



The National Gateway
Pennsylvania Senate Committee on Transportation
August 18, 2010

CSX connects the nation and the globe

CSX includes:

- 30,000 employees
- 21,000 route miles
- 1,200+ trains/day
- 5 million+ carloads
- 3,500+ locomotives
- 80,000+ freight cars
- Serves 70 ocean, lake and river ports



CSX in Pennsylvania

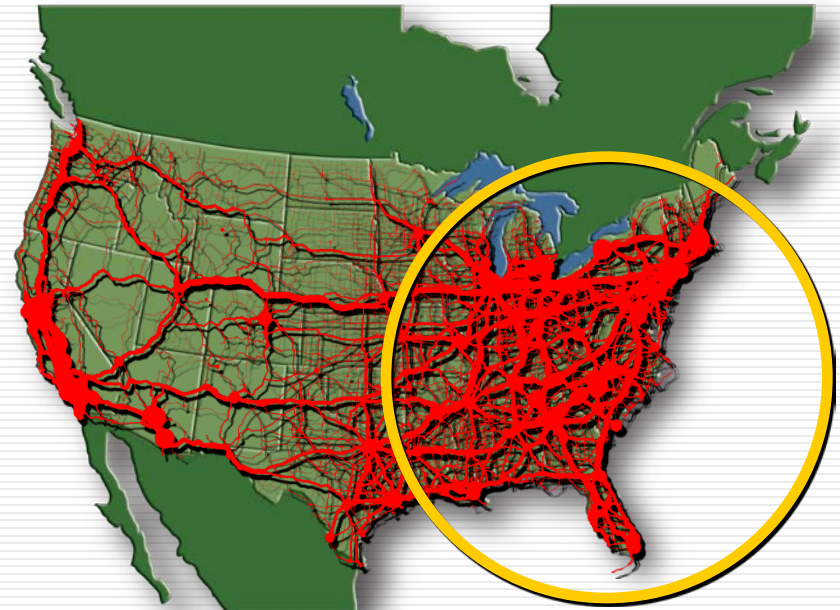
- CSX employs more than 800 PA residents with an annual payroll of approximately \$60 million in 2009
- CSX operates over and maintains 2,000 miles of track in PA
- In 2009, CSX invested more than \$50 million in the network in PA
- Major PA Yards/Facilities:
 - Greenwich Yard (Philadelphia)
 - Philadelphia and Chambersburg Intermodal Facilities
 - Automotive Distribution Center in Aston (Twin Oaks)
 - TRANSFLO Facilities – Butler, Chester, Philadelphia (2) and Pittsburgh

