

**UNITED STATES OF AMERICA
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
WASHINGTON, DC 20590**

**GRANT AGREEMENT
UNDER THE
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
TRANSPORTATION INVESTMENTS GENERATING ECONOMIC
RECOVERY (TIGER) DISCRETIONARY GRANT PROGRAM**

OHIO RAIL DEVELOPMENT COMMISSION

CSX NATIONAL GATEWAY INITIATIVE

FHWA TIGER Grant No. 25

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**GRANT AGREEMENT BETWEEN THE
U.S. DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY
ADMINISTRATION AND THE OHIO RAIL DEVELOPMENT COMMISSION,
UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009,
SUPPLEMENTAL DISCRETIONARY GRANTS FOR A NATIONAL SURFACE
TRANSPORTATION SYSTEM,
HEREINAFTER REFERRED TO AS THE
“TIGER DISCRETIONARY GRANT PROGRAM”**

WHEREAS, the Ohio Rail Development Commission, hereinafter referred to as “Grantee,” or “Recipient,” or “Project Sponsor” has applied for a grant to progress Phase I of the National Gateway Initiative (hereinafter referred to as the “Project”), under the TIGER Discretionary Grant Program authorized by the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (hereinafter referred to as the “Recovery Act” or “ARRA”);

WHEREAS, the U.S. Department of Transportation (hereinafter referred to as the “Government” or “DOT”), acting for the United States, received and reviewed over 1,400 applications for grants under the TIGER Discretionary Grant Program;

WHEREAS, DOT selected 51 projects to receive TIGER Discretionary Grants because of the benefits that these projects are expected to provide;

WHEREAS, the Project was selected for funding based on the demonstrated benefits of using double-stacked intermodal trains, which include increased capacity, reduced greenhouse gas emissions and fuel usage, lower transportation costs, improved service reliability, shorter transport times, improved highway safety and expanded access to rail services;

THEREFORE, DOT awards this grant in the amount of ninety-eight Million Dollars (\$98,000,000) to be administered by the Federal Highway Administration (“FHWA”), to assist in the Grantee’s efforts to construct the Project, in accordance with the terms and conditions of this grant agreement (hereinafter referred to as the “Grant Agreement”).

SECTION 1. LEGISLATIVE AUTHORITY

Title XII of the Recovery Act provides that “...the Secretary of Transportation shall distribute funds provided...as discretionary grants to be awarded to State and local governments or transit agencies on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area, or a region.” The Recovery Act also provides that “...projects eligible for funding provided under this heading shall include, but not be limited to, highway or bridge projects eligible under title 23, United States Code, including interstate rehabilitation, improvements to the rural collector road system, the reconstruction of overpasses and interchanges, bridge replacements, seismic retrofit projects for bridges, and road realignments; public transportation projects eligible under chapter 53 of title 49, United States Code, including investments in projects participating in the New Starts or Small Starts programs that will expedite the completion of those projects and their entry into revenue service; passenger and freight rail transportation projects; and port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement.”

Further, the Recovery Act provides that the authority to award a grant under the TIGER Discretionary Grant Program and perform oversight may be transferred from the Secretary of Transportation to the Administrators of the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration and the Maritime Administration.

SECTION 2. GENERAL TERMS AND CONDITIONS

- a) The maximum obligation of the Government payable under this award, (hereinafter referred to as the "Grant"), shall be ninety-eight Million Dollars (\$98,000,000), subject to all the terms and conditions in this Grant Agreement.
- b) Payment of the Grant will be made pursuant to and in accordance with 49 C.F.R. Parts 18 and 19 (to the extent that a non-governmental grantee receives grant funding), and the provisions of such regulations and procedures as the Government may prescribe. Final determination of Grant expenditures may be based upon a final review of the total amount of agreed project costs and settlement will be made for adjustments to the Grant amount in accordance with applicable government-wide cost principles under 2 C.F.R. 225 (State and Local Governments); 2 C.F.R. 215 (Higher Education Institutions); and 2 C.F.R. 230 (Non-Profit Organizations).
- c) The Grantee agrees to carry out and complete the Project without undue delays and in accordance with the terms hereof, including the Project Schedule attached as Attachment F, and such regulations and procedures as the Government may prescribe.
- d) The Grantee has submitted a request for Federal assistance, hereinafter referred to as the "Technical Application," attached as Attachment G, and the Government is relying upon the Grantee's assurances, certifications, and other representations made in the Technical Application, or any other related documents submitted to the Government; and, in its submissions, the Grantee has demonstrated justification for the Project, and has demonstrated the financial and technical feasibility of the Project, including the ability to start construction quickly upon receipt of the Grant; to expend Grant funds once construction starts; and to receive all necessary environmental, state and local planning, and legislative approvals necessary for the Project to proceed in accordance with the Project Schedule.
- e) The Government has determined that the Project should receive a Grant based on a review of the Project's potential to rapidly create jobs and economic activity; to provide lasting, long-term economic benefits for the transportation system; and to provide other outcomes, as specified in the June 17, 2009, Federal Register Notice, "Notice of Funding Availability for Supplemental Discretionary Grants for Capital Investments in Surface Transportation Infrastructure Under the American Recovery and Reinvestment Act" (Docket No. OST-2009-0115).
- f) The Grantee will be monitored periodically by the Government, both programmatically and financially, to ensure that the Project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Monitoring will be accomplished through a combination of office-based reviews and onsite monitoring visits. Monitoring will involve the review and analysis of the financial, programmatic, performance and

administrative issues relative to each program and will identify areas where technical assistance and other support may be needed. The Grantee is responsible for monitoring award activities, to include sub-awards, to provide reasonable assurance that the Federal award is administered in compliance with applicable requirements. Responsibilities include the accounting of receipts and expenditures, cash management, maintaining adequate financial records, and refunding disallowed expenditures. (For further information, please see Attachment B).

- g) The Grantee agrees to take all steps, including initiating litigation, if necessary, to recover Federal funds if the Government determines, after consultation with the Grantee, that such funds have been spent fraudulently, wastefully, or in violation of Federal laws, or misused in any manner in undertaking the Project. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or disbursed by the Grantee that were originally paid pursuant to this Grant Agreement.
- h) The Grantee agrees to retain all documents relevant to the Grant award for a period of three years from completion of the Project and receipt of final reimbursement from the Government. The Grantee agrees to furnish the Government, upon request, all documents and records pertaining to the determination of the Grant amount or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Grantee, in court or otherwise, involving the recovery of such Grant amount shall be approved in advance by the Government.
- i) The Government is subject to the Freedom of Information Act (FOIA). The Grantee should therefore be aware that all applications and related materials submitted by the Grantee related to this Grant Agreement will become agency records and thus are subject to FOIA and to public release through individual FOIA requests. ARRA also mandates broad public dissemination of information related to the expenditure of funds through reporting requirements and website postings that are addressed in other sections of this Grant Agreement. President Obama's March 20, 2009 Memorandum for the Heads of Executive Departments and Agencies on Ensuring Responsible Spending of Recovery Act Funds mandates the strongest possible efforts to ensure public transparency and accountability of Recovery Act expenditures.
- j) The Government shall not be responsible or liable for any damage to property or any injury to persons that may arise from, or be incident to, performance or compliance with this Grant Agreement.
- k) The Grantee agrees to comply with 49 C.F.R. Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs -- as a condition of receiving grant funding.
- l) In accordance with OMB Recovery Act Guidance, (available at http://www.whitehouse.gov/omb/recovery_default/), and in the answers to Frequently Asked Questions (available at http://www.whitehouse.gov/omb/recovery_faqs), the Grantee may recoup costs in the amount of up to 0.5% of the grant amount for administering the Grant. Information about which administrative costs are reimbursable under this program is available in 2 C.F.R. Part 225 (OMB Circular A-87), "Cost Principles for State and Local Governments" [located at: <http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>], and in Recovery Act specific guidance in OMB Memorandum M-09-18, Payments to State Grantees for

Administrative Costs of Recovery Act Activities (May 11, 2009). The costs for reporting performance measures required pursuant to subsection m below are permitted as part of the up to 0.5% in administrative costs.

- m) Subject to the Paperwork Reduction Act, the Grantee agrees to:
- 1) collect the data necessary to track and report on each of the performance measures identified in the Performance Measurement Table to be included as Attachment I of this Grant Agreement – Attachment I shall be developed and finalized within 60 days of the execution of this Grant Agreement; and
 - 2) report the results of such data collection to the Government.
- n) The Government encourages the Grantee to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies that bar text messaging while driving company-owned or –rented vehicles, or government-owned, leased, or rented vehicles or privately-owned vehicles when on official government business or when performing any work for or on behalf of the Government. See Executive Order 13513 “Federal Leadership on Reducing Text Messaging While Driving”, Oct. 1, 2009 (available at <http://edocket.access.gpo.gov/2009/E9-24203.htm>) and DOT Order 3902.1 “Text Messaging While Driving”, Dec. 30, 2009 (available at <http://dotnet.gov.gov>), as implemented by Financial Assistance Policy Letter (No. FAP-2010-01, Feb. 2, 2010). This includes, but is not limited to, the Grantee:
- 1) considering new rules and programs or re-evaluating existing programs to prohibit text messaging while driving;
 - 2) conducting education, awareness, and other outreach for employees about the safety risks associated with texting while driving.
 - 3) encouraging voluntary compliance with the agency’s text messaging policy while off duty.

The Grantee is encouraged to insert the substance of this clause in all assistance awards.

SECTION 3. APPLICABLE FEDERAL LAWS AND REGULATIONS

In addition to any other Federal requirements that apply, including specific and/or additional Buy American and Davis Bacon Act Prevailing Wage requirements or other specific requirements that apply under Title 23 or Title 49 of the United States Code, performance under this Grant Agreement shall be governed by and in compliance with the following requirements as applicable to the type of organization of the Recipient and any applicable sub-recipients:

- a) The “Uniform Administrative Requirements for Grants and Grant Agreements to State and Local Governments” (49 C.F.R. 18), located at: <http://www.dot.gov/ost/m60/grant/49cfr18.htm>, DOT’s procurement standards for grants, will apply to the extent that the Grantee procures property and services in carrying out the approved grant project.

- b) Section 902 of the Recovery Act, requiring that each contract awarded using Recovery Act funds must include a provision that provides the U.S. Comptroller General and his representatives with the authority to: 1) examine any records of the contractor or any of its subcontractors, or any State or local agency administering such contract, that directly pertain to, and involve transactions relating to, the contract or subcontract; and 2) to interview any office or employee of the contractor or any of its subcontractors, or of any State or local government agency administering the contract, regarding such transactions.
- c) Section 1515 of the Recovery Act, authorizing the DOT Office of the Inspector General to: 1) examine any records of the contractor or Grantee, any of its subcontractors or subgrantees, or any State or local agency administering such contract, that pertain to, and involve transactions relating to, the contract, subcontract, grant or subgrant; and 2) interview any officer or employee of the contractor, Grantee, subgrantee, or agency regarding such transactions.
- d) Section 1605 of the Recovery Act (Buy American Requirements at 2 C.F.R. Part 176.140) to the extent that the Grantee uses Grant funds for construction, alteration, maintenance, or repair of a public building or public work that utilizes iron, steel, and/or manufactured goods that are not covered under international agreements. See Attachment C, Recovery Act Requirements and Contract Clauses, for requirements and more information on Section 1605 compliance
- e) Section 1606 of the Recovery Act (Davis-Bacon Act Wage Rate Requirements at 2 C.F.R. Part 176.190) to the extent that the Grantee uses Grant funds for construction, alteration, maintenance, or repair work. See Attachment C, Recovery Act Requirements and Contract Clauses, for requirements and more information on Section 1606 compliance.
- f) Section 1604 of the Recovery Act, which prohibits the Grantee from expending funds under this Grant Agreement on any casino, or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
- g) Sections 1201, 1511, and 1607 of the Recovery Act, requiring certifications (existing certifications will remain valid unless an update is needed). Note that the Section 1511 certification requirement pertains to particular infrastructure investments. All Certifications, once executed, should have been submitted to the Secretary of Transportation, c/o Joel Szabat, Deputy Assistant Secretary for Transportation Policy, at TigerTeam.Leads@dot.gov. Certifications may be submitted via e-mail as electronic, scanned copies, with original signed versions to follow to be submitted via U.S. mail. As required by the Recovery Act, certifications under Section 1511 shall be immediately posted on a website and linked to the website Recovery.gov. No funds may be obligated until such posting is made. Section 1553 of the Recovery Act, which requires the Grantee to provide Whistleblower protections. As a non-Federal employer, the Grantee is required to post a notice of the rights and remedies provided under this section. The whistleblower program requirements and poster are available at the following web site: <http://www.recovery.gov/?q=content/whistleblower-information>.
- h) Section 1554 of the Recovery Act, which requires the Grantee to award contracts as fixed-price contracts to the maximum extent possible through the use of

competitive procedures. In the rare circumstances where the Grantee does not award fixed-price contracts and does not use competitive procedures, the Grantee shall publicly and electronically post a summary of such contracts.

- i) The Single Audit Act Amendments of 1996 and the Office of Management and Budget's (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" (Single Audit Information requirements for Recipients of Recovery Act Funds (regulations at 2 C.F.R. Part 176.210)), which govern the tracking and documentation of all Recovery Act expenditures. This includes compliance with Federal regulations requiring conduct of a federally-approved audit of any expenditure of funds of \$500,000 or more in a year in Federal awards. See Attachment C, Recovery Act Requirements and Contract Clauses, for requirements and more information on Single Audit Information compliance.
- j) The "New Restrictions On Lobbying," (49 C.F.R. Part 20 [located at: <http://www.dot.gov/ost/m60/grant/49cfr20.htm>]).
- k) The "Cost Principles for State and Local Governments" 2 C.F.R. Part 225 (OMB Circular A-87), or other applicable cost principles, depending upon the grantee [located at: <http://www.whitehouse.gov/omb/circulars/a087/a087-all.html>].
- l) OMB Circular A-102, "Grants and Grant Agreements With State and Local Governments" or other applicable requirements, depending upon the grantee [located at: <http://www.whitehouse.gov/omb/circulars/a102/a102.html>]
- m) Any other applicable Federal regulation or statute including each of the laws, regulations, executive orders, policies, guidelines, and requirements identified in Attachment B, Grant Assurances.

SECTION 4. GRANTEE AND PROJECT CONDITIONS

- a) **Government:** The Government agrees to use any and all funds transferred to the Government, including but not limited to any funds received from the Grantee pursuant to 23 U.S.C. 308, solely for the payment of costs associated with administering this Grant. Any and all funds, transferred to the Government, and used for any other purpose, shall be returned to the transferring entity.
- b) **Grantee:** The Ohio Rail Development Commission, as the Grantee under the TIGER Discretionary Grant Program, agrees to administer the Grant according to the conditions set forth in this Grant Agreement.

Dun and Bradstreet Data Universal Numbering System (DUNS) No. of the Grantee:
180006517

First-Tier Sub-Grantees or Sub-Recipients (if applicable – to be reported if/when identified): _____

DUNS No. of First-Tier Sub-Grantee or Sub-Recipient (if applicable – to be reported if/when identified): _____

c) Notices:

Notices required by this Agreement should be addressed as follows:

As to the Government:

Robert Morris
Federal Highway Administration
Office of Federal Lands Highway
Eastern Federal Lands Highway Division
21400 Ridgetop Circle
Sterling, Virginia 20166
(703) 404-6201
Robert.Morris@dot.gov

and

Ed Strocko
TIGER Discretionary Program Modal Coordinator
Federal Highway Administration
1200 New Jersey Ave. SE, E84-440
Washington DC 20590
(202) 366- 2997
Ed.Strocko@dot.gov

and

Robert Mariner
United States Department of Transportation
Office of the Secretary
1200 New Jersey Avenue, SE, W84-244
Washington, DC 20590
(202) 366-8914
Robert.Mariner@dot.gov

As to the Grantee:

Matthew R. Dietrich
Executive Director
Ohio Rail Development Commission
1980 W. Broad Street, Columbus, OH 43223
614-644-0295
Matt.Dietrich@dot.state.oh.us

and

Thomas J. Burns
Planner
Ohio Rail Development Commission
1980 W. Broad Street, Columbus, OH 43223

d) Project Description and Milestones:

1) Project Description: See Statement of Work (Attachment A).

2) State and Local Planning:

Planning Program Date: N/A

3) Environmental Process:

Environmental Approval Type: Finding of No Significant Impact

Lead Agency: FHWA

DOT Agency (if not Lead Agency): _____ FRA _____

Date of Environmental Approval: November 22, 2010

Title of the Environmental Document: Environmental Assessment and Section 4(f) Evaluation, Phase 1 National Gateway Clearance Initiative

4) Project Schedule (See Project Schedule, Attachment F):

Planned or Actual Construction Start Date: Q3 2010

Planned Project Completion Date: Q4 2012

e) Project Funding (See Project Budget, Attachment E):

1) TIGER Discretionary Grant Program Funding:

The total not-to-exceed amount of Federal funding that is provided under this Grant Agreement is ninety-eight Million Dollars (\$98,000,000) for the entire period of performance. The Government's liability to make payments to the Grantee under this Grant Agreement is limited to those funds obligated under this Grant Agreement as indicated above and any subsequent amendments.

2) Local Financial Commitment (if any):

A. The Grantee hereby commits and certifies that it will provide funds (and ensure the availability of other sources of funding, such as local/private funding or in/kind contributions) in an amount sufficient, together with the Federal contribution (acknowledging the limitations as set forth in this Grant Agreement), to assure timely and full payment of the project costs as necessary to complete the Project.

B. The Grantee agrees to notify the Government within 14 calendar days of any change in circumstances or commitments that adversely affect the Grantee's plan to fund the project costs necessary to complete the Project as set forth in the Grantee's Technical Application. In its notification, the Grantee shall advise the Government of what actions it has taken or plans to take to ensure adequate funding resources and shall reaffirm its commitment to the Government as set forth in Paragraph (A) of this Section 4(d)(2). The Government is not responsible for any funding shortfalls regarding the non-TIGER Discretionary Grant amount share. The TIGER Discretionary Grant Amount will remain unchanged (See Section 9 of this Grant Agreement regarding termination).

