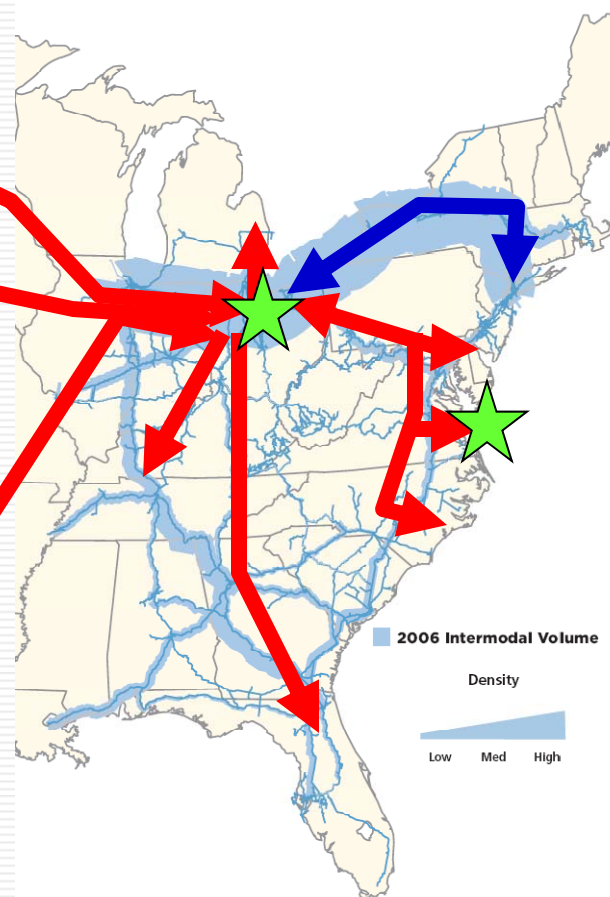
## Union Pacific



## BNSF



## CSX Intermodal



## Existing service improved by double stack economics and new terminal in NW Ohio

- Access to new markets in the Midwest and Southeast
- Reduced transit time through Chicago and St. Louis
- Increased frequency
- Bi-directional service

## Port of Virginia will be positioned to reach a much broader market area

- Increases Port's market access by 14%
- Supports Port's

How tomorrow moves



# National Gateway Project Benefits Snapshot

State	Direct Jobs	Total Benefits	Truck Miles Avoided	Tons of CO <sub>2</sub> Saved
Virginia and District of Columbia	1,142	\$1.4B	679 Million	651,044
Maryland	375	\$856M	209 Million	200,853
West Virginia	361	\$150M	215 Million	206,489
Pennsylvania	644	\$650M	258 Million	247,529
Ohio	541	\$745M	254 Million	243,225
North Carolina	0	\$256M	256 Million	245,708
<b>Totals *</b> Including all impacted states	<b>3,063</b>	<b>\$6.0B</b>	<b>2.9B</b>	<b>2.6M</b>

Assumes only jobs directly associated with construction and does not include indirect employment impacts.



## National Gateway - Virginia Coalition

“Virginia must...develop CSX's National Gateway, a...double-stack line along the I-95 corridor. These freight corridors will help Virginia be more competitive in the global economy, dramatically reduce CO2 emissions and take freight off the highway thereby reducing congestion and maintenance costs.”

- *“End Gridlock, Create Jobs: Get Virginia Moving”* McDonnell  
Transportation Plan, July 21, 2009

### ■ **Virginia Supporters** include:

Sen. Mark Warner	Northern Virginia Transportation Alliance
Sen. Jim Webb	APM Terminals
Rep. Randy Forbes	Chesapeake Bay Foundation
Rep. Rob Wittman	Sen. Frank Wagner
Rep. Jim Moran	Sen. Walter Stosch
Rep. Glenn Nye	Sen. Chap Peterson
Rep. Gerry Connolly	Del. Joe May
Virginia Chamber	Del. Glenn Oder
Hampton Roads Partnership	Del. Ward Armstrong

## *Current Project Status*

- On February 17, the National Gateway was awarded \$98 million in TIGER funds to fund Northwest Ohio to Chambersburg (less \$20 million in MD clearances)
- The \$160 million balance of required federal funds will support MD clearances and Virginia Ave Tunnel, projects critical for success of Virginia ports
- The states that were most proactive—OH, PA—were fully funded; despite state funding commitments, MD, VA and NC received \$0
- Concerted effort will be necessary to secure balance of federal funds through NIJA discretionary grants and the federal surface transportation reauthorization bill