Transportation demand is on the rise and congestion is getting worse

Today



2020



CSX Territory

Truck Volume Scale



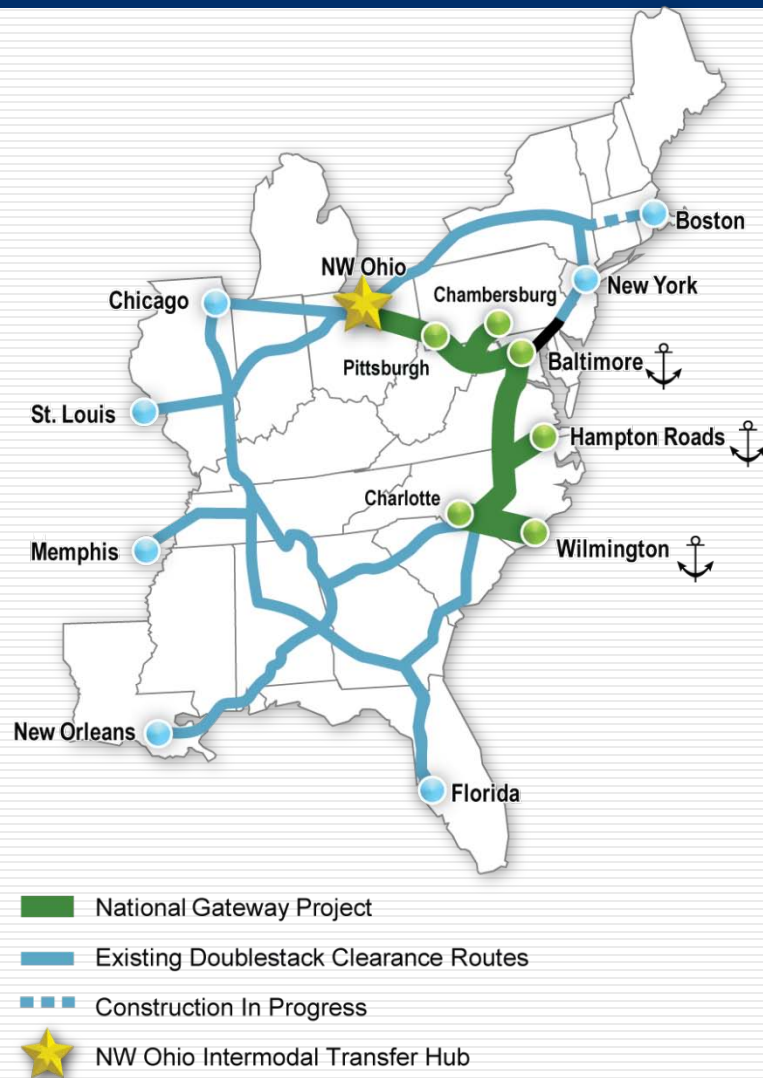
Source: USDOT FHWA Freight Analysis Framework

CSX is working to meet these challenges



- Increased need for supply chain flexibility
 - Shifting global supply chains
 - Globalization, Panama Canal expansion favor diversification to East Coast ports
- Intermodal freight transport increasingly critical to meeting nation's transportation needs
 - Combined efficiency of freight rail and flexibility of highway transportation

National Gateway overview



■ Project overview

- \$842 million in investments
- 61 double stack clearance projects
- Construction or expansion of 6 intermodal terminals

Clearance and infrastructure work needed

- Construction work varies from minor modifications to complete reconstruction of bridges, tunnels and other infrastructure
- 61 clearance projects in 6 states and the District of Columbia to achieve 21' clearance
 - 17 clearance projects in Pennsylvania



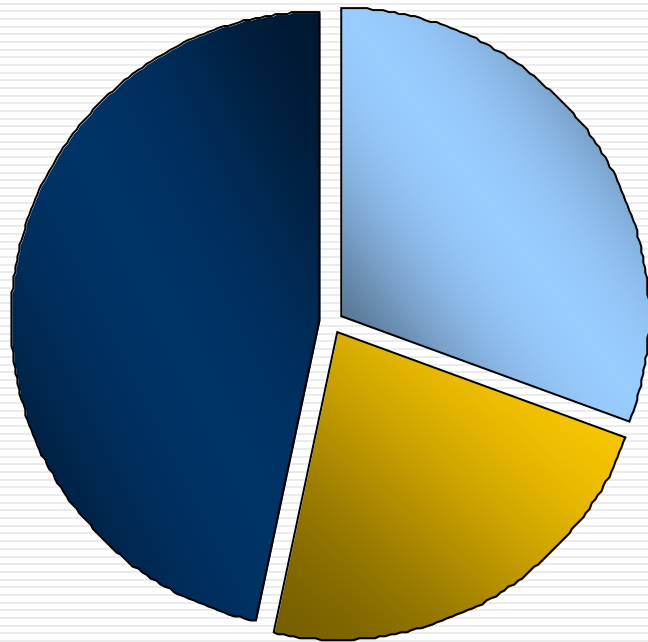
Pennsylvania terminals



- Chambersburg
 - Began operating in Fall 2008
 - Cost of \$48M
 - Provides 2500 direct & indirect jobs in Central PA over 10 years*
- Pittsburgh
 - Site search underway

*2006 HDR/HLB Decision Economics, Inc.