3) Grant Funds and Sources of Project Funds:

TIGER Discretionary Grant Amount:	\$98,000,000
Federal Other Share (if any):	\$20,455,000
State Share (if any):	\$45,000,000
Local Share (if any):	\$0
Other Share (if any):	\$19,545,000
Total Project Cost:	\$183,000,000

SECTION 5. REIMBURSEMENT OF PROJECT COSTS

- a) The Grantee will be reimbursed in accordance with the terms of a Project agreement or E-76 for the Project that incorporates this Grant Agreement by reference.
- b) The Grantee shall have entered into obligations for services and goods associated with the Project prior to seeking reimbursement from the Government. Reimbursement will only be made for expenses incurred after execution of a project agreement.
- c) The Grantee shall ensure that the funds provided by the Government are not misappropriated or misdirected to any other account, need, project, line-item, or the like.
- d) Any Federal funds not expended in conjunction with the Project will remain the property of the Government.
- e) Financial Management System: By signing this Grant Agreement, the Grantee verifies that it has, or will implement, a financial management system adequate for monitoring the accumulation of costs and that it complies with the financial management system requirements of 49 C.F.R. Part 18 and Title 23. The Grantee's failure to comply with these requirements may result in Grant Agreement termination.
- f) Allowability of Costs: Determination of allowable costs will be made in accordance with the applicable Federal cost principles, e.g., OMB Circular A-87. Disallowed costs are those charges determined to not be allowed in accordance

with the applicable Federal cost principles or other conditions contained in this Grant Agreement.

SECTION 6. REPORTING

a) Recovery Act Reporting:

Reporting requirements under Section 1201(c)(2) of the Recovery Act, "General Provision – Department of Transportation" apply. Project reports, including information as set forth in subparagraph (2), below, shall therefore be reported to the Government in accordance with the statutory timeframes. Due to the unique timeframe for TIGER Discretionary Grant awards, Grantees should submit the first of such reports on the 20th of the month following the execution date of this Grant Agreement and on each subsequent due date thereafter. Grantees shall submit their data using the Recovery Act Data System (RADS). The RADS guidance, which includes guidance on Section 1201(c) reporting, is located at: <http://www.fhwa.dot.gov/economicrecovery/guidancelist.htm>.

- 1) Project reports for Section 1201(c) should include the amount of Grant Funds appropriated, allocated, obligated, and outlayed under the appropriation; the number of projects put out to bid under the appropriation and the amount of Grant Funds associated with these contracts; the number contracts awarded under the appropriation and the amount of Grant Funds associated with these contracts; the number of projects for which work has begun under these contracts and the associated amount of Grant Funds; the number of projects for which work has been completed and the associated amount of Grant Funds; and the number of direct, on-project jobs created or sustained by the Grant Funds for projects under the appropriation and, to the extent possible, number of direct on-project job hours (the Department calculates the number of indirect and induced jobs).
- 2) In accordance with the Recovery Act and OMB Guidance, dated June 22, 2009 (http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf), this Grant award requires the Grantee to complete projects or activities which are funded under the Recovery Act and to report on use of Recovery Act funds provided through this award to <http://www.FederalReporting.gov>. Information from these reports will be made available to the public. Such reporting responsibility may be delegated from the Grantee/ Recipient to the Sub-grantee/ Sub-recipient or vendor, in order to ensure that the necessary information is provided to the Grantee/ Recipient, who is ultimately responsible for reporting the required elements.

The reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act.

Grantees/ Recipients and their Subgrantees/ first-tier recipients (to the extent that they have been delegated direct reporting responsibility) must maintain current registrations in the Central Contractor Registration (<http://www.ccr.gov>) at all times during which they have active Federal awards funded with Recovery Act funds. A DUNS Number

(<http://www.dnb.com>) is one of the requirements for registration in the Central Contractor Registration.

The Grantees/Recipients shall report the information described in section 1512(c) of the Recovery Act using the reporting instructions and data elements that will be provided online at <http://www.FederalReporting.gov> and ensure that any information that is pre-filled is corrected or updated as needed.

Projects administered by the FHWA shall comply with the reporting instructions and data elements in the Recovery Act Data System (RADS) guidance and any updates to that guidance. The RADS guidance is available online at: <http://www.fhwa.dot.gov/economicrecovery/guidancelist.htm>.

- 3) In accordance with Section 1609 of the Recovery Act, the Grantee shall submit quarterly reports, as necessary, describing the status of the Project with respect to the National Environmental Policy Act (NEPA) review. A report shall be submitted to RADS by July 5, 2010, and every 90 days thereafter following the execution of this Grant Agreement. Due to the unique timeframe for TIGER Discretionary Grant awards, Grantees should submit the first of such reports on the first due date following the execution date of this Grant Agreement and on each subsequent due date thereafter.
- 4) In accordance with the purposes of the Recovery Act, the Grantee may be required to submit additional information in response to requests from DOT, OMB, the Congressional Budget Office, the Government Accountability Office, or the Department of Transportation's Inspector General. The Government will inform Grantees if and when such additional reports are required.

b) Project Reports:

- 1) Consistent with the purposes of the TIGER Discretionary Grant Program, to ensure accountability and transparency in Government spending, the Grantee shall submit quarterly progress reports in RADS or other system designated by the Government, as set forth in Attachment D: Quarterly Project Progress Reports, Format and Content, to the Government on a quarterly basis, beginning on the 20th of the first full month following the execution of the Grant Agreement, and thereafter on the 20th of the month for the reporting period thereafter until completion of the Project. The initial report shall include a detailed description, and, where appropriate, drawings, of the items funded. Addresses for submittal of reports and documents: The Grantee shall submit all required reports and documents to the Government electronically, referencing the Grant Agreement number, at the following addresses: Ed.Strocko@dot.gov.
- 2) Annual Budget Review and Program Plan: The Grantee shall submit an Annual Budget Review and Program Plan to the Government via e-mail 60 days prior to the end of each Grant Agreement year. The Annual Budget Review and Program Plan shall provide a detailed schedule of activities, estimate of specific performance objectives, include forecasted expenditures,

and schedule of milestones for the upcoming Grant Agreement year. If there are no proposed deviations from the Approved Project Budget, attached hereto as Attachment E, the Annual Budget Review shall contain a statement stating such. The Recipient will meet with DOT to discuss the Annual Budget Review and Program Plan. If there is an actual or projected project cost increase, the annual submittal should include a written plan for providing additional sources of funding to cover the project budget shortfall or supporting documentation of committed funds to cover the cost increase.

To the extent the annual budget update deviates from the approved project budget by more than 10 percent, then work proposed under the Annual Budget Review and Program Plan shall not commence until written approval from the Government is received.

c) Milestones/Deliverables Schedule: Attachment H is incorporated herein.

Closeout Process: Closeout occurs when all required project work and all administrative procedures described in 49 C.F.R. part 18 (or part 19 or Title 23 as applicable) are completed, and the Government notifies the Grantee and forwards the final Federal assistance payment, or when the Government acknowledges Grantee's remittance of the proper refund. Within 90 days of the Project completion date or termination by the Government, the Grantee must submit a final Financial Status Report (XF-269), a certification or summary of project expenses, and third party audit reports.

SECTION 7. SPECIAL GRANT REQUIREMENTS

The Project Sponsor agrees to work cooperatively with the Federal Railroad Administration (FRA) in accordance with Article I(B)(10) of the multi-state Memorandum of Agreement that will be executed subsequent to this grant agreement.

SECTION 8. ASSURANCES

The Grantee shall execute the attached assurances and certifications (See Attachment B) in conjunction with execution of this Grant Agreement and shall comply with those assurances and certifications.

In case of the failure on the part of either Party to observe any of the assurances and certifications in Attachment B, either affected Party shall in writing notify the violating Party of the violation, which will have no less than ninety (90) days to cure said violation (or, if the default cannot be cured in ninety days, such reasonable amount of time as may be necessary to cure the default). In the event that the violation is not cured within the applicable cure period, the affected Party may terminate this Agreement by giving thirty (30) days written notice of termination to all Parties, effective at the end of the thirty (30) day period.

SECTION 9. TERMINATION, MODIFICATION AND EXPIRATION

- a) Subject to terms set forth in this Grant Agreement, and notwithstanding section 8 above, the Government reserves the right to terminate this Grant Agreement and all of its obligations associated with this Grant Agreement, if any of the following occurs:
- 1) The Grantee fails to obtain or provide any non-TIGER Discretionary Grant contribution or alternatives approved by the Government as provided in this Grant Agreement and in accordance with the Project Schedule;
 - 2) before April 30, 2011;
 - 3) The Grantee fails to begin expenditure of Grant funds by December 31, 2011;
 - 4) The Grantee does not meet the conditions and obligations specified under this Grant Agreement including a material failure to comply with the Project Schedule which is beyond the reasonable control of the Grantee; or
 - 5) The Government determines that termination is in the public interest.
- b) Funds available under this Grant Agreement must be obligated on or before September 30, 2011, but once obligated, are available for liquidation and adjustment through September 30, 2016, the "Grant Termination Date." Unless otherwise specified, this Grant Agreement shall terminate on the Grant Termination Date.
- c) Either party (Government or the Grantee) may seek to amend or modify this Grant Agreement prior to the Grant Termination Date by written notice (formal letter) to the other party and in accordance with 49 C.F.R. parts 18.43 and 18.44. The Grant Agreement will be amended or modified only on mutual written agreement by both parties.

SECTION 10. AWARD AND EXECUTION OF GRANT AGREEMENT

There are four (4) identical counterparts of this Grant Agreement in typewritten hard copy; each counterpart is to be fully signed in writing by the parties and each counterpart is deemed to be an original having identical legal effect. When signed and dated by the authorized official of the Government, this instrument will constitute an Award. Upon full Execution of this Grant Agreement by the Grantee, the effective date will be the date the Government awarded funding under this Grant Agreement as set forth below.

EXECUTION BY Government

The Government executes this Grant Agreement in accordance with Public Law 111-5, and in accordance with the above conditions and assurances.

Executed this _____ day of _December, 2010.

Signature of Government's Authorized Representative
Division Engineer, Eastern Federal Lands Highway

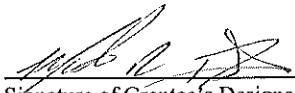
EXECUTION BY Grantee

The Grantee agrees to accomplish each element of the project in compliance with the terms and conditions contained herein.

Executed this 13th day of December, 2010.

Grantee: Ohio Rail Development
Commission

(SEAL)



Signature of Grantee's Designated Official Representative

Executive Director
Title

ATTACHMENT A: STATEMENT OF WORK

CSX NATIONAL GATEWAY PHASE I

The National Gateway is a public-private partnership consisting of more than \$842 million in rail infrastructure and intermodal terminal projects that will enhance transportation service options along three major corridors: I-95/I-81 in North Carolina, Virginia, and Maryland; I-70/I-76/I-80 between Washington, D.C. and Northwest Ohio; and the I-40/Carolina Corridor between Charlotte and Wilmington. When complete, the National Gateway will create a highly efficient freight transportation link between three Mid-Atlantic ports (Baltimore, Maryland; Hampton Roads, Virginia; and Wilmington, North Carolina) and the Midwest, improving the flow of goods between these regions and eastern and western rail networks.

As part of the overall National Gateway project, 61 vertical clearances in six states and the District of Columbia will be modified to help expand capacity and provide clearance for double-stack intermodal trains. The National Gateway will also improve the flow of intermodal container traffic between ports on the West Coast and major consumption markets in the East by taking advantage of a large new terminal that CSX is constructing in Northwest Ohio. This state-of-the-art facility will enable rail traffic to flow more efficiently through Chicago, reduce transit time by 24 to 48 hours, and complement other terminals being constructed or expanded as part of this initiative in Pennsylvania, Baltimore/Washington, D.C. region, Virginia and North Carolina. The National Gateway will help improve the economic competitiveness of the nation and assist the states and ports in handling the demand for future freight movement with the widening of the Panama Canal in 2014.

The Phase I segment will run from a \$175 million intermodal terminal currently under construction (financed by CSX and its affiliates with additional safety investments by the Ohio Rail Development Commission) in Wood County in Northwest Ohio to a recently completed CSX Intermodal terminal in Chambersburg, Pennsylvania.

Completion of the 40 clearance projects between the Northwest Ohio terminal and the Chambersburg terminal would allow for double stacked intermodal service for the large volume of traffic currently coming into ports along the West Coast, transloaded in Chicago, and ultimately destined for markets throughout the Mid-Atlantic region. In addition, this would improve the efficiency of domestic intermodal shipments between key Midwest and Mid-Atlantic markets.

SPECIFIC PROJECT SUMMARIES:

Ohio Projects

- BG 175.70 – TR 391 – This portion will entail the replacement of the TR 391 Highway Bridge over CSX in Sullivan, Ohio.
- BG 175.30 – TR 150 – This portion will entail the removal of the TR 150 Highway Bridge over CSX in Sullivan, Ohio and construction of a new connector road between TR 391 and TR 150 to allow for a single grade separated crossing for the area.
- BG 169.70 – River Corners Road – This portion will entail the replacement of the River Corners Road Highway Bridge over CSX and work on US 224 to allow the new roadway profile to meet US 224.

- BG 168.70 – Pawnee Road – This portion will entail the removal of the Pawnee Road Highway Bridge over CSX. Additional local roadway upgrades will be required on existing alignments to allow for a single grade separated structure at River Corners Road to serve the area.
- BG 160.20 – Mud Lake Road – This portion will entail the replacement of the Mud Lake Road Highway Bridge Structure over CSX.
- BG 131.00 – Thornton Street – This portion will entail the lowering of the CSX two (2) track mainline under the Thornton Street Bridge in Akron, Ohio.
- BG 130.13 – University of Akron Pedestrian Bridge – This portion will entail the lowering of one of the two tracks for CSX. Additionally, it will require removal of the former passenger platform and construction of a crashwall for the pedestrian bridge pier.
- BG 129.50 – Park Street – This portion will entail the removal of the Park Street Bridge superstructure and portions of the substructure located in Akron, Ohio.
- BG 120.00 – Kent Interlocking – This portion, near Kent, Ohio, will entail the construction of a new railroad interlocking and signal system components to allow for the track lowering projects in Kent and Ravenna to be constructed.
- BG 118.20 – Wheeling & Lake Erie Railroad – This Portion will entail the lowering of the CSX double track mainline and industry siding in Kent, Ohio.
- BG 117.30 – Main Street – This portion will entail the lowering of the CSX two (2) track mainline and structural work for adjacent retaining walls in Kent, Ohio.
- BG 117.00 – Crain Avenue – This bridge is being replaced currently by an Ohio Department of Transportation Project in Kent, Ohio. Work under the National Gateway will not be performed at this location.
- BG 115.80 – Kent Recreational Trail – This bridge will be raised, which will entail work to reprofile the recreational trail over CSX.
- BG 115.67 – Wheeling & Lake Erie Railroad – This bridge will be raised, which will entail work to reprofile the W&LE Railroad over CSX.
- BG 110.80 – Norfolk Southern – This portion will entail the lowering of the CSX two (2) track mainline and structural support of the adjacent Norfolk Southern piers.
- BG 107.10 – Knapp Road – This portion will entail the replacement of the Knapp Road Highway Bridge over CSX in Ravenna, Ohio.
- BG 105.40 – Rock Springs Road – This portion will entail the replacement of the Rock Springs Road Highway Bridge over CSX in Ravenna, Ohio. This project will also require some reprofiling of State Route 5 to allow for the vertical roadway profile adjustments.
- BG 104.00 – Ravenna Interlocking – This portion will entail completion of an existing interlocking and related signal modifications in Ravenna, Ohio.
- BG 85.70 – 5th Street – The highway bridge for 5th Street will be replaced.
- BG 76.60 – Abandoned Railroad Bridge – This abandoned railroad bridge will be removed in Youngstown, Ohio.

Pennsylvania Projects

- PLE 10.25 – Pedestrian Bridge – This location will entail the removal of a former pedestrian bridge in Coraopolis, Pennsylvania.

- PLE 3.79 – Ohio Central Railroad – This location will entail the raising of the Ohio Central Railroad Bridge over the two (2) track CSX Mainline in McKees Rocks, Pennsylvania. Work will entail adjustments of the Ohio Central Railroad profile and replacement of selected bridge components.
- PLE 3.36 – Chartiers Creek UG Bridge – This location will entail structural modifications to the CSX Bridge over Chartier’s Creek in McKees Rocks, Pennsylvania.
- PLY 0.09 – Smithfield Street – This location will entail the lowering of the CSX doubletrack mainline in Pittsburgh, Pennsylvania.
- PLY 1.97 – Former Railroad Bridge – This location will entail the removal of the former railroad bridge over CSX in Pittsburgh, Pennsylvania.
- PLY 2.00 – J&L Tunnel – This location will entail the replacement of the tunnel roof at a higher elevation in Pittsburgh, Pennsylvania. Work will entail removal of material and infrastructure above the existing tunnel and restoration work following the completion of the tunnel roof.
- PLY 2.37 – Former Railroad Bridge – This location will entail the removal of the former railroad bridge over CSX in Pittsburgh, Pennsylvania.
- BF 309.70 – Walnut Street – This location will entail the lowering of the doubletrack CSX mainline in Versailles, Pennsylvania.
- BFJ5.00 – Benford Tunnel – This location will entail the removal of the existing Benford Tunnel in Confluence, Pennsylvania.
- BF 239.70 – Brook Tunnel – This location will entail the total liner replacement within the Brook Tunnel in Confluence, Pennsylvania.
- BF 236.80 – Shoo Fly Tunnel – This location will entail the removal of the existing Shoo Fly Tunnel in Confluence, Pennsylvania.
- BF 235.40 – Pinkerton Tunnel – This location will entail the removal of the existing Pinkerton Tunnel in Pinkerton, Pennsylvania. Additional track shifting will be required to remove this tunnel.
- BF 220.00 – Church Street – This location will entail the replacement of the Church Street Bridge in Garrett, Pennsylvania. Work will also entail the reprofiling of Church Street in the vicinity of the bridge to meet the grade of local roads.
- BF 212.83 – Blue Lick Truss – This location will entail the raising of the Blue Lick Truss, which is now used for a recreational trail in Sand Patch, Pennsylvania. Work will also entail reprofiling the trail to accommodate the bridge raise.
- BF 210.60 – Sand Patch Tunnel – This tunnel will require notching to achieve the vertical clearance in Sand Patch, Pennsylvania.
- BF 198.40 – Falls Cut Tunnel – This will entail the total liner replacement within the Falls Cut Tunnel in Fairhope, Pennsylvania.
- BF 191.92 – Hyndman UG Bridge – This work will entail structural modifications to the CSX Hyndman UG Bridge carrying the railroad over Wills Creek in Hyndman, Pennsylvania.

Maryland Projects

- BA 172.70 – Mexico CSX Bridge – Work will entail removal of the existing CSX Tail Track Bridge over the CSX double track mainline in Mexico, Maryland. Additional work will be required to establish a new track connection alignment for operational purposes within the bridge being used.

- BA 145.80 – Graham Tunnel – Work will entail the total liner replacement within the Graham Tunnel.