# National Gateway: TIGER segmented clearance funding

## Clearance projects

(not all projects shown)



Northwest Ohio Terminal



**NW OH/Chambersburg:**

**38 locations funded**

OH – 18, PA – 17, WV – 3

2 locations unfunded

MD - 2



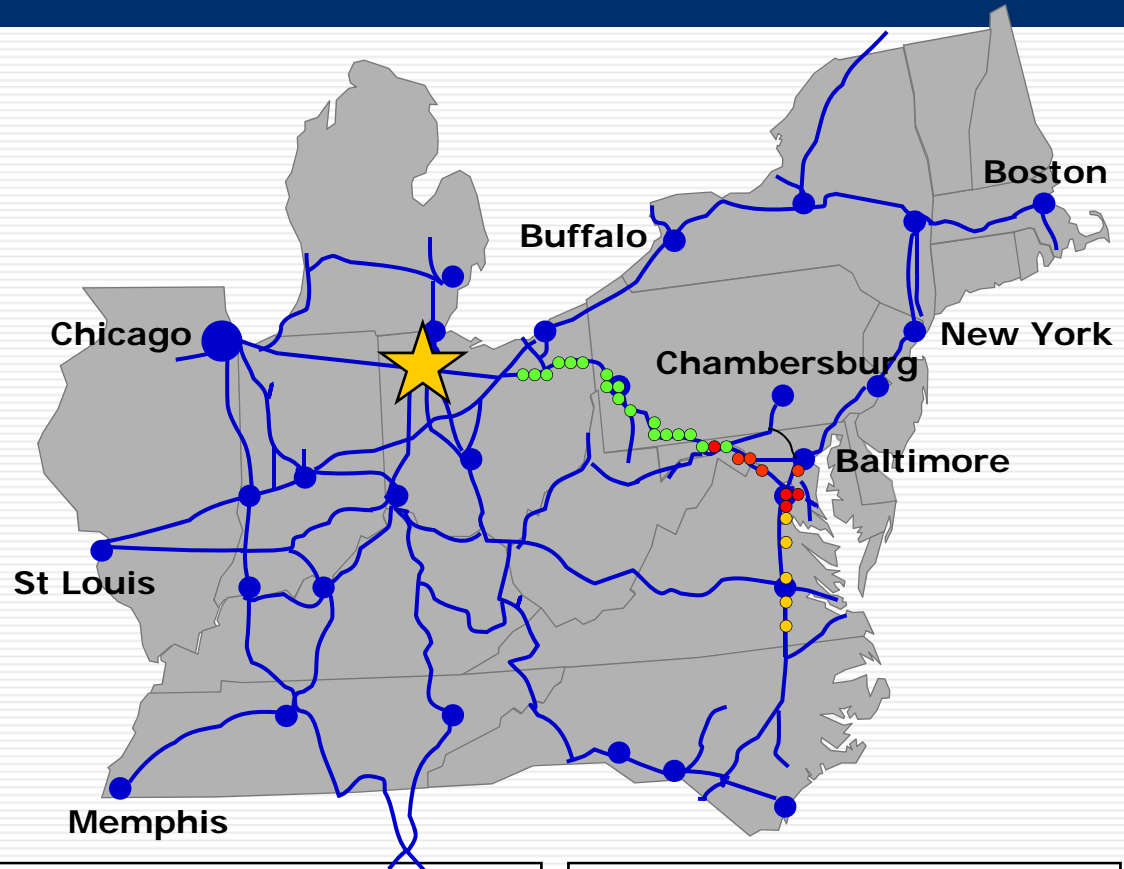
**Not funded - 16 locations**

MD – 8, WV – 2, DC – 6



**VA funded: 5 locations**

VA – 5