National Gateway costs and funding



■ Federal ■ State ■ CSX

Federal = \$258 Million

State = \$189 Million

CSX = \$395 Million

Total = \$842 Million

***\$22 in public benefits for every
\$1 of public funds invested****

National Gateway project status

Clearance projects

(not all projects shown)

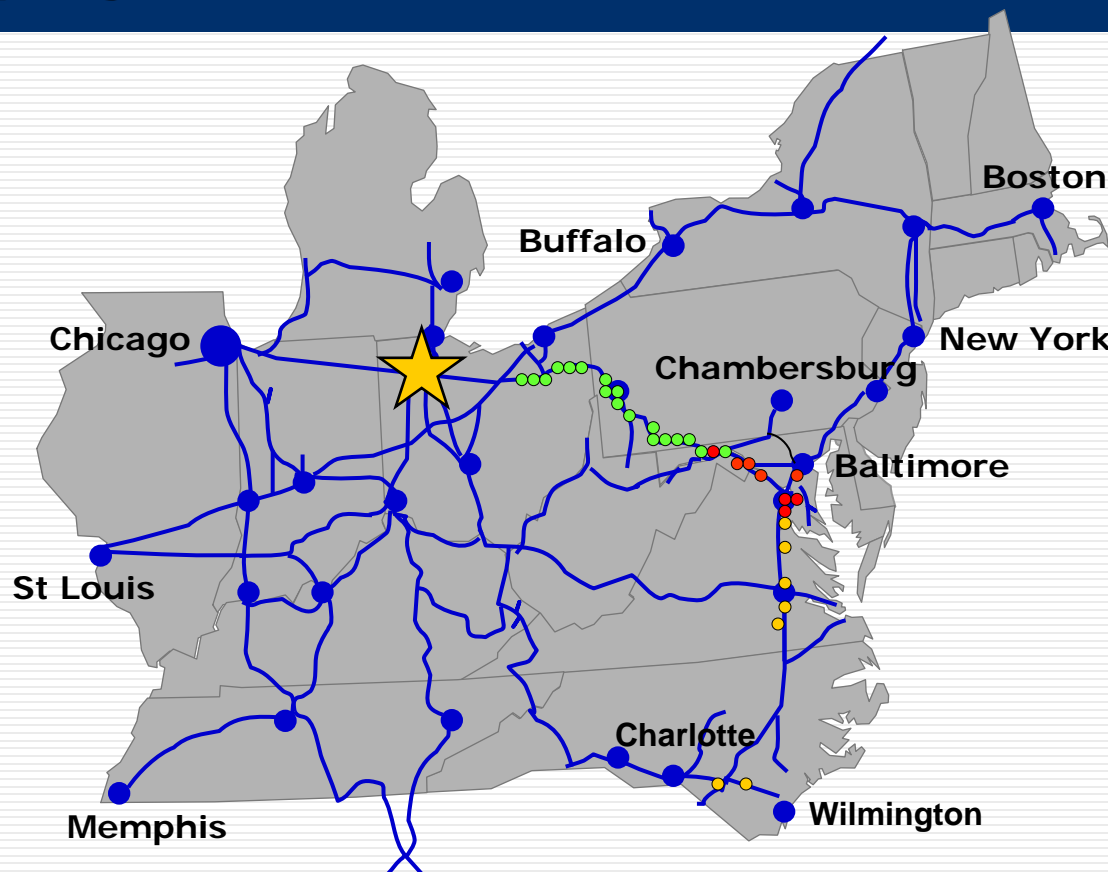


Northwest Ohio Terminal

Phase 1 – Northwest OH to Chambersburg, PA

Phase 2 – Chambersburg, PA to Baltimore, MD

Phase 3 – Baltimore, MD to Norfolk, VA/Wilmington, NC



Funded



Not funded



Projects funded jointly by CSX and Virginia/North Carolina



*National Gateway provides solutions to our nation's challenges, over \$10 billion in public benefits**