West Virginia Projects

- BA 147.00 – Carothers Tunnel – Work will entail the total liner replacement within the Carothers Tunnel in Paw Paw, West Virginia.
- BA 145.00 – Magnolia Interlocking – Work will entail the construction of a new railroad interlocking in Magnolia, West Virginia to accommodate the tunnel work immediately adjacent to the interlocking location.
- BA 144.50 – Stuart Tunnel – Work will entail the liner notching within the Stuart Tunnel in Hansrote, West Virginia.
- BA 142.30 – Randolph Tunnel – Work will entail the total liner replacement within the Randolph Tunnel in Hansrote, West Virginia.

ATTACHMENT B: GRANT ASSURANCES

**OFFICE OF THE SECRETARY
DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION**

**TITLE VI ASSURANCE
(Implementing Title VI of the Civil Rights Act of 1964, as amended)**

**ASSURANCE CONCERNING NONDISCRIMINATION IN FEDERALLY-
ASSISTED PROGRAMS
AND ACTIVITIES RECEIVING OR BENEFITING FROM
FEDERAL FINANCIAL ASSISTANCE**

(Implementing the Rehabilitation Act of 1973, as amended, and the Americans With Disabilities Act, as amended)

49 C.F.R. Parts 21, 25, 27, 37 and 38

The Ohio Rail Development Commission HEREBY AGREES THAT,

- I. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply: with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000d--42 U.S.C. 2000d-4; all requirements imposed by or pursuant to: Title 49, Code of Federal Regulations, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964; and other pertinent directives so that no person in the United States shall, on the grounds of race, color, national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Grantee receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, Section 21.7(a).
- II. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with: Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 through 1683, and 1685 through 1687, and U.S. DOT regulations, "Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," 49 C.F.R. part 25, which prohibit discrimination on the basis of sex.

III. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with: the Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.), the Drug Abuse Office and Treatment Act of 1972, as amended (21 U.S.C. 1101 et seq.), the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, as amended (42 U.S.C. 4541 et seq.); and any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance was made; and the requirements of any other nondiscrimination statute(s) which may apply to the Grantee.


IV. As a condition to receiving any Federal financial assistance from the Department of Transportation, it will comply with: section 504 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. 794); and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Part 27, Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance; and Part 37, Transportation Services for Individuals With Disabilities; and Part 38, Americans With Disabilities Act – Accessibility Specifications for Transportation Vehicles; and other pertinent directives so that no otherwise qualified person with a disability, be excluded from participation in, be denied the benefits of, be discriminated against by reason of such handicap, or otherwise be subjected to discrimination under any program for which the Grantee receives Federal financial assistance from the Department of Transportation. This assurance is required by Title 49, Code of Federal Regulations, Section 27.9.

- The Grantee will promptly take any measures necessary to effectuate this Grant Agreement. The Grantee further agrees that it shall take reasonable actions to guarantee that it, its contractors and subcontractors subject to the Department of Transportation regulations cited above, transferees, and successors in interest will comply with all requirements imposed or pursuant to the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.
- These assurances obligate the Grantee for the period during which Federal financial assistance is extended. The Grantee agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the statutes and Department of Transportation regulations cited above, other pertinent directives, and the above assurances.
- These assurances are given for the purpose of obtaining Federal grant assistance under the TIGER Discretionary Grant Program and are binding on the Grantee, contractors, subcontractors, transferees, successors in interest, and all other participants receiving Federal grant assistance in the TIGER Discretionary Grant Program. The person or persons whose signatures appear below are authorized to sign this Grant Agreement on behalf of the Grantee.
- In addition to these assurances, the Grantee agrees to file: a summary of all complaints filed against it within the past year that allege violation(s) by the Recipient of Title VI of the Civil Rights Act of 1964, as amended, section 504 of the Rehabilitation Act of 1973, as amended; or a statement that there have been

no complaints filed against it. The summary should include the date the complaint was filed, the nature of the complaint, the status or outcome of the complaint (*i.e.*, whether it is still pending or how it was resolved).

December 13, 2010
Date

Ohio Rail Development Commission
Legal Name of Grantee

By: 
Signature of Authorized Official

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

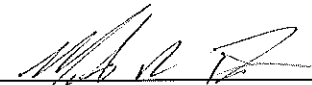
DISCLOSURE OF LOBBYING ACTIVITIES

Certification for Contracts, Grants, Loans,
and Grant Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any grant agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or grant agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or grant agreement, the undersigned shall complete and submit Standard Form-LLL (Rev. 7-97), "Disclosure of Lobbying Activities," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and grant agreements) and that all subgrantees shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Signature

December 13, 2010

Date

Executive Director

Title

Ohio Rail Development Commission

Grantee

**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY**

**CERTIFICATION REGARDING DRUG-FREE WORKPLACE
REQUIREMENTS
IN THE PERFORMANCE OF THE TIGER DISCRETIONARY GRANT
PROGRAM**

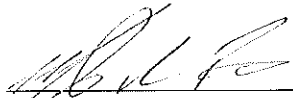
A. The Grantee certifies that it will, or will continue, to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Grantee's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about--
 - (1) The dangers of drug abuse in the workplace;
 - (2) The Grantee's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of work supported by the grant award be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment supported by the grant award, the employee will--
 - (1) Abide by the terms of the statement; and
 - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of conviction. Employers of convicted employees must provide notice, including position title, to the Department. Notice shall include the order number of the grant award;
- (f) Taking one of the following actions, within 30 days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted--
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The Grantee *may*, but is not required to, insert in the space provided below the site for the performance of work done in connection with the specific grant.

Places of Performance (street address, city, county, state, zip code). For the provision of services pursuant to the grant award, workplaces include outstations, maintenance sites, headquarters office locations, training sites and any other worksites where work is performed that is supported by the grant award.

Check [] if there are workplaces on file that are not identified here.



Grantee Signature

October 13, 2010
Date

TIGER DISCRETIONARY GRANT PROGRAM

GRANT ASSURANCES

Certification. The Grantee hereby assures and certifies, with respect to this grant, that it will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this project including but not limited to the following:

General Federal Legislation

- a. Davis-Bacon Act - 40 U.S.C. 3141, et seq.
- b. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- c. Hatch Act - 5 U.S.C. 1501, et seq.
- d. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title - 42 U.S.C. 4601, et seq.
- e. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470f
- f. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469a through 469c.
- g. Native American Graves Protection and Repatriation Act - 25 U.S.C. 3001, et seq.
- h. Clean Air Act, P.L. 90-148, as amended
- i. Section 404 of the Clean Water Act, as amended 33 U.S.C. 1251, et seq.
- j. Section 7 of the Endangered Species Act, P.L. 93-205, as amended.
- k. Coastal Zone Management Act, P.L. 92-583, as amended.
- l. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a
- m. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- n. American Indian Religious Freedom Act, P.L. 95-341, as amended
- o. Drug Abuse Office and Treatment Act of 1972, as amended, 21 U.S.C. 1101, et seq.
- p. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended - 42 U.S.C. 4541, et seq.
- q. Sections 523 and 527 of the Public Health Service Act of 1912, as amended, 42U.S.C. 290dd through 290dd-2
- r. Architectural Barriers Act of 1968 - 42 U.S.C. 4151, et seq.
- s. Power Plant and Industrial Fuel Use Act of 1978, P.L. 100-42 - Section 403 - 42 U.S.C.8373
- t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 3701, et seq.
- u. Copeland Anti-kickback Act, as amended - 18 U.S.C. 874 and 40 U.S.C. 3145
- v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. 1271, et seq.
- x. Federal Water Pollution Control Act, as amended - 33 U.S.C. 1251-1376
- y. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.
- z. Americans with Disabilities Act of 1990 - 42 U.S.C. 12101, et seq.
- aa. Title IX of the Education Amendments of 1972, as amended - 20 U.S.C. 1681 through 1683, and 1685 through 1687
- bb. Section 504 of the Rehabilitation Act of 1973, as amended - 29 U.S.C. 794
- cc. American Recovery and Reinvestment Act of 2009 – P.L. 111-5
- dd. Title VI of the Civil Rights Act of 1964 - 42 U.S.C. 2000d *et seq.*
- ee. Title IX of the Federal Property and Administrative Services Act of 1949 - 40 U.S.C. 541, et seq.
- ff. Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions – 31 U.S.C. 1352
- gg. Freedom of Information Act - 5 U.S.C. 552, as amended
- hh. Magnuson-Stevens Fishery Conservation and Management Act – 16 U.S.C. 1855

- ii. Farmlands Protection Policy Act of 1981 – 7 U.S.C. 4201
- jj. Noise Control Act of 1972 – 42 U.S.C. 4901, et seq.
- kk. Fish and Wildlife Coordination Act of 1956 – 16 U.S.C. 661
- ll. Section 9 of the Rivers and Harbors Act and General Bridge Act of 1946 - 33 U.S.C. 401
- mm. Section 4(f) of the Department of Transportation Act of 1966, 49 U.S.C. 303 and 23 U.S.C. 138
- nn. Resource Conservation and Recovery Act of 1976 (RCRA), as amended -- 42 U.S.C. 6901, et seq.
- oo. Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended --42 U.S.C. 9601-9657
- pp. Safe Drinking Water Act -- 42 U.S.C. 300F-300J-6
- qq. Wilderness Act -- 16 U.S.C. 1131-1136
- rr. Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 -- 42 U.S.C. 6901, et seq.
- ss. Migratory Bird Treaty Act 16 U.S.C. 760c-760g

Executive Orders

- a. Executive Order 11246 - Equal Employment Opportunity
- b. Executive Order 11990 - Protection of Wetlands
- c. Executive Order 11988 – Floodplain Management
- d. Executive Order 12372 - Intergovernmental Review of Federal Programs
- e. Executive Order 12549 – Debarment and Suspension
- f. Executive Order 12898 – Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations
- g. Executive Order 13166 – Improving Access to Services for Persons With Limited English Proficiency

General Federal Regulations

- a. Interim Final Guidance on Buy American – 74 FR 18449 (April 23, 2009), 2 C.F.R. Part 176
- b. Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations – 2 C.F.R. Part 215
- c. Cost Principles for State and Local Governments – 2 C.F.R. Part 225
- d. Non-procurement Suspension and Debarment – 2 C.F.R. Part 1200
- e. Investigative and Enforcement Procedures - 14 C.F.R. Part 13
- f. Procedures for predetermination of wage rates - 29 C.F.R. Part 1
- g. Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States - 29 C.F.R. Part 3
- h. Labor standards provisions applicable to contracts governing federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act) - 29 C.F.R. Part 5
- i. Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements) - 41 C.F.R. Parts 60, et seq.
- j. Contractor Qualifications - 48 C.F.R. Part 9
- k. Uniform administrative requirements for grants and cooperative agreements to state and local governments - 49 C.F.R. Part 18
- l. New Restrictions on Lobbying – 49 C.F.R. Part 20

- m. Nondiscrimination in Federally Assisted Programs of the Department of Transportation –Effectuation of Title VI of the Civil Rights Act of 1964 – 49 C.F.R. Part 21
- n. Uniform relocation assistance and real property acquisition for Federal and Federally assisted programs - 49 C.F.R. Part 24
- o. Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance - 49 C.F.R. Part 25
- p. Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs – 49 C.F.R. Part 26
- q. Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance - 49 C.F.R. Part 27
- r. Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation – 49 C.F.R. Part 28
- s. Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors - 49 C.F.R. Part 30
- t. Governmentwide Requirements for Drug-Free Workplace (Financial Assistance) – 49 C.F.R. Part 32
- u. DOT's implementing ADA regulations, including the ADA Accessibility Guidelines in Part 37, Appendix A - 49 C.F.R. Parts 37 and 38
- v. Procedures for Transportation Workplace Drug and Alcohol Testing Programs – 49 C.F.R. Part 40
- w. Permitting Requirements under the National Pollutant Discharge Elimination System – 40 C.F.R. Part 122

Office of Management and Budget Circulars

- a. A-87 – Cost Principles Applicable to Grants and Contracts with State and Local Governments
- b. A-102 – Grants and Grant Agreements with State and Local Governments
- c. A-133 - Audits of States, Local Governments, and Non-Profit Organizations
- d. Any other applicable OMB Circular based upon the specific TIGER Grant Recipient

Highway Federal Legislation

- a. Brooks Act (for FHWA projects, this replaces Title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541, et seq.)) - 40 U.S.C. 1101-1104
- b. Highway Design and Construction Standards, 23 U.S.C. 109
- c. Planning, 23 U.S.C. 134 and 135 (except for projects that are not regionally significant that do not receive funding under Title 23 or Chapter 53 of Title 49)
- d. Tolls, 23 U.S.C. 301 (to the extent the recipient wishes to toll an existing free facility that has received Title 23 funds in the past)
- e. Size, Weight, and Length Limitations - 23 U.S.C. 127, 49 U.S.C. 31101 et seq.

Highway Federal Regulations

- a. Planning 23 – C.F.R. Part 450 (except for projects that are not regionally significant that do not receive funding under Title 23 or Chapter 53 of Title 49)
- b. National Highway System Design Standards – 23 C.F.R. Part 625
- c. Manual on Uniform Traffic Control Devices – 23 C.F.R. Part 655
- d. Environmental Impact and Related Procedures – 23 C.F.R. Part 771
- e. Procedures Implementing Section 4(f) of the Department of Transportation Act – 23 C.F.R. Part 774

Specific assurances required to be included in grant agreements by any of the above laws, regulations, or circulars are hereby incorporated by reference into the Grant Agreement.

Responsibility and Authority of the Grantee.

1. The Grantee has the legal authority to apply for the grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

2. **Funds Availability.** It has sufficient funds available for that portion of the project costs that are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under the Grant Agreement that it will own or control.

3. Preserving Rights and Powers.

It will not take or permit any action that would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the Grant Agreement without the written approval of the DOT, and will act promptly to acquire, extinguish, or modify any outstanding rights or claims of right of others that would interfere with such performance by the Grantee. The Grantee agrees that this will be done in a manner acceptable to the DOT.

4. Accounting System, Audit, and Record Keeping Requirements.

a. The Grantee agrees to keep all project accounts and records that fully disclose the amount and disposition by the Grantee of the proceeds of the grant, the total cost of the project in connection with which the grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984, as amended (31 U.S.C. 7501-7507).

b. The Grantee agrees to make available to the DOT and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the Grantee that are pertinent to the grant. The DOT may require that a Grantee conduct an appropriate audit. In any case in which an independent audit is made of the accounts of a Grantee relating to the disposition of the proceeds of a grant or relating to the project in connection with which the grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

5. **Minimum Wage Rates.** It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement that involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 3141, et seq.), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

In addition, in order to incorporate the provisions of Section 1606 of the Recovery Act, which applies Davis-Bacon Act prevailing wage requirements to projects funded directly by

or assisted in whole or in part by and through the Federal Government using laborers and mechanics, the Grantee agrees to insert the clauses found in 29 C.F.R. 5.5(a) provided in Attachment B of this Grant Agreement in all Grantee contracts and grants using funds obligated to carry out this Grant Agreement.

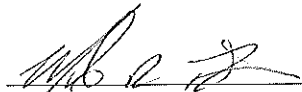
6. Engineering and Design Services. It will award each contract or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping, or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under the Brooks Act (40 U.S.C. 1101-1104) or an equivalent qualifications-based requirement prescribed for or by the Grantee as approved by the Secretary.

7. Foreign Market Restrictions. It will not allow funds provided under this grant to be used to fund any project that uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

8. Relocation and Real Property Acquisition. (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 C.F.R. Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 C.F.R. Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 C.F.R. Part 24.

Ohio Rail Reopment Commission

Grantee



Signature of Authorized Grantee Official

December 13, 2010

Date

OFFICE OF THE SECRETARY OF TRANSPORTATION

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

2 C.F.R. Part 1200, 49 C.F.R. Part 32

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. See Nonprocurement Suspension and Debarment (2 C.F.R. Part 1200) and Government wide Requirements for Drug-Free Workplace Grants (49 C.F.R. Part 32).
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
6. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A

participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters -
- Primary Covered Transactions**

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

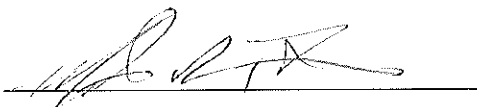
(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

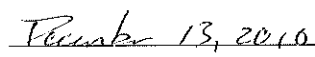
(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.



Name



Title



Date

OFFICE OF THE SECRETARY OF TRANSPORTATION
CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
INELIGIBILITY AND VOLUNTARY EXCLUSION -- LOWER TIER COVERED
TRANSACTIONS

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion -- Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name

Title

Affiliation

Date

ATTACHMENT C

RECOVERY ACT REQUIREMENTS AND CONTRACT CLAUSES

DAVIS-BACON WAGE RATE REQUIREMENTS AND CONTRACT CLAUSES

- a) Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.
- b) Pursuant to Reorganization Plan No. 14 and the Copeland Act, 40 U.S.C. 3145, the Department of Labor has issued regulations at 29 C.F.R. parts 1, 3, and 5 to implement the Davis-Bacon and related Acts. Regulations in 29 C.F.R. 5.5 instruct agencies concerning application of the standard Davis-Bacon contract clauses set forth in that section. Federal agencies providing grants, cooperative agreements, and loans under the Recovery Act shall ensure that the standard Davis-Bacon contract clauses found in 29 C.F.R. 5.5(a) are incorporated in any resultant covered contracts that are in excess of \$2,000 for construction, alteration or repair (including painting and decorating).
- c) Federal agencies providing grants, grant agreements, and loans under the Recovery Act shall ensure that the standard Davis-Bacon contract clauses found in 29 C.F.R. 5.5(a) are incorporated in any resultant covered contracts that are in excess of \$2,000 for construction, alteration or repair (including painting and decorating).
- d) For additional guidance on the wage rate requirements of section 1606, contact your awarding agency. Recipients of grants, grant agreements and loans should direct their initial inquiries concerning the application of Davis-Bacon requirements to a particular federally assisted project to the Federal agency funding the project. The Secretary of Labor retains final coverage authority under Reorganization Plan Number 14.

BUY AMERICAN REQUIREMENTS AND CONTRACT CLAUSES

a) Definitions. As used in this award term and condition—

(1) Manufactured good means a good brought to the construction site for incorporation into the building or work that has been—

(i) Processed into a specific form and shape; or

(ii) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

(2) Public building and public work means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of

such buildings and works.

(3) Steel means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Domestic preference.

(1) This award term and condition implements Section 1605 of the American Recovery and Reinvestment Act of 2009 (Recovery Act) (Pub. L. 111-5), by requiring that all iron, steel, and manufactured goods used in the project are produced in the United States except as provided in paragraph (b)(3) and (b)(4) of this section and condition.