### NW OH to Chambersburg: \$183\*

TIGER Funded	\$98
State (OH,PA)	\$65
Unfunded	\$20

### Chambersburg to BWI: \$30\*

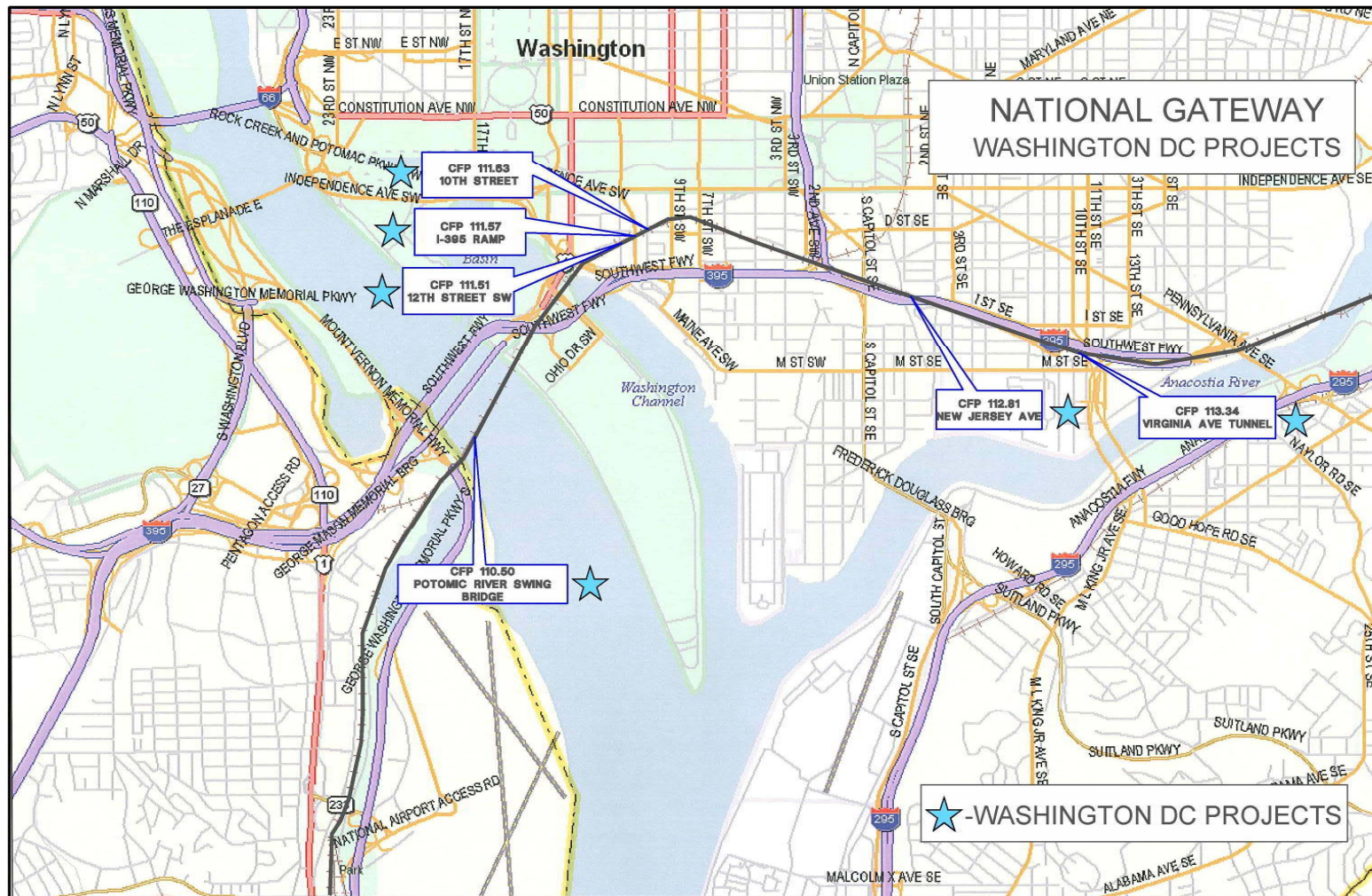
Federal (unfunded)	\$25
State (WV)	\$5
CSX	\$0

### BWI to Portsmouth: \$182\*

Federal (unfunded)	\$115
State (VA)	\$31
CSX	\$36



# National Gateway clearance projects in DC are critical to Virginia's success



Questions?