- **Stimulates the economy**
 - Over 30 years, expected to create more than 50,000 jobs, including more than 25,000 jobs in 14 economically distressed areas
- **Improves U.S Competitiveness**
 - Triples the market access potential for the Ports of Baltimore, Hampton Roads and Wilmington while improving western connections over Chicago.
- **Provides a Sustainable Transportation Solution**
 - Reduces emissions – estimated 20 million tons of CO₂ eliminated
 - Assists states in attainment of federal clean air standards
- **Reduces Consumption of Oil**
 - Contributes to U.S. energy security by saving 2 billion gallons of diesel fuel

The National Gateway is good for Pennsylvania

- **Over \$1.7 billion in benefits to Pennsylvania***
 - **Job Creation:** The National Gateway creates nearly 10,000 jobs
 - **Reduces congestion:** The National Gateway removes nearly 2,500,000 trucks from Pennsylvania highways
 - **Reduces greenhouse gas emissions:** The National Gateway reduces CO₂ emissions in Pennsylvania by over 2.7 million tons
 - **Reduces highway maintenance costs and improves safety:** The National Gateway saves over \$90 million in highway maintenance costs for Pennsylvania
 - **Reduces overall freight shipping costs:** The National Gateway saves nearly \$500 million in logistics costs



Growing list of supporters – www.nationalgateway.org



How tomorrow moves



Appendix

Summary of Pennsylvania obstructions

| # | State | Project Name | Description | City, County | Cost |
|----|--------------|------------------------|------------------------------------|--------------|--------------|
| 1 | Pennsylvania | Overhead Walkway | Replace Bridge | Corapolis | \$852,162 |
| 2 | Pennsylvania | Ohio Central RR | Lower Track | McKees Rocks | \$2,751,940 |
| 3 | Pennsylvania | Chartiers Creek | Bridge Modification | Pittsburgh | \$115,247 |
| 4 | Pennsylvania | Smithfield Street | Lower Track | Pittsburgh | \$3,006,596 |
| 5 | Pennsylvania | West End of J&L Tunnel | Remove Bridge Superstructure | Pittsburgh | \$190,869 |
| 6 | Pennsylvania | J&L Tunnel | Raise/Replace Tunnel Roof Slab | Pittsburgh | \$27,589,386 |
| 7 | Pennsylvania | East End of J&L Tunnel | Remove Portions of Existing Bridge | Pittsburgh | \$466,579 |
| 8 | Pennsylvania | Walnut Street | Lower Track | McKeesport | \$865,813 |
| 9 | Pennsylvania | Benford Tunnel | Open-Cutting of Tunnel | Confluence | \$1,099,278 |
| 10 | Pennsylvania | Brook Tunnel | Total Arch Liner Replacement | Confluence | \$9,621,460 |

Summary of Pennsylvania obstructions (cont'd)

| # | State | Project Name | Description | City, County | Cost |
|---|--------------|-------------------|------------------------------|--------------|-------------|
| 1 | Pennsylvania | Shoo Fly Tunnel | Open-Cutting of Tunnel | Confluence | \$1,099,278 |
| 2 | Pennsylvania | Pinkerton Tunnel | Total Arch Liner Replacement | Pinkerton | \$6,082,532 |
| 3 | Pennsylvania | Church Street | Replace Bridge | Garrett | \$4,969,791 |
| 4 | Pennsylvania | Blue Lick Truss | Raise Bridge Superstructure | Sand Patch | \$328,598 |
| 5 | Pennsylvania | Sand Patch Tunnel | Linear Notching/Portal Caps | Sand Patch | \$5,469,385 |
| 6 | Pennsylvania | Falls Cut Tunnel | Total Arch Liner Replacement | Fairhope | \$5,422,670 |
| 7 | Pennsylvania | Railroad Bridge | Bridge Modification | Hyndman | \$89,804 |