(2) This requirement does not apply to the material listed by the Federal Government as follows:

None

(3) The award official may add other iron, steel, and/or manufactured goods to the list in paragraph (b)(2) of this section and condition if the Federal Government determines that—

(i) The cost of the domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;

(ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(iii) The application of the restriction of section 1605 of the Recovery Act would be inconsistent with the public interest.

(c) Request for determination of inapplicability of Section 1605 of the Recovery Act.

(1)(i) Any recipient request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b)(3) of this section shall include adequate information for Federal Government evaluation of the request, including—

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods;

(B) Unit of measure;

(C) Quantity;

(D) Cost;

(E) Time of delivery or availability;

(F) Location of the project;

(G) Name and address of the proposed supplier; and

(H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(3) of this section.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this section.

(iii) The cost of iron, steel, and/or manufactured goods material shall include all delivery costs to the construction site and any applicable duty.

(iv) Any recipient request for a determination submitted after Recovery Act funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the recipient could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the recipient does not submit

a satisfactory explanation, the award official need not make a determination.

(2) If the Federal Government determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the Recovery Act applies, the award official will amend the award to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended award shall reflect adjustment of the award amount, redistribution of budgeted funds, and/or other actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the award official shall adjust the award amount or redistribute budgeted funds by at least the differential established in 2 C.F.R. 176.110(a).

(3) Unless the Federal Government determines that an exception to section 1605 of the Recovery Act applies, use of foreign iron, steel, and/or manufactured goods is noncompliant with section 1605 of the American Recovery and Reinvestment Act.

(d) Data. To permit evaluation of requests under paragraph (b) of this section based on unreasonable cost, the Recipient shall include the following information and any applicable supporting data based on the survey of suppliers:

Foreign and Domestic Items Cost Comparison

Description	Unit of measure	Quantity	Cost (dollars)*
<i>Item 1:</i>			
Foreign steel, iron, or manufactured good	_____		
Domestic steel, iron, or manufactured good	_____		
<i>Item 2:</i>			
Foreign steel, iron, or manufactured good	_____		
Domestic steel, iron, or manufactured good	_____		

[List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.]

[Include other applicable supporting information.]

[*Include all delivery costs to the construction site.]

SINGLE AUDIT INFORMATION FOR RECIPIENTS OF RECOVERY ACT FUNDS REQUIREMENTS

(a) To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) (Recovery Act) as required by Congress and in accordance with 2 C.F.R. 215.21 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-

Profit Organizations” and OMB Circular A–102 “Grants and Cooperative Agreements with State and Local Governments.” Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds. OMB Circular A–102 is available at <http://www.whitehouse.gov/omb/circulars/a102/a102.html>.

(b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A–133, “Audits of States, Local Governments, and Non-Profit Organizations,” recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF–SAC) required by OMB Circular A–133. OMB Circular A–133 is available at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. This shall be accomplished by identifying expenditures for Federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF–SAC by CFDA number, and inclusion of the prefix “ARRA-” in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF–SAC.

(c) Recipients agree to separately identify to each subrecipient, and document at the time of subaward and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to subrecipients shall distinguish the subawards of incremental Recovery Act funds from regular subawards under the existing program.

(d) Recipients agree to require their subrecipients to include on their SEFA information to specifically identify Recovery Act funding similar to the requirements for the recipient SEFA described above. This information is needed to allow the recipient to properly monitor subrecipient expenditure of ARRA funds as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

ATTACHMENT D
QUARTERLY PROJECT PROGRESS REPORTS
FORMAT AND CONTENT

The Paperwork Reduction Act approval is still pending. At this time, Attachment D is included for informational purposes. Grantees are requested to retain data for potential future reporting to ensure that DOT records are complete (assuming clearance is granted).

The purpose of the quarterly progress reports is to ensure that the project budget and schedule will be maintained to the maximum extent possible, that the project will be completed with the highest degree of quality, and that compliance with Federal regulations will be met.

The Grantee should develop a project reporting and tracking system to collect, assess and maintain project status information and data that is timely, independent, and accurate. This system should provide current information on project prosecution, progress, changes, and issues. This information should be used to identify trends and forecast project performance and to identify and proactively address challenges to eliminate major project surprises.

The need to continuously and accurately report cost increases; schedule changes; deficient quality items; and the causes, impacts, and proposed measures to mitigate these issues is paramount to effectively managing, administering, and protecting the public investment in the project. Any apparent reporting deficiencies or questionable data should be completely resolved. Ultimately, the Grantee and the Government must be fully aware of the complete status of the project, and therefore be in a position to take appropriate action if necessary.

A quarterly cost, schedule, and status report will be produced by the Grantee, and a quarterly status meeting will be held with the Grantee, the Government and other applicable agencies in attendance. The quarterly status meetings should discuss the project costs, schedules, quality issues, compliance with Federal requirements, and other status items in sufficient enough detail to allow all involved parties to be fully aware of the significant status issues and actions planned to mitigate any adverse impacts. In addition, significant issues occurring between status meetings must be communicated immediately without waiting for the next regularly scheduled meeting, with any highly significant or sensitive issues elevated immediately to the executive leadership.

The following is the required format for the quarterly status reports. At the discretion of the Government, modifications or additions can be made in order to produce a quarterly reporting format that will most effectively serve both the Grantee and the Government. It is recognized that some projects will have a more extensive quarterly status than others. In the case of smaller projects, the content of the quarterly reports will be streamlined and project status meetings will be held on a less-frequent basis.

Please note that the initial quarterly progress report should include a detailed description, and where appropriate, drawings, of the items funded.

1. Executive Summary. The executive summary should be a clear and concise summary of the current status of the project, including any major issues that have an impact on the project's scope, budget, schedule, quality, or safety. It may be done in a bulleted format. The following summary information is an example of items that should be covered in the executive summary section:

- Current total project cost (forecast) vs. latest budget vs. baseline budget. Include an explanation of the reasons for any deviations from the approved budget.
- Current overall project completion percentage vs. latest plan percentage.
- Any delays or exposures to milestone and final completion dates. Include an explanation of the reasons for the delays and exposures.
- A summary of the projected and actual dates for notices to proceed for significant contracts, start of construction, start of expenditure of TIGER Discretionary Grant funds, and project completion date. Include an explanation of the reasons for any discrepancies from the corresponding project milestone dates included in the Grant Agreement.
- Any Federal obligations and/or TIFIA disbursements occurring during the month versus planned obligations or disbursements.
- Any significant contracts advertised, awarded, or completed.
- Any significant scope of work changes.
- Any significant items identified as having deficient quality.
- Any significant safety issues.
- Any significant Federal issues such as environmental compliance, Buy America/Buy American (whichever is applicable), Davis Bacon Act Prevailing Wage requirements, etc.

2. Project Activities and Deliverables. The purpose of this section is to: (1) highlight the project activities and deliverables occurring during the previous quarter (reporting period), and (2) define the activities and deliverables planned for the next two reporting periods. Activities and deliverables to be reported on should include meetings, audits and other reviews, design packages submitted, advertisements, awards, construction submittals, construction completion milestones, submittals related to Recovery Act requirements, media or Congressional inquiries, value engineering/constructability reviews, and other items of significance. The two-period "look ahead schedule" will enable the Government to accommodate any activities requiring input or assistance.

3. Action Items/Outstanding Issues. This section should draw attention to, and track the progress of, highly significant or sensitive issues requiring action and direction in order to resolve. In general, issues and administrative requirements that could have a significant or adverse impact to the project's scope, budget, schedule, quality, safety, and/or compliance with Federal requirements should be included. Status, responsible person(s), and due dates should be included for each action item/outstanding issue.

Action items requiring action or direction should be included in the quarterly status meeting agenda. The action items/outstanding issues may be dropped from this section upon full implementation of the remedial action, and upon no further monitoring anticipated.

4. Project Schedule. An updated master program schedule reflecting the current status of the program activities should be included in this section. A Gantt (bar) type chart is probably the most appropriate for quarterly reporting purposes, with the ultimate format to be agreed upon between the Grantee and the Government. It is imperative that the master program schedule be integrated, i.e., the individual contract milestones tied to each other, such that any delays occurring in one activity will be reflected throughout the entire program schedule, with a realistic completion date being reported.

Narratives, tables, and/or graphs should accompany the updated master program schedule, basically detailing the current schedule status, delays and potential exposures, and recovery efforts. The following information should also be included:

- Current overall project completion percentage vs. latest plan percentage.
- Completion percentages vs. latest plan percentages for major activities such as right-of-way, major or critical design contracts, major or critical construction contracts, and significant force accounts or task orders. A schedule status description should also be included for each of these major or critical elements.
- Any delays or potential exposures to milestone and final completion dates. The delays and exposures should be quantified, and overall schedule impacts assessed. The reasons for the delays and exposures should be explained, and initiatives being analyzed or implemented in order to recover the schedule should be detailed.

5. Project Cost. An updated cost spreadsheet reflecting the current forecasted cost vs. the latest approved budget vs. the baseline budget should be included in this section. One way to track project cost is to show: (1) Baseline Budget, (2) Latest Approved Budget, (3) Current Forecasted Cost Estimate, (4) Expenditures or Commitments To Date, and (5) Variance between Current Forecasted Cost and Latest Approved Budget. Line items should include all significant cost centers, such as prior costs, right-of-way, preliminary engineering, environmental mitigation, general engineering consultant, section design contracts, construction administration, utilities, construction packages, force accounts/task orders, wrap-up insurance, construction contingencies, management contingencies, and other contingencies. The line items can be broken-up in enough detail such that specific areas of cost change can be sufficiently tracked and future improvements made to the overall cost estimating methodology. A Program Total line should be included at the bottom of the spreadsheet.

Narratives, tables, and/or graphs should accompany the updated cost spreadsheet, basically detailing the current cost status, reasons for cost deviations, impacts of cost overruns, and efforts to mitigate cost overruns. The following information should be provided:

- Reasons for each line item deviation from the approved budget, impacts resulting from the deviations, and initiatives being analyzed or implemented in order to recover any cost overruns.
- Transfer of costs to and from contingency line items, and reasons supporting the transfers.
- Speculative cost changes that potentially may develop in the future, a quantified dollar range for each potential cost change, and the current status of the speculative change. Also, a comparison analysis to the available contingency amounts should be included, showing that reasonable and sufficient amounts of contingency remain to keep the project within the latest approved budget.
- Detailed cost breakdown of the general engineering consultant (GEC) services (if applicable), including such line items as contract amounts, task orders issued (amounts), balance remaining for tasks, and accrued (billable) costs.
- Federal obligations and/or TIFIA disbursements for the project, compared to planned obligations and disbursements.

6. Project Funding Status. The purpose of this section is to provide a status report on the non-TIGER Discretionary Grant funds necessary to complete the project. This report section should include a status update of any legislative approvals or other actions necessary to provide the non-TIGER Discretionary Grant funds to the project. Such approvals might include legislative authority to charge user fees or set toll rates, or the commitment of local funding revenues to the project. In the event that there is an anticipated or actual project cost increase, the project funding status section should include a report on the anticipated or actual source of funds to cover the cost increase and any significant issues identified with obtaining additional funding.

7. Project Quality. The purpose of this section is to: (1) summarize the Quality Assurance/Quality Control activities during the previous quarter (reporting period), and (2) highlight any significant items identified as being deficient in quality. Deficient items noted should be accompanied by reasons and specifics concerning the deficiencies, and corrective actions taken or planned. In addition, the agency or firm responsible for the corrective action should be documented. Planned corrective actions should then be included as Action Items/Outstanding Issues.

8. Other Status Reports. The Grantee and the Government may agree that other reports may be beneficial in ensuring that project status issues are fully and openly communicated. Such reports may include the public relations plan, value engineering and constructability review plan, environmental compliance report, and/or compliance with the Buy America/Buy American (whichever is applicable) requirements.

**ATTACHMENT E
PROJECT BUDGET**

**FEDERAL HIGHWAY ADMINISTRATION
And
CSX
PROJECT FINANCIAL PLAN
NATIONAL GATEWAY PROJECT**

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BACKGROUND

The American Recovery and Reinvestment Act (ARRA) was signed into law on February 17, 2009 and appropriated \$1.5 billion, available through September 30, 2011, for Supplementary Discretionary Grants for a National Surface Transportation System. The U.S. Department of Transportation (USDOT) launched the Transportation Investment Generating Economic Recovery Discretionary Grant program (TIGER) on June 17, 2009 and solicited application for innovative, multi-modal and multi-jurisdictional transportation projects that provide significant economic and environmental benefits. Applications were due to USDOT on September 15, 2009.

INTRODUCTION

On February 17, 2010, the National Gateway was awarded \$98 million from the TIGER program to fund clearance projects between rail terminals in Northwest Ohio and Chambersburg, Pennsylvania. The National Gateway is a public-private partnership, consisting of \$842 million in projects to increase: bridge and tunnel clearance heights to accommodate double stacked intermodal trains; and intermodal terminal capacity. When complete, the National Gateway will create a highly efficient freight rail transportation link between Mid-Atlantic ports and the Midwest.

The National Gateway consists of three major segments:

- **Phase 1:** This segment will run from a \$175 million intermodal terminal currently under construction (financed by CSX and its affiliates with additional safety investments by the Ohio Rail Development Commission) in Wood County in Northwest Ohio to a recently completed CSX Intermodal terminal in Chambersburg, Pennsylvania.
- **Phase 2:** This segment will run from the intermodal terminal in Chambersburg, to a proposed intermodal terminal that CSX and the State of Maryland have agreed to jointly develop at a site along CSX's mainline between Baltimore and Washington, DC
- **Phase 3:** This segment will run from the Baltimore-Washington, DC area south along CSX's mainline (parallel to Interstate 95), to the ports of Hampton Roads, Virginia and Wilmington, North Carolina.

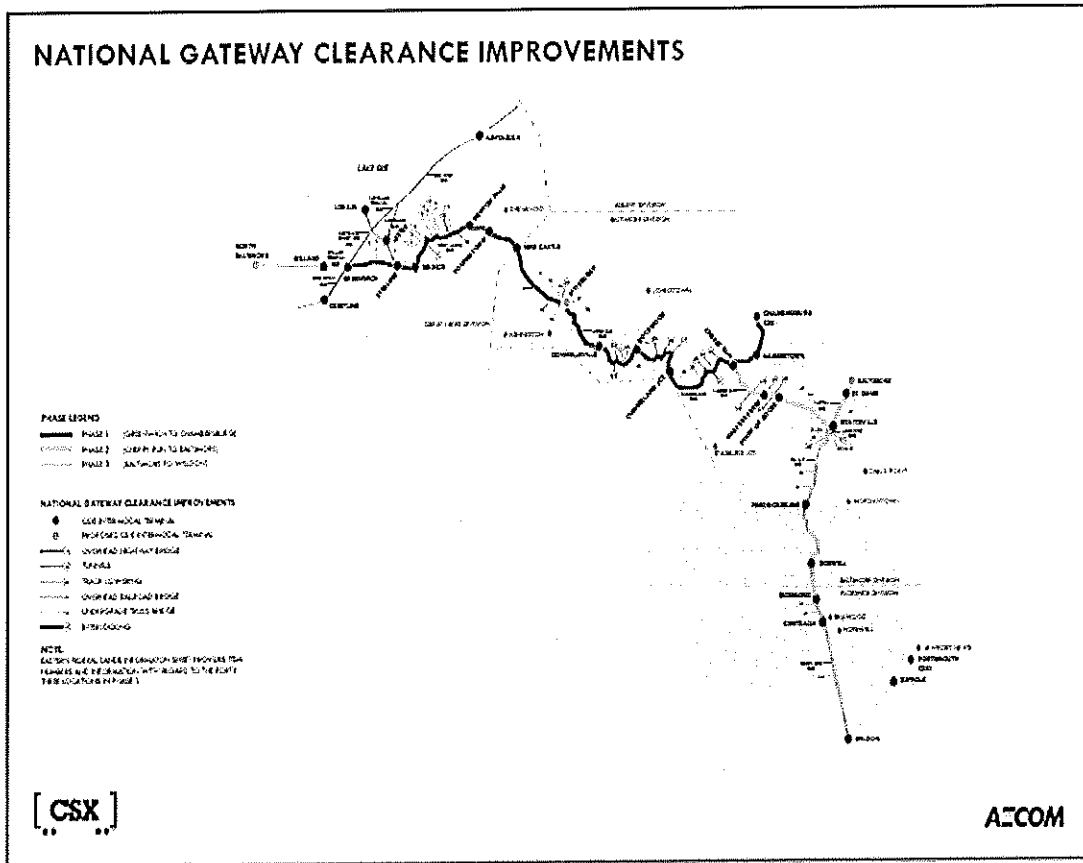
This Financial Plan only covers Phase 1, which will enable double-stacked intermodal service between Northwest Ohio and Chambersburg, Pennsylvania by increasing tunnel clearances and modifying other overhead obstructions in Ohio, Pennsylvania, West Virginia and Maryland. Phase 1 does not include work at rail facilities or intermodal terminals.

The Federal Highway Administration (FHWA) Eastern Federal Lands Highway Division and CSX (Railroad) will sign a Memorandum of Agreement (MOA) within thirty days which outlines the roles and responsibilities for each of the Parties during Phase 1 of the National Gateway project. FHWA is responsible for the coordination and facilitation of

the overall schedule for Phase 1 of the National Gateway, as well as for the management of the Federal TIGER funding. The design and construction of Phase 1 will be completed by the Railroad.

In Figure 1 below, the project limits are identified on maps of the corridor.

Figure 1: The National Gateway



Project Background

The National Gateway project is located on two of CSX's busiest rail lines: 1) the B&O Route, which is the east-west line between the Midwest and the Mid-Atlantic; and 2) the I-95 Corridor, which is the north-south rail line between the Baltimore–Washington region and the southern Mid-Atlantic region of Virginia and North Carolina.

The B&O Route

The clearance projects in Phase 1 of the National Gateway are located on the former B&O line. This route, between the Midwest and the Mid-Atlantic of Maryland, extends from Greenwich, Ohio through Pittsburgh, Pennsylvania and Cumberland, Maryland to the Baltimore – Washington area. From Greenwich, Ohio to New Castle, Pennsylvania, this line is part of CSX's Great Lakes Division and from New Castle, Pennsylvania to Baltimore, Maryland it is part of CSX's Baltimore Division. The route extends from north-central Ohio east through Youngstown, Ohio then southeast through New Castle, Pennsylvania to Pittsburgh, Pennsylvania. The line continues southeast, crosses the Allegheny Mountains in the southwest portion of Pennsylvania, and then crosses into Maryland near Cumberland. East from Cumberland the line follows the Potomac River valley along the Maryland – West Virginia boarder to Cherry Run, Maryland where the line to Chambersburg, Pennsylvania diverges.