# The National Gateway – Investments in Virginia / DC

## ■ Total investment - \$198 M

- \$115 M – Federal
- \$42 M – Virginia
- \$41 M -- CSX

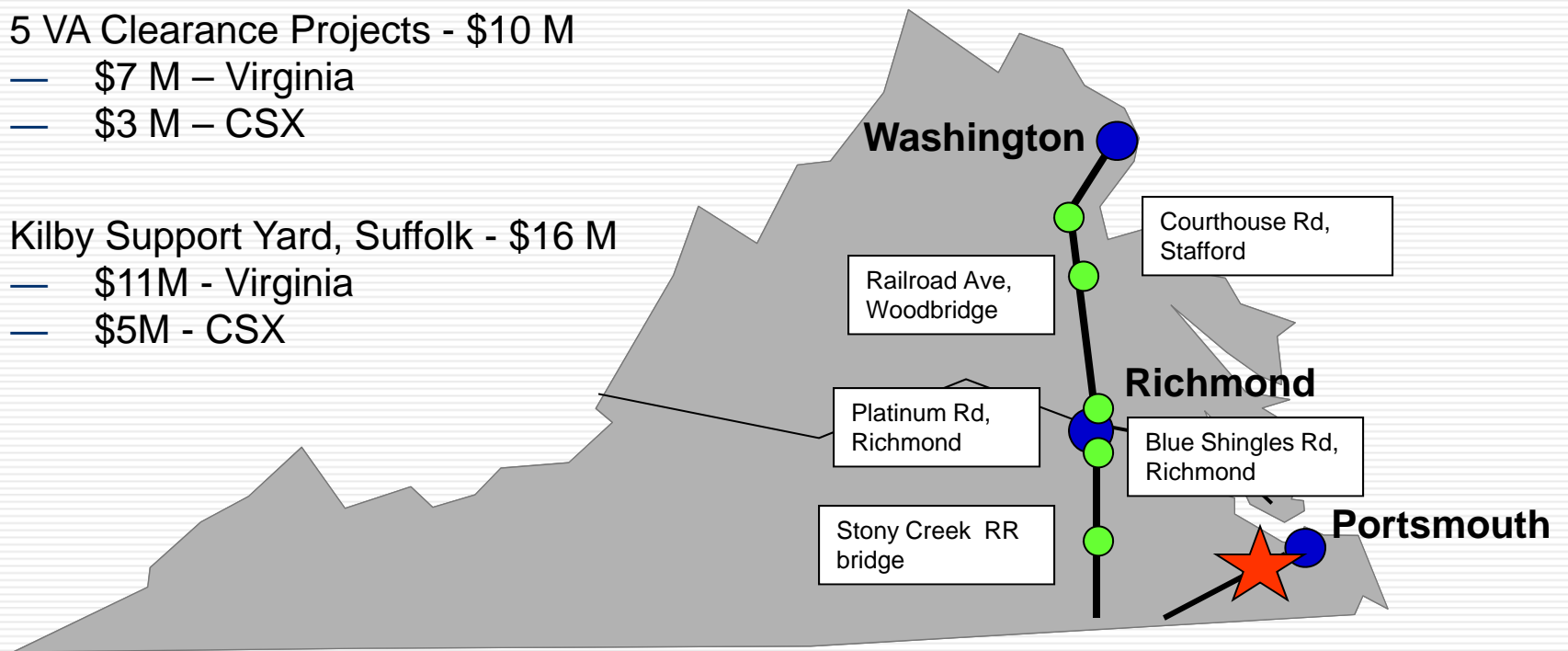
## ● 5 VA Clearance Projects - \$10 M

- \$7 M – Virginia
- \$3 M – CSX

## ★ Kilby Support Yard, Suffolk - \$16 M

- \$11M - Virginia
- \$5M - CSX

To date, Virginia has programmed  
**\$32 million in Rail Enhancement  
Funds to the National Gateway**



No scale

# The National Gateway – Investments in Virginia / DC

- Virginia Avenue Tunnel and other DC work - \$172 M
  - \$115 M - Federal
  - \$24 M - Virginia
  - \$33 M - CSX

Built in the 19<sup>th</sup> century, the single-track, single stacked Virginia Avenue tunnel is the largest clearance impediment to linking the Port of Virginia to the Midwest. Making the tunnel more efficient will also result in improved service reliability for passenger and commuter rail.