The B&O line continues east through Harpers Ferry, West Virginia; Brunswick, Maryland; and Point of Rocks, Maryland to the north edge of Washington, DC at Hyattsville, Maryland. At Hyattsville, the line connects with the north-south line of the National Gateway.

The line averages over 30 freight trains per day west of the junction at Cumberland where trains from the Grafton, West Virginia route join and more than 40 freight trains per day east of Cumberland. The line hosts Amtrak's Capital Limited east of Pittsburgh and MARC commuter trains east of Martinsburg, West Virginia. The route is primarily double track with short sections of single track through tunnels and in the Pittsburgh area. Numerous crossovers permit train movement between the main tracks. The entire route is equipped with automatic block signals and many miles operate under a centralized traffic control system.

The line from Cherry Run to Chambersburg, PA is already cleared for double-stack equipment and will not involve any clearance work. The line to Chambersburg is single track under Track Warrant Control. Train volume on this branch averages less than 5 trains per day.

The I-95 Corridor

The route between the Baltimore–Washington region and the southern Mid-Atlantic extends from near Baltimore, Maryland; through Washington, DC; Richmond, Virginia; and Weldon, North Carolina to Pembroke, North Carolina where the line crosses and connects to the CSX line between Wilmington, North Carolina and Charlotte, North Carolina. This line is referred to as the I-95 Corridor. From Baltimore to Richmond the line is part of the Baltimore Division. South of Richmond, Virginia, the line is part of the CSX's Florence Division. The line extends from south of Baltimore, Maryland; around the east edge of Washington, DC (where it crosses the Anacostia River and passes through Virginia Avenue Tunnel); crosses the Potomac River into Alexandria, Virginia then runs south along the eastern seaboard. At Weldon, North Carolina, the CSX line from Portsmouth, Virginia connects to provide rail access to the ports of Hampton Roads. The I-95 Corridor south of Weldon is already cleared to handle double-stack equipment.

The line averages at least 30 trains per day on the entire route with nearly 80 trains each weekday in the Washington, DC area. The line hosts MARC commuter trains between Baltimore and Washington, DC; VRE commuter trains between Washington, DC and Fredericksburg, Virginia; and more than 20 Amtrak trains south of Washington, DC. Between Baltimore and Petersburg, Virginia the route is primarily double track with short sections of single track through Washington, DC. Numerous crossovers permit train movement between the main tracks. South of Petersburg the line alternates segments of single and double track. The entire route is equipped with a centralized traffic control system. The route is equipped with cab signals between Washington, DC and Richmond, Virginia.

The line between Portsmouth, Virginia and Weldon, North Carolina is called the CSX's Portsmouth Subdivision and will not involve any clearance work as it is already cleared for double-stack equipment. The Portsmouth Subdivision is single track under Track Warrant Control. Train volume on this branch averages about 5 trains per day.

Project Description

The National Gateway is being undertaken to increase tunnel clearances and modify other overhead obstructions to accommodate double-stacked intermodal shipments. Phase 1 consists of 40 clearance projects between the Northwest Ohio terminal in Wood County, Ohio and the Chambersburg, Pennsylvania terminal. The clearance projects along this segment are located in the states of Ohio, Pennsylvania, West Virginia and Maryland.

Completion of these projects would allow for double-stacked intermodal service for the large volume of traffic currently coming into ports along the West Coast, transloaded in Chicago, and, ultimately, destined for markets throughout the Mid-Atlantic region. In addition, this would improve the efficiency of domestic intermodal shipments between key Midwest and Mid-Atlantic markets.

In Phase 1, three categories of clearance improvement methods have been identified for the tunnel work (taking into account the condition of the tunnel and additional clearance required):

- Raising or replacing tunnel roofs
- Notching or replacing tunnel linings
- Removal of tunnels

The overhead obstructions that have been identified include overpass structures and railway bridges. The possible clearance improvement methods include:

- Track Modifications
- Removal or replacement of the bridge
- Raising or modifying the bridge

Scope of Work

Within Phase 1, there are 11 tunnels that have clearance deficiencies (existing tunnels that have clearances that cannot accommodate double stack freight rail service). The Railroad company standards for double-stack operation specify a vertical clearance of greater than 21' above the top of rail.

In addition to the tunnel work, there are 29 other overhead obstructions that need to be removed or adjusted. These additional obstructions include: 8 bridge replacements; 8 bridge removals; 4 bridge raises; 2 bridge modifications; and 7 track modifications.

Only certain portions of the work will be paid for in part with Federal funding, as noted below:

- All work to allow double-stacked freight trains to run between Northwest Ohio and Chambersburg, Pennsylvania was eligible for federal funds. In a MOA signed by the FHWA and the State of Ohio, it was agreed that all TIGER funds would be used for improvements in the States of Ohio, Pennsylvania, West Virginia and Maryland.
- Federal funds will not be used for work at rail facilities or intermodal terminals.
- The Railroad is responsible solely for up to \$20 million in construction costs for Phase 1 work.
- Work in Ohio will be paid for using TIGER funds, ARRA and state funds.
- Work in Pennsylvania will be paid for using TIGER funds and state funds.
- Work in West Virginia will be paid for using TIGER funds
- Work in Maryland will be paid for using TIGER and/or Railroad funds, if needed

CHAPTER 1: PROJECT COST ESTIMATE

In Table 1 below, the current cost estimate for Phase 1 is broken down by Federal participation, state, activity and calendar year. Preliminary engineering and constructions estimates have been provided by the Railroad. It should be noted that per guidance from USDOT, the \$98 million in TIGER funding may be used for any project(s) in Phase 1. Any cost savings that is realized through construction may be reallocated to other projects throughout Phase 1. These savings from the \$98 million in TIGER funding will be coupled with the Railroad's commitment of \$20 million to fully construct Phase 1 and cover any funding gaps as necessary.

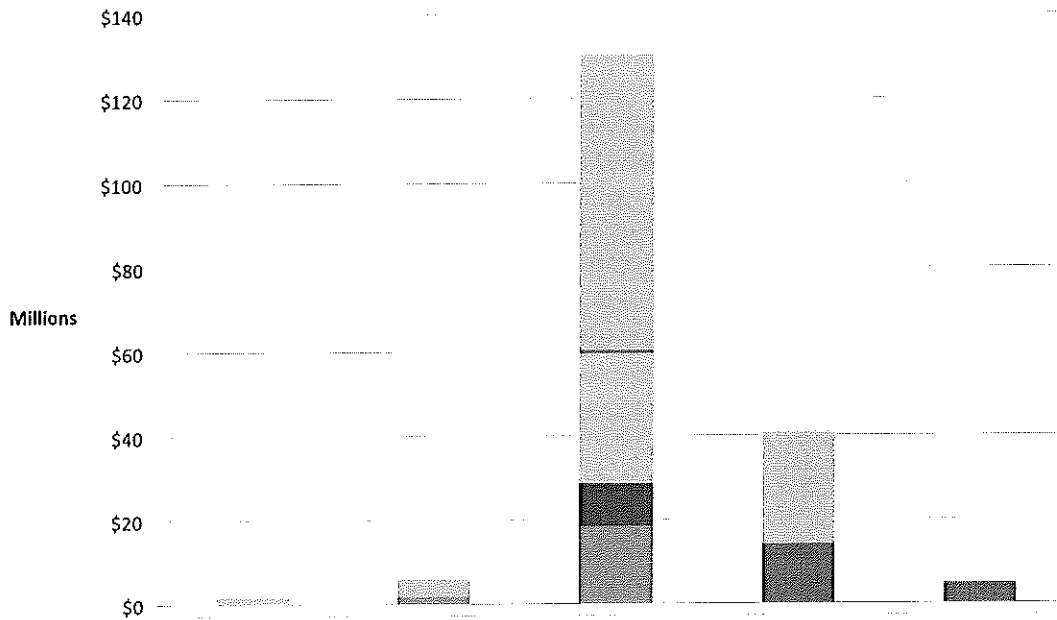
Table 1 - Estimated Project Cost Breakdown by State, Activity and Year.

	2009 & Prior	2010	2011	2012	2013	TOTAL
FEDERAL PARTICIPATION						
Ohio						
TIGER - Construction		\$50,000	\$27,035,000	\$2,660,000		\$29,745,000
Subtotal - Ohio		\$50,000	\$27,035,000	\$2,660,000	\$0	\$29,745,000
Pennsylvania						
TIGER - Construction		\$1,450,000	\$19,570,000	\$14,100,000		\$35,120,000
Subtotal - Pennsylvania		\$1,450,000	\$19,570,000	\$14,100,000	\$0	\$35,120,000
West Virginia						
TIGER - Construction			\$23,200,000	\$9,935,000		\$33,135,000
Subtotal - West Virginia			\$23,200,000	\$9,935,000	\$0	\$33,135,000
Subtotal - Federal		\$1,500,000	\$69,805,000	\$26,695,000	\$0	\$98,000,000
CSXT/TIGER						
Maryland						
CSXT Funding *			\$860,000	\$11,830,000	\$4,540,000	\$17,230,000
Subtotal - Maryland			\$860,000	\$11,830,000	\$4,540,000	\$17,230,000
West Virginia						
CSXT Funding				\$1,645,000		\$1,645,000
Subtotal - West Virginia				\$1,645,000		\$1,645,000
FHWA Oversight			\$225,000	\$450,000	\$450,000	\$1,125,000
Subtotal - CSXT/TIGER			\$1,085,000	\$13,925,000	\$4,990,000	\$20,000,000
NON-FEDERAL PARTICIPATION						
Ohio						
ARRA - Construction **		\$2,000,000	\$18,455,000			\$20,455,000
Ohio Development - Const.			\$10,000,000			\$10,000,000
Oversight						\$0
Subtotal - Ohio		\$2,000,000	\$28,455,000	\$0		\$30,455,000
Pennsylvania						
TAP Grant						
Construction			\$27,000,000			\$27,000,000
P/E Design	\$1,523,787	\$2,408,000	\$4,068,213			\$8,000,000
Oversight						\$0
Subtotal - Pennsylvania	\$1,523,787	\$2,408,000	\$31,068,213	\$0	\$0	\$35,000,000
West Virginia						
Oversight						\$0
Maryland						
Oversight						\$0
Subtotal - Non-Federal	\$1,523,787	\$4,408,000	\$59,523,213	\$0	\$0	\$65,455,000
TOTAL	\$1,523,787	\$5,908,000	\$130,413,213	\$40,620,000	\$4,990,000	\$183,455,000

* Savings from the \$98 million in TIGER funding will be coupled with the Railroad's commitment of \$20 million to fully construct Phase 1 and cover any funding gaps as necessary.

** \$455,000 of the funds shown under "Ohio ARRA" are provided through an ODOT grant to Portage County.

Figure 2: Estimated Project Costs by Source and Calendar Year



	<2009	2010	2011	2012	2013
OH ARRA		\$ 2,000,000	\$ 18,455,000		
OH DEV			\$ 10,000,000		
PA TAP	\$ 1,523,787	\$ 2,408,000	\$ 31,068,213		
CSXT			\$ 860,000	\$13,925,000	\$ 4,540,000
FEDERAL		\$ 1,500,000	\$ 69,805,000	\$ 26,695,000	

Note: PE and construction management costs are included in total cost for each project.

CHAPTER 2: IMPLEMENTATION PLAN

Preliminary engineering (PE) for the entire National Gateway project (Phases 1-3) was started in 2007. The Compliance with National Environmental Policy Act (NEPA) requirements for the entire project (Phases 1-3) was started in February 2009. The states and CSX have been working with the Federal Railroad Administration (FRA) to complete an Environmental Assessment (EA) for Phase 1. The PE will continue on a parallel path with the NEPA compliance in order to provide supporting documentation for the EA. Final NEPA documents are scheduled to be completed by November 2010, clearing the way for the Railroad to complete final design. The schedule for awarding the first construction contract is August 2010. This will be work funded with the \$20 million in ARRA funding from Ohio. All work utilizing TIGER funds will be advertised and awarded prior to September 30, 2011. Construction is expected to be completed by April 2013. Exhibit 1 below shows the project timeline.

Exhibit 1: Clearance Project Timeline (by calendar year)

Milestone	2007	2008	2009	2010	2011	2012	2013
PE/DESIGN						11/11	
NEPA		2/10			11/10		
CONSTR - OH				7/10			3/12
CONSTR - PA				10/11			12/12
CONSTR - WV				11/10			4/12
CONSTR - MD					8/11		7/12

CHAPTER 3: PROJECT FUNDING

The National Gateway is a public-private partnership. Phase 1 of the project will be financed through a combination of federal, state and Railroad funds.

Funding Sources

On February 17, 2010, USDOT awarded \$98 million from the TIGER program to fund Phase 1 of the National Gateway from Northwest Ohio to Chambersburg, Pennsylvania.

The current total estimated cost to complete Phase 1 is \$183 million, including the federal TIGER award for \$98 million, \$30 million committed from the state of Ohio, \$35 million committed from the Commonwealth of Pennsylvania and \$20 million committed from CSX.

The State of Ohio’s \$30 million will be financed through two programs:

- The State of Ohio Department of Transportation awarded \$20 million of American Recovery and Reinvestment Act funding toward a series of bridge replacement projects in the National Gateway corridor that will contribute to the overall corridor development goal of providing double-stack container clearances from a new CSX intermodal facility in Northwest Ohio to another intermodal facility in Chambersburg, Pennsylvania.
- The Ohio Department of Development has awarded \$10 million from the State of Ohio Logistics and Distribution Stimulus Program to the National Gateway project.

The Commonwealth of Pennsylvania’s \$35 million will be financed through the Pennsylvania Department of Transportation’s Rail Transportation Assistance Program over three state fiscal years beginning FY 2009-2010.

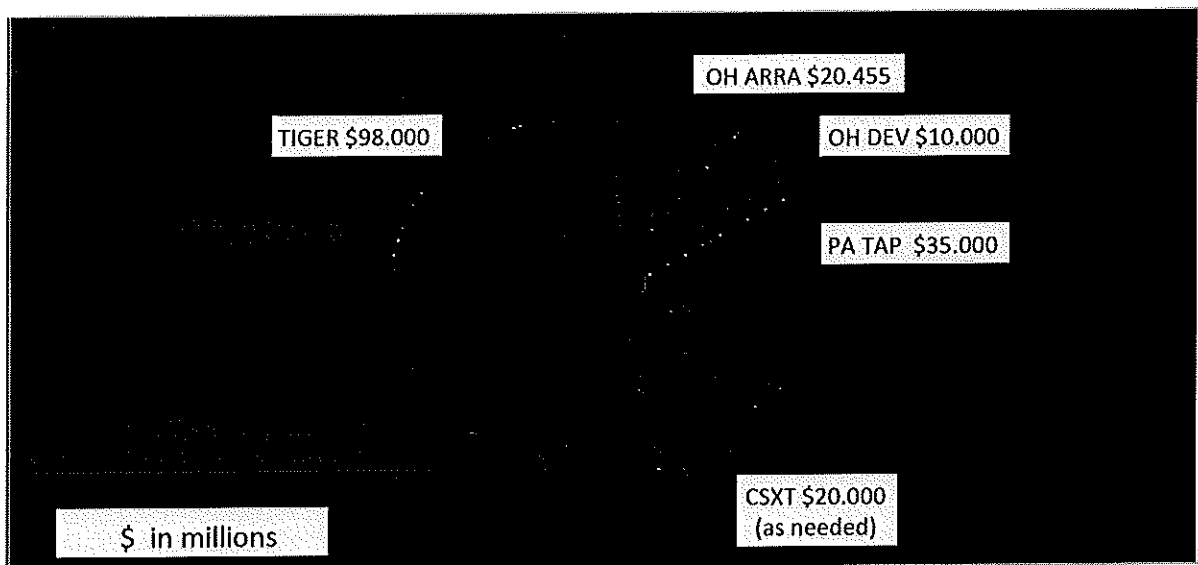
CSX has approved \$20 million in capital funding to cover the remaining portion of clearance work in Phase 1, if needed, so the states can begin implementing the project as quickly as possible. However, the states will utilize the flexibility offered by USDOT to transfer funds from any projects funded by the \$98 million TIGER grant that may come in under budget to cover a portion of the remaining \$20 million.

To cover the administrative costs of the project, CSX will grant up to \$1.125 million to the Ohio Rail Development Commission (ORDC) for the sole and express purpose of funding the expense of FHWA-Eastern Federal Lands Highway Division to administer the TIGER grant in Federal Fiscal Year 2011 and beyond. ORDC will accept the funds on or near September 1 prior to the start of each respective fiscal year for the sole purpose of granting the funds to FHWA-Eastern Federal Lands Highway Division. ORDC, in turn, will make payments to FHWA-Eastern Federal Lands Highway Division on or before September 30 of each year. These funds are included as part of the Railroad's commitment of \$20 million.

The funding needs for the project are provided in Table 2 and depicted by the pie chart in Figure 3. The funding sources and use of funds are identified in figure 5.

In addition to the funding detailed above, each state is responsible for covering its own administrative costs. These administrative costs are expected to be minimal and they are not shown in the tables and figures unless otherwise indicated.

Figure 3: Project Funding



Note: Savings from the \$98 million in TIGER funding will be coupled with the Railroad's commitment of \$20 million to fully construct Phase 1 and cover any funding gaps as necessary.

Table 2 - Project Funding by Funding Source

State/Activity	Ohio ARRA	Ohio Dev.	PA TAP	CSXT **	Federal (TIGER)	TOTAL
Ohio						
Construction	\$20,455,000	\$10,000,000			\$29,745,000	\$60,200,000
Oversight						
Subtotal - OH	\$20,455,000	\$10,000,000			\$29,745,000	\$60,200,000
Pennsylvania						
Construction			\$27,000,000		\$35,120,000	\$62,120,000
Design			\$8,000,000			\$8,000,000
Oversight						
Subtotal - PA			\$35,000,000		\$35,120,000	\$70,120,000
West Virginia						
Construction				\$1,645,000	\$33,135,000	\$34,780,000
Oversight						
Subtotal - WV				\$1,645,000	\$33,135,000	\$34,780,000
Maryland						
Construction				\$17,230,000		\$17,230,000
Oversight						
Subtotal - MD			\$0	\$17,230,000		\$17,230,000
FHWA						
Oversight				\$1,125,000		\$1,125,000
Subtotal - FHWA				\$1,125,000		\$1,125,000
TOTAL	\$20,455,000	\$10,000,000	\$35,000,000	\$20,000,000	\$98,000,000	\$183,455,000

** Note: \$455,000 of the funds shown under "Ohio ARRA" are provided through an OHDOT grant to Portage County.*

*** Savings from the \$98 million in TIGER funding will be coupled with the Railroad's commitment of \$20 million to fully construct Phase 1 and cover any funding gaps as necessary.*

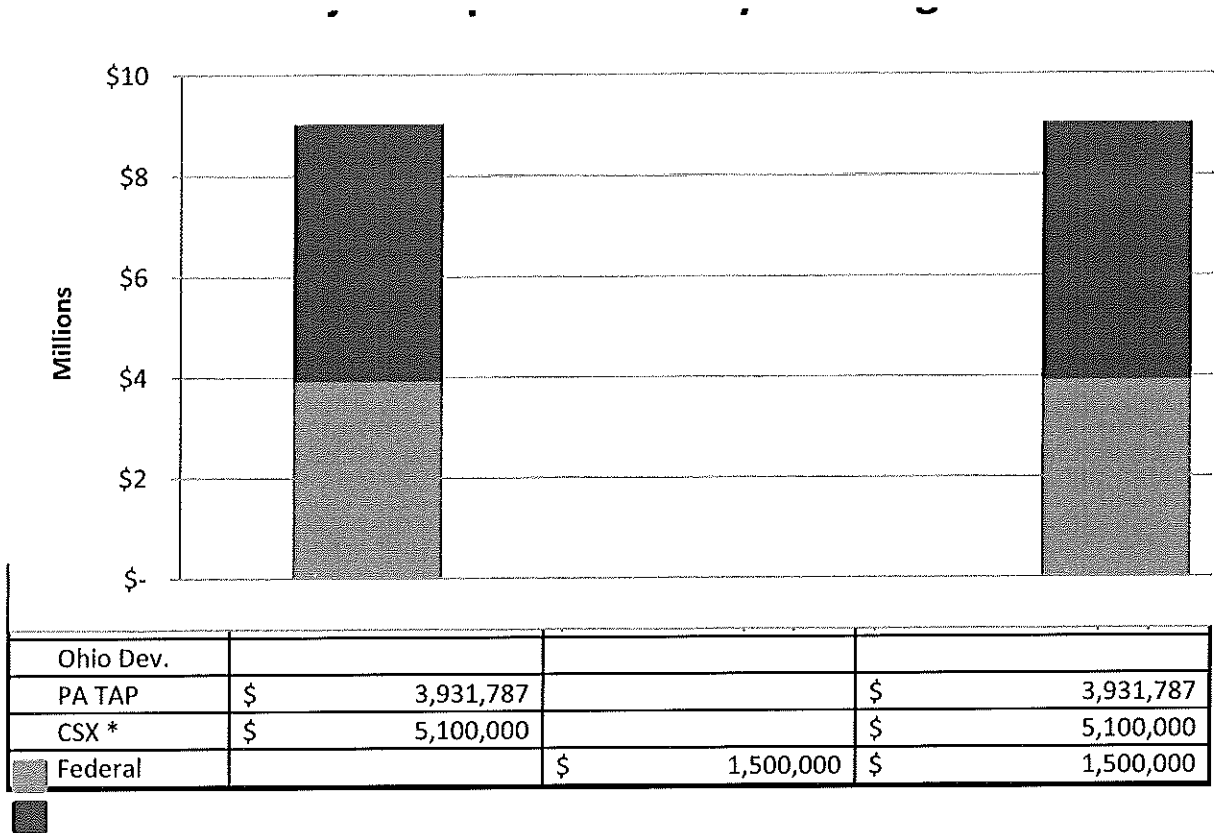
Project Expenditures

Table 3: Clearance Project Expenditures by Year (2010 and Prior)

	2009 and Prior	2010	TOTAL
Federal Participation			
Ohio			
TIGER - Construction		\$50,000	\$50,000
Subtotal - Ohio		\$50,000	\$50,000
Pennsylvania			
TIGER - Construction		\$1,450,000	\$1,450,000
Subtotal - Pennsylvania		\$1,450,000	\$1,450,000
West Virginia			
TIGER - Construction			
Subtotal - West Virginia			
Subtotal - Federal	\$0	\$1,500,000	\$1,500,000
Non-Federal Participation			
Ohio			
ARRA - Construction		\$2,000,000	\$2,000,000
Ohio Development - Construction			
Subtotal - Ohio		\$2,000,000	\$2,000,000
Pennsylvania			
TAP Grant			
Construction			
P/E Design	\$1,523,787	\$2,408,000	\$3,931,787
Subtotal - Pennsylvania	\$1,523,787	\$2,408,000	\$3,931,787
Maryland			
CSXT Funding			
Subtotal - Maryland			
West Virginia			
CSXT Funding			
Subtotal - West Virginia			
Subtotal - Non-Federal	\$1,523,787	\$4,408,000	\$5,931,787
SUBTOTAL (Federal and Non-Fed.)	\$1,523,787	\$5,908,000	\$7,431,787
Planning/Design (CSXT Funds)	\$3,875,000	\$1,225,000	\$5,100,000
TOTAL	\$5,398,787	\$7,133,000	\$12,531,787

An expenditure breakdown by funding phase and funding source is provided below in Figure 4.

Figure 4: Clearance Project by Funding Source (2010 and Prior)



**Note: This represents funds expended by the Railroad as of August 2010.*

CHAPTER 4: CASH FLOW

The Railroad expects to have sufficient revenues available for Phase 1 to meet the project expenditures as they occur. Table 4 and Figure 5, respectively, compare and display the availability of anticipated project revenues with the schedule of project expenditures to demonstrate adequate cash flow for the project. The data for Table 4 and Figure 5 was taken from Table 1, Table 2 and Table 3.

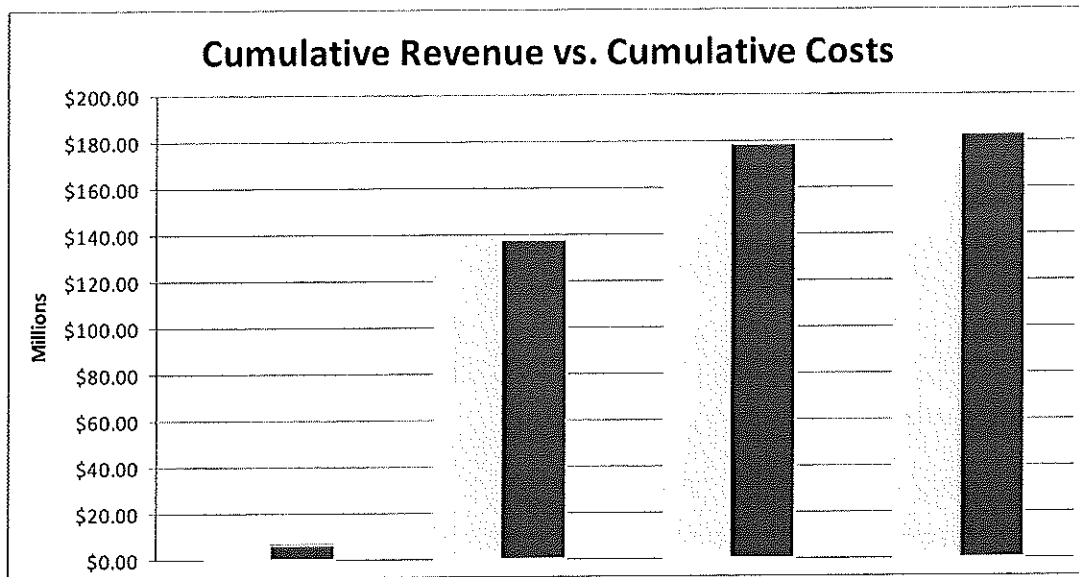
Table 4: Cash Flow Analysis, National Gateway, Phase 1 (by calendar year)

TOTAL REVENUE	\$1,523,787	\$5,908,000	\$130,413,213	\$40,620,000	\$4,990,000
CARRYOVER		\$0	\$0	\$0	\$0
TOTAL AVAILABLE	\$1,523,787	\$5,908,000	\$130,413,213	\$40,620,000	\$4,990,000
EXPENDITURES					
Ohio ARRA		\$2,000,000	\$18,455,000		
Ohio Development		\$0	\$10,000,000		
PA TAP	\$1,523,787	\$2,408,000	\$31,068,213		
CSXT **	\$0	\$0	\$1,085,000	\$13,925,000	\$4,990,000
Federal (TIGER)		\$1,500,000	\$69,805,000	\$26,695,000	
TOTAL EXPENDITURES	\$1,523,787	\$5,908,000	\$130,413,213	\$40,620,000	\$4,990,000
CARRY FORWARD	\$0	\$0	\$0	\$0	\$0

** Note: \$455,000 of the funds shown under "Ohio ARRA" are provided through an OHDOT grant to Portage County.*

*** The amount of CSXT Funds shown for 2009 and 2010 represent funds expended by CSX as of August 2010.*

Figure 5: Clearance Project Cumulative Revenue vs. Cumulative Costs (\$ millions) by calendar year



(Millions)	2009	2010	2011	2012	2013
■ Revenue	\$1.52	\$7.43	\$137.85	\$178.47	\$183.46
⋯ Costs	\$1.52	7.43	\$137.85	\$178.47	\$183.46

CHAPTER 5: OTHER FACTORS

Termination of Project

While it is the intention of FHWA and the Railroad to complete Phase 1 of the National Gateway, it is recognized that not all future events can be anticipated. If it becomes apparent that total project costs, less the total amount of reimbursement from Federal funds, exceed the Railroad's approved capital budget authorization for the project, the Railroad shall give notice to the FHWA of the gap in funding. If, at the end of ninety (90) days (or such other period as Railroad and FHWA may mutually agree) from the date the Railroad gives notice, the Railroad and FHWA have failed to reach an agreement on how the gap in funding will be filled, the Railroad may terminate the project by sending written notice to FHWA. If the Railroad exercises this termination right, it shall refund to FHWA any of the Federal funds received by the Railroad.

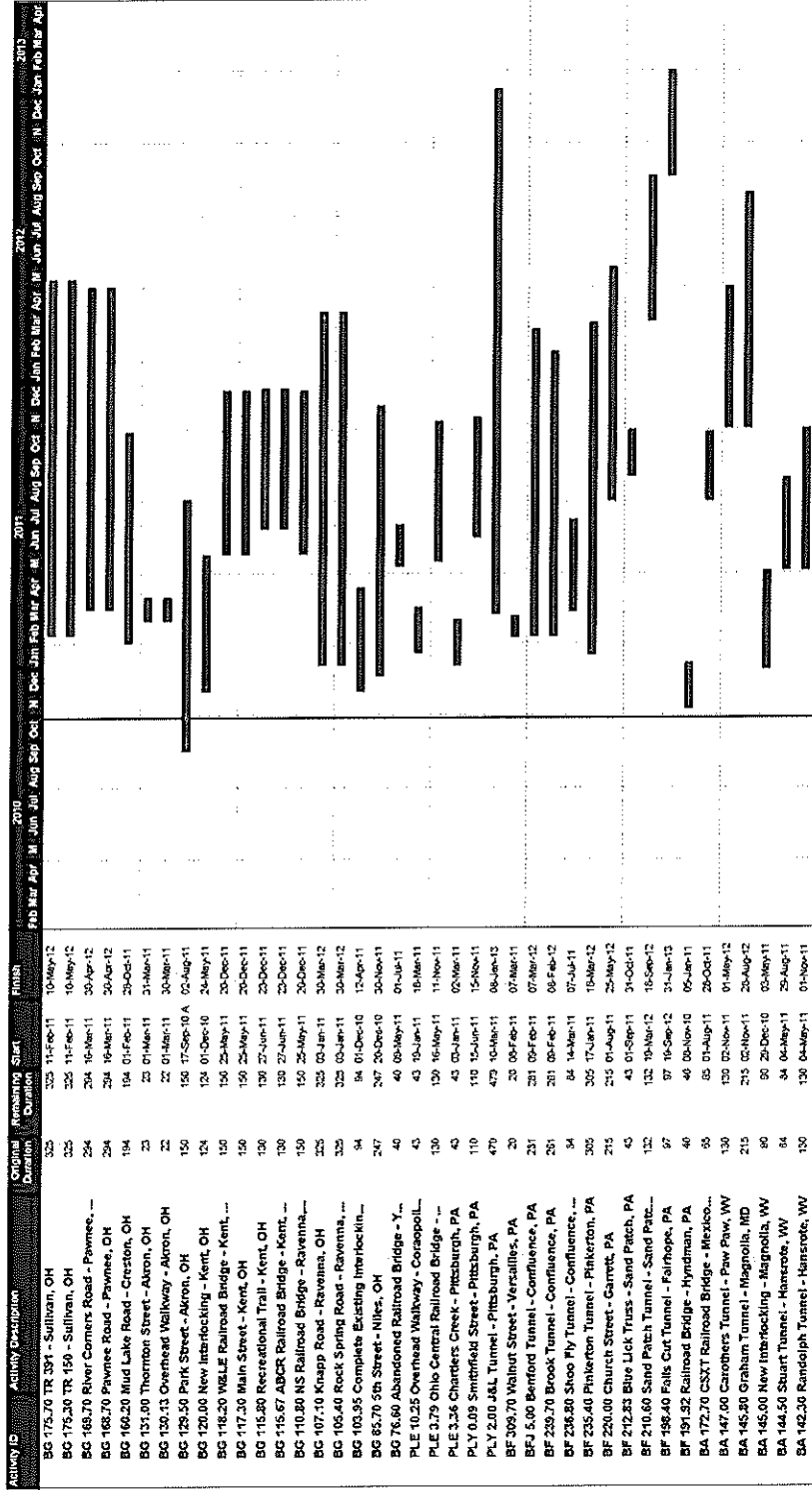
Cost Increase Mitigation Options and Strategy

The CSX Board of Directors has approved the National Gateway project as a whole. Annual funding needs will be budgeted by CSX on an annual basis. To ensure that the total cost of Phase 1 less the amount of actual Federal reimbursement is within its capital improvement budget authority, the Railroad reserves the right to reject bids, re-bid the project or portions thereof as appropriate, re-design the project or portions thereof as appropriate, or take other reasonable measures as may be appropriate under the circumstances.

Schedule for Annual Updates

The Railroad's records for Phase 1 are kept on a calendar year basis. The annual updates for the project Financial Plan will be completed between January and March of each year with updated information through December of the previous year.

ATTACHMENT F PROJECT SCHEDULE



Activity ID	Activity Description	Original Duration	Remaining Duration	Start	Finish	2010	2011	2012
BC 175.70 TR 150 - Sullivan, OH		325	325	14-Feb-11	10-May-12			
BC 169.70 RiverComers Road - Pawnee, OH		254	254	14-Feb-11	30-Apr-12			
BC 168.70 Pawnee Road - Pawnee, OH		254	254	16-Mar-11	26-Apr-12			
BC 166.20 Mud Lake Road - Creston, OH		194	194	01-Feb-11	29-Oct-11			
BC 131.00 Thornton Street - Akron, OH		23	23	01-Mar-11	31-Mar-11			
BC 130.13 Overhead Walkway - Akron, OH		22	22	01-Mar-11	30-Mar-11			
BC 129.50 Park Street - Akron, OH		150	150	17-Sep-10	02-Aug-11			
BC 120.00 New Interlocking - Kent, OH		124	124	01-Dec-10	24-May-11			
BC 118.20 W&LE Railroad Bridge - Kent, OH		150	150	25-May-11	20-Dec-11			
BC 117.30 Main Street - Kent, OH		150	150	25-May-11	20-Dec-11			
BC 115.80 Recreational Trail - Kent, OH		130	130	27-Jun-11	23-Dec-11			
BC 115.67 ABCR Railroad Bridge - Kent, OH		130	130	27-Jun-11	23-Dec-11			
BC 110.80 NS Railroad Bridge - Ravenna, OH		130	130	25-May-11	20-Dec-11			
BC 107.10 Knapp Road - Ravenna, OH		225	225	02-Jun-11	30-Mar-12			
BC 105.40 Rock Spring Road - Ravenna, OH		325	325	03-Jun-11	30-Mar-12			
BC 103.95 Complete Existing Interlocking		94	94	01-Dec-10	12-Apr-11			
BC 85.70 9th Street - Niles, OH		247	247	20-Dec-10	30-Nov-11			
BC 76.80 Abandoned Railroad Bridge - Y...		40	40	08-May-11	01-Jun-11			
PLE 10.25 Overhead Walkway - Coraopol...		43	43	19-Jan-11	18-Mar-11			
PLE 3.79 Ohio Central Railroad Bridge		130	130	16-May-11	11-Nov-11			
PLE 3.36 Charders Creek - Pittsburgh, PA		43	43	03-Jun-11	02-Nov-11			
PLY 0.09 Smithfield Street - Pittsburgh, PA		110	110	15-Jun-11	15-Nov-11			
PLY 2.00 J&L Tunnel - Pittsburgh, PA		470	470	10-Mar-11	08-Jun-12			
BF 309.70 Walnut Street - Versailles, PA		20	20	09-Feb-11	07-Mar-11			
BFJ 5.00 Bedford Tunnel - Confluence, PA		251	251	09-Feb-11	07-Mar-12			
BF 239.70 Brook Tunnel - Confluence, PA		201	201	09-Feb-11	08-Feb-12			
BF 236.80 Shoop Fly Tunnel - Confluence, ...		34	34	14-Mar-11	07-Jul-11			
BF 235.40 Pinkerton Tunnel - Pinkerton, PA		305	305	17-Jun-11	19-Mar-12			
BF 220.00 Church Street - Garret, PA		215	215	01-Aug-11	29-May-12			
BF 212.83 Blue Lick Tuss - Sand Patch, PA		43	43	01-Sep-11	31-Oct-11			
BF 210.60 Sand Patch Tunnel - Sand Patch...		132	132	19-Mar-12	18-Sep-12			
BF 196.40 Falls Cut Tunnel - Fairhope, PA		97	97	16-Sep-12	31-Jan-13			
BA 179.32 Railroad Bridge - Hyndman, PA		46	46	03-Nov-10	05-Jun-11			
BA 172.70 CSXT Railroad Bridge - Mexico...		55	55	01-Aug-11	26-Oct-11			
BA 147.00 Carothers Tunnel - Paw Paw, WV		130	130	02-Nov-11	01-May-12			
BA 145.90 Graham Tunnel - Magnolia, MD		215	215	02-Nov-11	28-Aug-12			
BA 145.00 New Interlocking - Magnolia, WV		80	80	20-Dec-10	03-May-11			
BA 144.50 Stuart Tunnel - Hansro, WV		84	84	04-May-11	29-Aug-11			
BA 142.30 Randolph Tunnel - Hansro, WV		130	130	04-May-11	01-Nov-11			

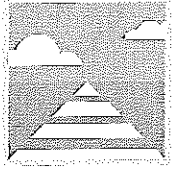
Construction Division

CSX National Gateway Schedule
Schedule Update as of 26-Oct-10

Sheet 1 of 1

Date	Revision	Checked	Approved

ATTACHMENT G
TECHNICAL APPLICATION



National Gateway

Grant Application for
Transportation Investment Generating Economic Recovery for the
NATIONAL GATEWAY PROJECT

September 14, 2009

Submitted by:

State of Ohio – Ted Strickland, Governor

On behalf of:

Commonwealth of Pennsylvania

State of Ohio

State of Maryland

State of West Virginia

Commonwealth of Virginia

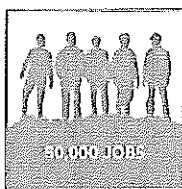




NATIONAL GATEWAY AT A GLANCE

The state of Ohio, on behalf of Pennsylvania, Maryland, Virginia and West Virginia (collectively, the "states"), is requesting \$258 million in TIGER discretionary grant funds for completion of the National Gateway initiative. With overwhelming support from governors and other state and local officials across multiple states, this public-private partnership consists of an \$842 million investment in rail infrastructure and intermodal terminal capacity projects. When complete, the National Gateway will create a highly efficient freight transportation link between the Mid-Atlantic ports and the Midwest, improving the flow of goods between the eastern and western rail networks.

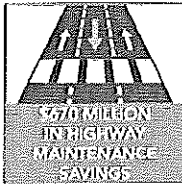
The requested \$258 million in TIGER funds will complement substantial state and private investments and help yield nearly \$6 billion in net public benefits, or more than \$6 in public benefits for every \$1 spent. By 2013, the benefits would begin to outweigh project costs. The National Gateway delivers an innovative program designed to have significant impact on long-term outcomes for the Nation, and meets the criteria published by the USDOT in the following manner:



Job Creation | Creates more than 50,000 jobs, including more than 25,000 jobs in 14 economically distressed areas; more than 4,000 jobs are created by the end of 2012.



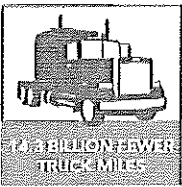
Economic Competitiveness | Saves \$3.5 billion in shipper and logistics costs, significantly increases freight capacity, reduces transit times between West Coast ports and major population centers by 24 to 48 hours and triples the market access potential for the Ports of Baltimore, Hampton Roads and Wilmington.



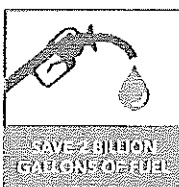
State of Good Repair | Replaces older bridges, avoids over \$670 million in pavement maintenance costs and requires no public funding for ongoing maintenance.



Sustainability | Reduces greenhouse gas emissions and the nation's dependence on foreign oil and assists states in attainment of federal clean air standards; eliminates 20 million tons of carbon emissions; reduces 7,000 tons of nitrogen oxides; reduces 1,000 tons of particulate matter and saves nearly two billion gallons of fuel.



Livability and Safety | Improves safety and highway congestion by maximizing the efficiency of freight rail and partnering with trucking companies to provide significant emissions benefit and reduce truck miles traveled by more than 14.3 billion miles.

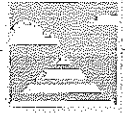


The states will provide 23 percent of the funding, and CSX Corporation, through its affiliates and subsidiaries (CSX), will fund 47 percent of the \$842 million required to complete the National Gateway. The States have committed \$150 million to date, and CSX has invested nearly \$70 million, thereby allowing the National Gateway to take advantage of TIGER funds and immediately begin delivering benefits to the public. A breakdown of project funding by state necessary to deliver the benefits is shown below.

Table 1: National Gateway Funding Summary

State	Project Costs (\$ Millions)	Funding (\$ Millions)		
		State	Federal	CSX
Ohio	\$235	\$30	\$30	\$175
Pennsylvania	\$170	\$35	\$35	\$100
Maryland	\$192	\$75	\$42	\$75
West Virginia	\$41	\$5	\$36	\$0
Virginia	\$26	\$16	\$0	\$10
District of Columbia	\$172	\$24*	\$115	\$33
North Carolina	\$6	\$4	\$0	\$2
TOTAL	\$842	\$189	\$258	\$395

*State funding for clearances in the District of Columbia will be provided by the Commonwealth of Virginia.



PROJECT INFORMATION

Type of Project: Rail

Project Location: Ohio, Pennsylvania, Maryland, West Virginia, Virginia, District of Columbia and North Carolina (See Table 2 below for details)

Urban/Rural Area: Both Urban and Rural Areas

Funding Amount Requested: \$258,000,000

DUNS Number/CCR: 180006517

Contact Information

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Table 2: Clearance Project Location Summary

State	County	Town	Total No. of Clearance Projects	Congressional District	
Ohio	Ashland	Sullivan*	2	5	
	Mahoning	Youngstown	1	17	
	Medina	Creston	1	16	
		Pawnee	2	16	
	Portage	Kent	5	17	
		Newton Falls	1	17	
		Ravenna	2	17	
	Summit	Akron	3	13	
	Trumbull	Niles*	1	17	
	Pennsylvania	Allegheny	Coraopolis	1	14
			McKees Rocks	1	14
		McKeesport	1	14	
		Pittsburgh	5	14	
Bedford		Hyndman*	1	9	
Somerset		Confluence*	3	9	
		Fairhope*	1	9	
		Garrett*	1	9	
		Pinkerton*	1	9	
		Sand Patch*	2	9	
Maryland		Allegany	Magnolia*	1	6
	Mexico*		1	6	
	Anne Arundel	Jessup	1	3	
	Frederick	Catoctin	1	6	
		Point of Rocks	1	6	
	Montgomery	Germantown	1	8	
		Washington	1	8	
	Prince George's	Hyattsville	2	4	
	Washington	Sandy Hook	1	6	
	West Virginia	Berkeley	Martinsburg*	1	2
Jefferson		Shenandoah Jct	1	2	
Morgan		Hansrote	2	2	
	Paw Paw	1	2		
Virginia	Prince William	Woodbridge	1	11	
	Richmond City	Richmond*	2	3,7	
		Stafford	Stafford	1	1
	Sussex	Stony Creek*	1	4	
District of Columbia (D.C.)	D. C.	Washington*	6	1	

*Economically Distressed Area as defined in section 301 of the Public Works and Economic Development Act of 1965.



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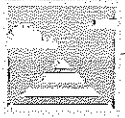
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PROJECT DESCRIPTION

The current economic downturn has had a devastating effect on our states. We believe that the funds available to us from the American Recovery and Reinvestment Act (ARRA) through the U.S. Department of Transportation (USDOT) TIGER grant program will maximize public benefits in our states and across the nation.

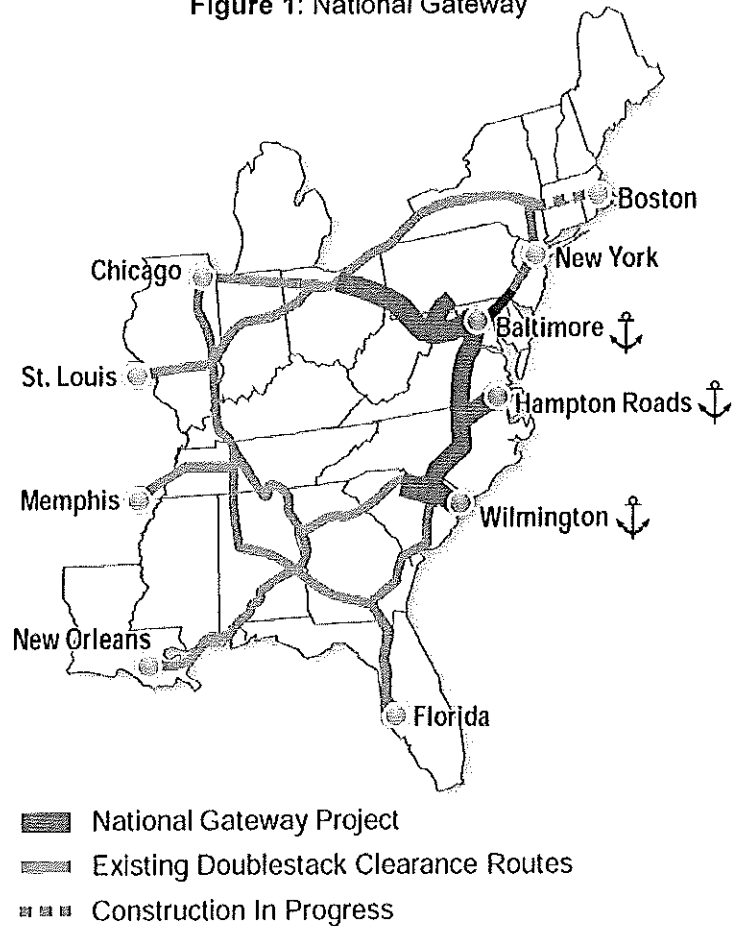
The National Gateway initiative has unprecedented support from a large coalition of public and private sector leaders including governors and other state and local officials across six states; more than three dozen members of Congress; three port authorities; and a large group of global shippers, ocean carriers, business organizations and environmental groups. The project has nearly \$550 million in state and private sector funds committed to date, allowing the National Gateway to take immediate advantage of TIGER funds to create jobs and stimulate the economy throughout the Midwest and Mid-Atlantic regions.

It's good for the economy. It's good for the environment. It makes us less dependent on those foreign suppliers for our energy needs. It will create jobs, and there will be an expansion of jobs surrounding this facility."

-Ohio Governor Ted Strickland, Northwest Ohio intermodal terminal groundbreaking, August 14, 2009

In May 2008, the National Gateway was launched as an effort to improve efficiency and expand capacity on the nation's transportation network. An announcement was made by Ohio Governor Ted Strickland along with CSX, in conjunction with its subsidiaries and affiliates, CSX Transportation, CSX Intermodal and the Evansville Western Railway (CSX). This public-private partnership consists of more than \$842 million in rail infrastructure and intermodal terminal projects that will enhance transportation service options along three major corridors: I-95/I-81 in North Carolina, Virginia, and Maryland; I-70/I-76/I-80 between Washington, D.C. and Northwest Ohio; and the I-40/Carolina Corridor between Charlotte and Wilmington (shown in **Figure 1**). When complete, the National Gateway will create a highly efficient freight transportation link between three Mid-Atlantic ports (Baltimore, Maryland; Hampton

Figure 1: National Gateway



Roads, Virginia; and Wilmington, North Carolina) and the Midwest, improving the flow of goods between these regions and eastern and western rail networks.

As part of the National Gateway, 61 vertical clearances in six states and the District of Columbia will be modified to help expand capacity and provide clearance for double-stack intermodal trains (see **Appendix A** for a complete listing of clearance projects). The National Gateway will also improve the flow of intermodal container traffic between ports on the West Coast and major consumption markets in the East by taking advantage of a large new terminal that CSX is constructing in Northwest Ohio. This state-of-the-art facility will enable rail traffic to flow more efficiently through Chicago, reduce transit time by 24 to 48 hours, and complement other terminals being constructed or expanded as part of this initiative in Pennsylvania, Baltimore/Washington, D.C. region,

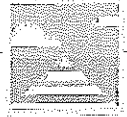
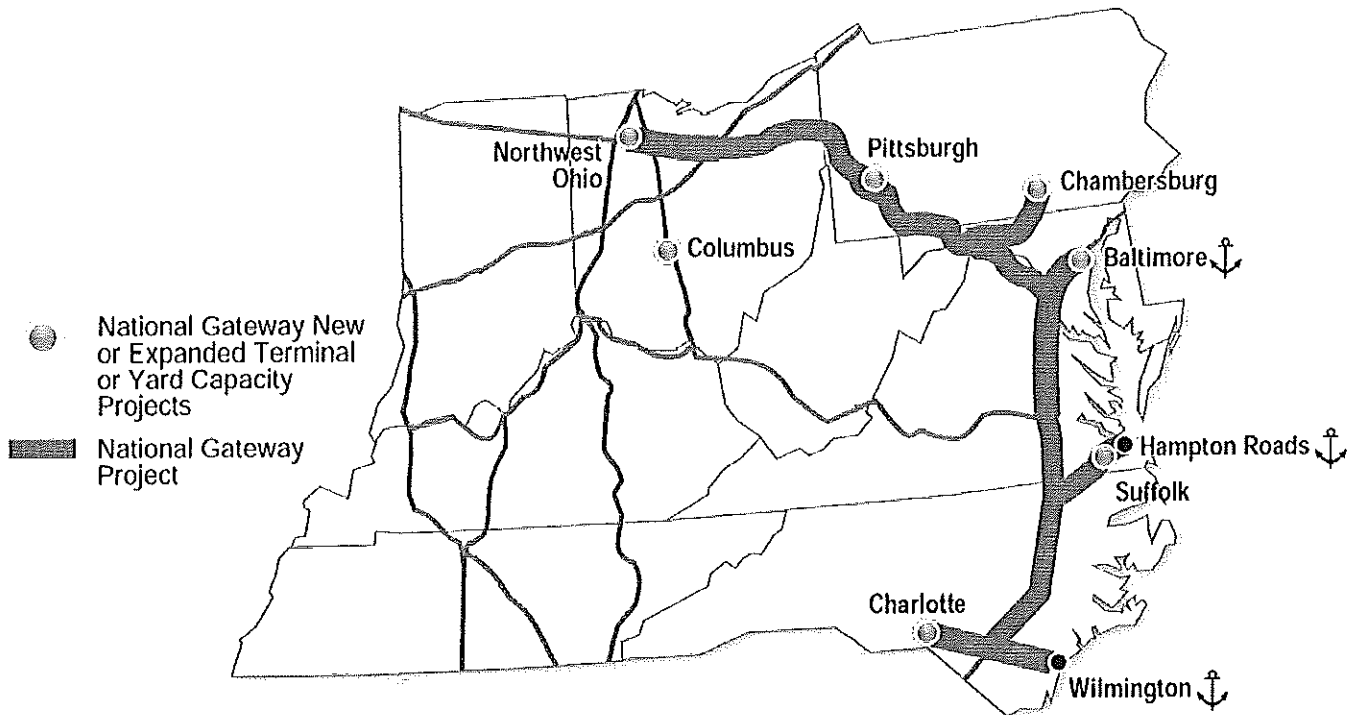


Figure 2: Intermodal Terminal Capacity Projects



Virginia and North Carolina (shown in Figure 2). The National Gateway will help improve the economic competitiveness of the nation and assist the states and ports in handling the demand for future freight movement with the widening of the Panama Canal in 2014.

PROJECT PARTIES

The State of Ohio is serving as the primary sponsor for this application and is acting on behalf of the following parties:

- Commonwealth of Pennsylvania
- State of Maryland
- State of West Virginia
- Commonwealth of Virginia

GRANT FUNDS AND SOURCES AND USES OF PROJECT FUNDS

The National Gateway is a true public-private partnership, with state and CSX contributions representing nearly 70 percent of the total funds needed. The \$258 million request for TIGER funds would provide the remaining project funding. No additional public funding will be required to maintain this infrastructure, since it will be privately owned and maintained.

The National Gateway project is important for America's competitiveness... This helps the environment, it helps our economy, it helps us in so many different ways."

-Pennsylvania Governor Edward G. Rendell, December 5, 2008



The states have committed over \$150 million and are expected to provide a total of \$189 million, representing over 20 percent of the project costs. CSX will invest \$395 million, representing 47 percent of the total project cost and has invested more than \$70 million to date. Table 3 shows the costs for the National Gateway clearance and terminal capacity projects, the anticipated commitment of state and private funds, and the amount of TIGER discretionary grant funds necessary in each state to complete the clearance projects. In addition to the funding commitments shown in the table, CSX has spent more than \$4 million on preliminary engineering and environmental analysis to ensure that double-stack clearance is achieved by 2012.

The National Gateway partners are requesting \$258 million in TIGER discretionary grant monies to help fund the double-stack clearance projects. Federal funds are not being requested in this application for the terminal capacity projects; however, the benefits of the clearance projects are further enhanced with the terminal capacity projects in place. Collectively, the terminal capacity and clearance projects unlock a wealth of opportunities and provide substantial public benefits well beyond the states directly affected by the National Gateway. These opportunities will resonate throughout other parts of the nation. The National Gateway is truly a project of national significance.



Groundbreaking at the Northwest Ohio Intermodal Terminal, August 14, 2009. Pictured (from left to right): State Representative Randy Gardner, Ohio Governor Ted Strickland, CSX CEO Michael Ward, US Representative Bob Latta, State Senator Mark Wagoner and EVWR CEO Tony Reck.

Table 3: Funding Summary

State	Project Costs (\$ Millions)	Required Funding (\$ Millions)		
		State	Federal	CSX
Ohio				
Clearances	\$60	\$30	\$30	<\$1
Terminal Capacity	\$175	\$0	\$0	\$175
TOTAL	\$235	\$30	\$30	\$175
Pennsylvania				
Clearances	\$70	\$35	\$35	<\$1
Terminal Capacity	\$100	\$0	\$0	\$100
TOTAL	\$170	\$35	\$35	\$100
Maryland				
Clearances	\$42	\$0	\$42	<\$1
Terminal Capacity	\$150	\$75	\$0	\$75
TOTAL	\$192	\$75	\$42	\$75
West Virginia				
Clearances	\$41	\$5	\$36	<\$1
TOTAL	\$41	\$5	\$36	<\$1
Virginia				
Clearances	\$10	\$7	\$0	\$3
Terminal Capacity	\$16	\$9	\$0	\$7
TOTAL	\$26	\$16	\$0	\$10
District of Columbia				
Clearances	\$172	\$24*	\$115	\$33
TOTAL	\$172	\$24	\$115	\$33
North Carolina				
Clearances	<\$1	<\$1	\$0	<\$1
Terminal Capacity	\$6	\$4	\$0	\$2
TOTAL	\$6	\$4	\$0	\$2
Clearances	\$395	\$101	\$258	\$36
Terminal Capacity	\$447	\$88	\$0	\$359
TOTAL	\$842	\$189	\$258	\$395

*State funding for clearances in the District of Columbia will be provided by the Commonwealth of Virginia.

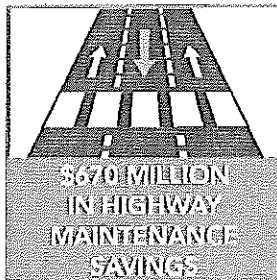
Source: CSX



PRIMARY SELECTION CRITERIA

LONG-TERM OUTCOMES

The National Gateway will provide a variety of long-term benefits resulting from the improved efficiency the program will create between Mid-Atlantic ports and inland distribution facilities. Additionally, the National Gateway will nearly double intermodal capacity on key railroad corridors without increasing noise, emissions or the number of trains. As a result, states, local communities, shippers and ports all stand to benefit. States will benefit through increased tax collection, more reliable rail service and improved highway safety. Communities will benefit from new, higher value jobs; safer, less congested roadways; and reduced emissions and fuel usage. Shippers will benefit from lower transportation costs, improved service reliability, reduced transport times and expanded access to rail services. The Ports of Baltimore, Hampton Roads and Wilmington will benefit from increased throughput and an enhanced competitive position that results from additional transportation options.



The following section describes these benefits in greater detail and focuses on how the National Gateway will meet and exceed the eligibility requirements for the primary selection criteria of this application.



Modifying clearances for double-stack containers will improve the flow and efficiency of freight by expanding capacity.

State of Good Repair

Because the National Gateway is appropriately capitalized upfront and the publicly owned infrastructure is simply being replaced or modified, there will be no additional public costs to maintain the modified clearances once the project is complete. CSX will manage the construction, operation and long-term maintenance. The National Gateway is a solid, one-time investment of public funds.

The National Gateway will improve existing rail capabilities that currently hinder the efficient flow of freight traffic. Modifying vertical clearances to allow for double-stack intermodal trains will provide relief to congested rail and highway corridors by enabling trains to carry more freight. The increased capacity and improved economies of scale generated by the National Gateway will provide a cost-effective solution to long-haul trucking. This will directly reduce highway congestion on America's highways and reduce highway maintenance costs. Reduced maintenance costs will allow public dollars to be used for other necessary transportation projects that may not otherwise have available funding.

Benefits associated with reduced truck traffic over the next 30 years include:

- Public roadway congestion cost savings of nearly \$400 million; and
- Public roadway pavement cost savings of over \$670 million.

These savings include nearly \$570 million in savings for the National Gateway state partners and an additional \$500 million in savings for other states across the country.



Economic Competitiveness

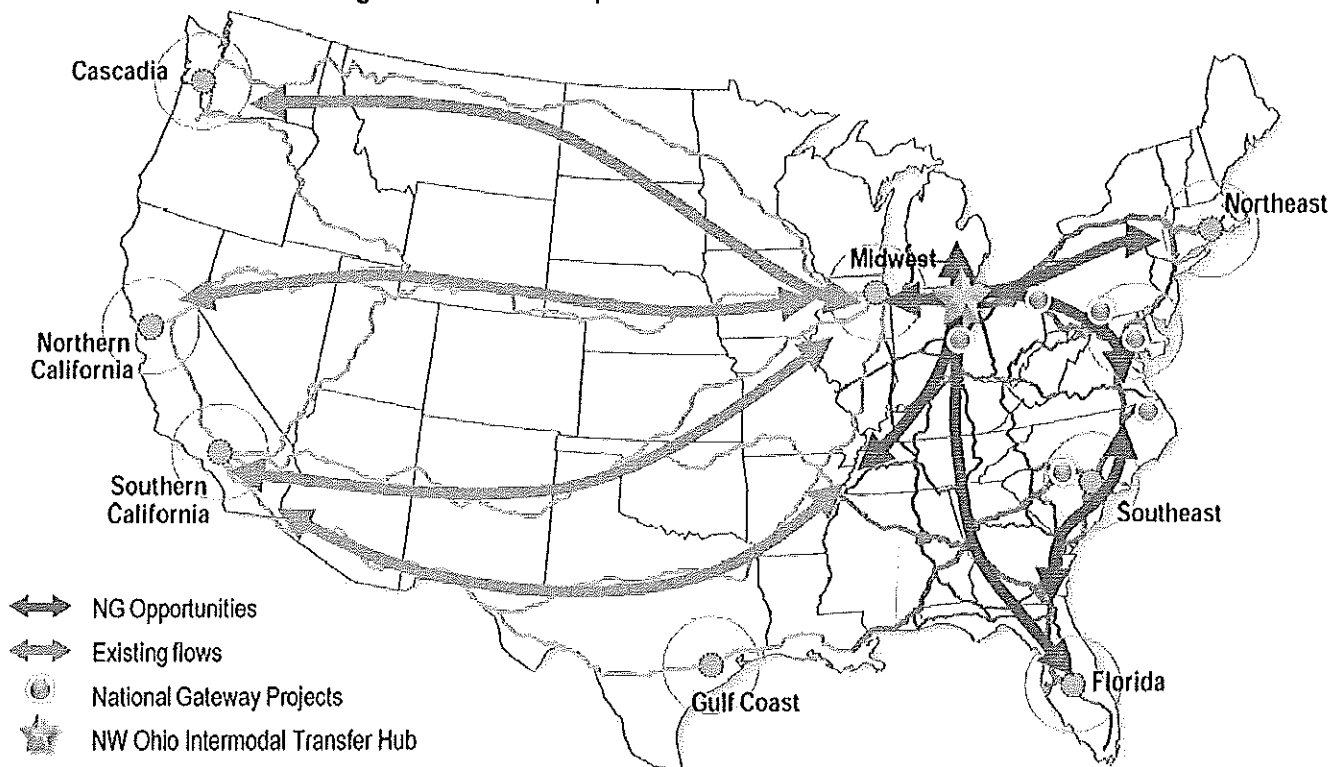
A primary objective of the National Gateway is to improve and maintain U.S. economic competitiveness. The Federal Highway Administration (FHWA) estimates the Mid-Atlantic region will experience significant growth in freight movement over the next decade. A number of factors indicate that the region's economic competitiveness, nationally and internationally, depends upon a rail network that can effectively handle growing volumes of freight and seamlessly link all modes of transportation. By enhancing connectivity, the National Gateway will:

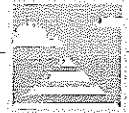
- Triple the market access potential for the Ports of Baltimore, Hampton Roads and Wilmington;
- Help trade and manufacturing market sectors remain competitive in both the global and domestic environment;
- Promote the development of larger regional distribution hubs for major retailers or shippers in the region, with potential economies of scale and improved productivity; and

- Improve transit time reliability, allowing firms to reduce inventories and associated costs which are key aspects of reliable delivery systems.

One of the major economic competitiveness benefits of the National Gateway will be derived from the new Northwest Ohio intermodal terminal. In conjunction with the clearance projects, the facility will have the ability to integrate flows from the CSX network with flows from the West Coast and Chicago (shown in Figure 3). The National Gateway improvements at this location will enhance transportation service options for businesses located along the major transportation corridors, including I-95/I-81, I-70/I-76/I-80 and the Carolina corridor between Wilmington and Charlotte, North Carolina. This will create higher value jobs as a result of the increased connectivity, as well as more opportunities for global competitiveness as a result of increased freight density and frequency.

Figure 3: National Expansion of Intermodal Network Connections





Livability

A new federal partnership between Housing and Urban Development (HUD), the Department of Transportation (DOT) and the Department of Environmental Protection Agency (EPA, Office of Smart Growth) was established to develop a Sustainable Communities Initiative. Central to this partnership is the coordination and integration of land use, mobility, energy and affordability. To begin addressing this initiative, the partners prepared a set of six livability principles:

(1) *Provide more transportation choices.* Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.

(2) *Promote equitable, affordable housing.* Expand location and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.

(3) *Enhance economic competitiveness.* Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.

(4) *Support existing communities.* Target federal funding toward existing communities – through such strategies as transit oriented, mixed-use development and land recycling – to increase community revitalization, improve the efficiency of public works investments and safeguard rural landscapes.

(5) *Coordinate policies and leverage investment.* Align federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

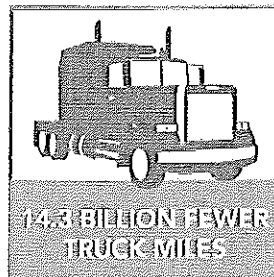
(6) *Value communities and neighborhoods.* Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods – rural, urban or suburban.



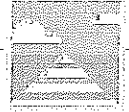
The National Gateway will enhance livability by easing congestion on roadways in urban and rural areas.

The National Gateway project addresses each of these livability principles in meaningful and substantial ways.

Being a multi-state program, the project is central to transportation choice, economic competitiveness, support of existing communities, leveraging investments, and valuing communities. The National Gateway will reduce roadway congestion by maximizing efficiencies of both freight rail and short-haul trucking. As a result, trucks will travel more than 14 billion fewer miles on the nation's highway system. By utilizing freight rail for the long-haul movement of goods, the National Gateway will save nearly two billion gallons of fuel, eliminate 20 million tons of carbon dioxide (CO₂) and reduce particulate matter emissions by approximately 1,000 tons (see Sustainability, pg. 7). The project will also achieve the following livability benefits:



- Provide travelers with safer and more convenient transportation options;
- Provide additional capacity for passenger vehicles, commuters, and local freight movements on major highway corridors, including I-95, I-76, I-66, I-64, I-270 / 70 and I-81;
- Reduce vehicle travel times; and
- Improve connectivity between existing modes of transportation.



Another of the livability principles, Economic Competitiveness, is at the heart of the National Gateway project. In addition to reducing congestion, the National Gateway will provide greater, more cost-effective and more efficient shipping solutions for U.S. shippers and consumers. The shift of long-haul freight shipments from truck to intermodal is expected to reduce shipping costs, thereby making goods more cost competitive and affordable. Providing more efficient shipping solutions is expected to create the following benefits over the next 30 years:

- Provide nearly \$2.2 billion in shipper cost savings for existing rail customers;
- Provide more than \$150 million in logistics savings for existing rail customers; and
- Provide nearly \$1.2 billion in shipper cost savings as a result of the truck-to-rail conversion.

The National Gateway project supports local communities and addresses livability in those communities, as well as introduces new opportunities for job creation and economic stimulus. Livability benefits also include, in the case of the terminals, the recycling and/or redevelopment of less productive economic and land assets. In the case of older areas, the project represents an efficient and cost-effective public works investment. Redevelopment within communities will also spur supportive development that is secondary to the principal investment.

Sustainability

The National Gateway is a critical step in addressing our nation's energy and environmental challenges. The environmental and energy security benefits of the National Gateway clearance projects over the next 30 years will include:

- 20 million ton reduction in greenhouse gases, the equivalent of over 12 million cars;
- Nearly two billion gallon reduction in fuel use, the emissions equivalent of more than 40 million barrels of oil;
- 7,000 ton reduction in oxides of nitrogen (precursor to ozone), the equivalent of more

than one million cars; and

- 1,000 ton reduction in particulate matter, the equivalent of more than three million cars.

In addition, all intermodal facilities built or expanded to support the double-stack clearance projects will exemplify a commitment to environmental stewardship and serve as a catalyst for future economic development opportunities in the surrounding regions. Modern, high-technology operating methods, such as wide-span electric crane systems and radio frequency identification technology, will be used to ensure that each facility is efficient and environmentally friendly.

The U.S. DOT estimates that freight transportation demand will sharply rise over the next decade. This demand will make today's challenges, such as energy security, attainment of the EPA National Ambient Air Quality Standards, climate change and highway congestion, even tougher. As the most environmentally friendly and energy efficient mode of ground-based transportation, freight railroads are an important part of the solution to these growing challenges.

Since 1980, railroads have improved locomotive fuel efficiency by more than 80 percent through advances in technology and operations. Rail can transport a ton of goods more than 436 miles on a single gallon of fuel, and one train can carry the load of 280 trucks. This makes freight trains the most efficient component of the intermodal system, approximately three times more fuel efficient than long-haul trucks. The EPA estimates that for every ton-mile, a



CSX is a leading transportation company in environmental sustainability.



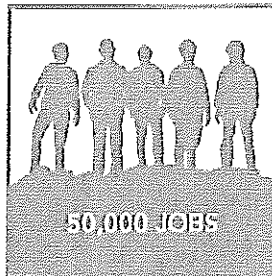
locomotive emits roughly one-third less nitrogen oxides and particulate matters than trucks. That means every time a customer diverts freight traffic from highway to rail, they are taking steps to improve the environment. In addition, the Association of American Railroads (AAR) estimates that if just 10 percent of the nation's freight were diverted to rail, fuel savings would approach one billion gallons annually.

CSX is the first transportation company in the United States to partner with the EPA's Climate Leaders Program. The program requires CSX to publicly report its greenhouse gas emissions and establish a voluntary goal for emissions reduction. CSX also participates in the Carbon Disclosure Project (CDP), a voluntary, not-for-profit organization representing the interests of 385 investors with more than \$57 trillion in assets under management. CSX achieved the best score among Class I freight railroads in the CDP 2008 Report and third best in the overall Transports and Logistics category. These represent only two of CSX's recent sustainability initiatives.

Safety

The National Gateway will reduce highway collisions and subsequent driver injuries and fatalities by reducing truck traffic on roadways in urban and rural areas. Four of the six states directly affected by the National Gateway - Ohio, West Virginia, Virginia and North Carolina - have seen increases in truck related crashes since 2006 (Fatality Analysis Reporting System). In addition, Pennsylvania is one of five states in the country with the highest number of truck-related accidents and fatalities. By reducing truck traffic and making cost-effective intermodal options available, the National Gateway will result in the following safety benefits over the next 30 years:

- Public roadway accident cost savings of more than \$900 million; and
- 14.3 billion fewer truck miles traveled on the nation's highway system.



JOB CREATION AND ECONOMIC STIMULUS

Job creation has been estimated using metrics established by the White House Council of Economic Advisers (CEA) in which \$92,136 of government spending creates one job-year. By the end of 2012, the National Gateway clearance projects will:

- Create more than 4,000 jobs, including nearly 2,600 jobs in economically distressed areas.

Growth in jobs over time generated by the clearance projects is shown in **Figure 4** (pg. 9). Jobs created from clearance project activities per quarter and by state are shown in **Appendix F** (pg. F3).

In addition to the clearance projects, terminal development will generate significant levels of employment due to spending by CSX and state partners (**Table 4**). Over the long-term, terminal development will:

- Create nearly 4,200 construction jobs;
- Stimulate the creation of more than 50,000 jobs, from managers to truck drivers, associated with the businesses that locate in the surrounding area because of the terminal development; and
- Sustain more than 770 jobs annually for operations.

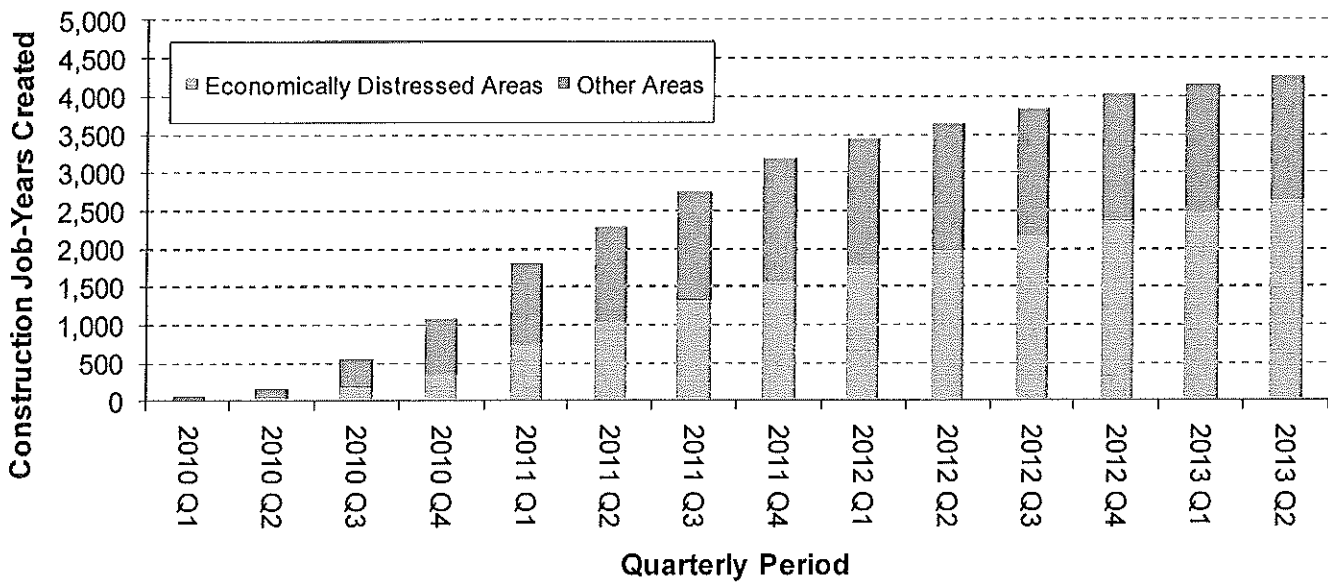
The analysis, detailed in **Appendix E**, is based on a statistical analysis of market development jobs.

The National Gateway is committed to providing sourcing opportunities for all suppliers, regardless of social or economic distinctions. Nearly 50 percent of the National Gateway is being funded by CSX, a company which has increased minority and woman-owned business spending by 33 percent in 2008. These increases were made in spite of a significant portion of railroad spending occurring in areas where there are no diverse suppliers (e.g. fuel, locomotives, freight cars, rail). CSX was recognized by the National Minority Business Council in 2008 with the Outstanding Corporate Supplier Development Award. CSX was included in *The DiversityInc.* magazine's Top 50 Companies for Diversity for the second year in a row, and featured in the *Hispanic Business* magazine. A portion of the ratings are based on supplier diversity



progress. CSX is a strong supporter of veterans as evidenced by its support of the Wounded Warriors Project, a non-profit organization that honors and empowers wounded warriors, and its active recruiting program for veterans who are ideally suited to the 24-hour operation of a railroad. Where there are opportunities, the National Gateway will actively solicit diverse suppliers and will work to coach and develop these suppliers to meet the competitive standards.

Figure 4: Cumulative Short-Term Job Creation from Clearance Projects



Source: HDR, Inc.

Table 4: Job Creation from Terminal Construction and Operation

State	Construction		Annual Operations*	Market Development**	Total
	2012 and Earlier	Post 2012			
Ohio	1,900	0	218	20,670	22,788
Pennsylvania	0	542	200	8,931	9,673
Maryland	0	1,628	259	10,058	11,945
Virginia	0	173	0	0	173
North Carolina	0	65	93	4,322	4,480
Total	1,900	2,408	770	43,981	49,059

* Annual operations figures are based on estimates of facility activity level at full market saturation.

** Market development reflects long-term jobs created as shippers and manufacturers grow near the facility. Estimates are based on statistical analysis of jobs created per 1,000 lifts.

Source: HDR, Inc.



State Benefits

The National Gateway is a project of national significance. In addition to the national benefits discussed in the two previous sections, *Long-Term Outcomes* and *Job Creation and Economic Stimulus*, the National Gateway also brings unique value to each of the following states over the next 30 years.



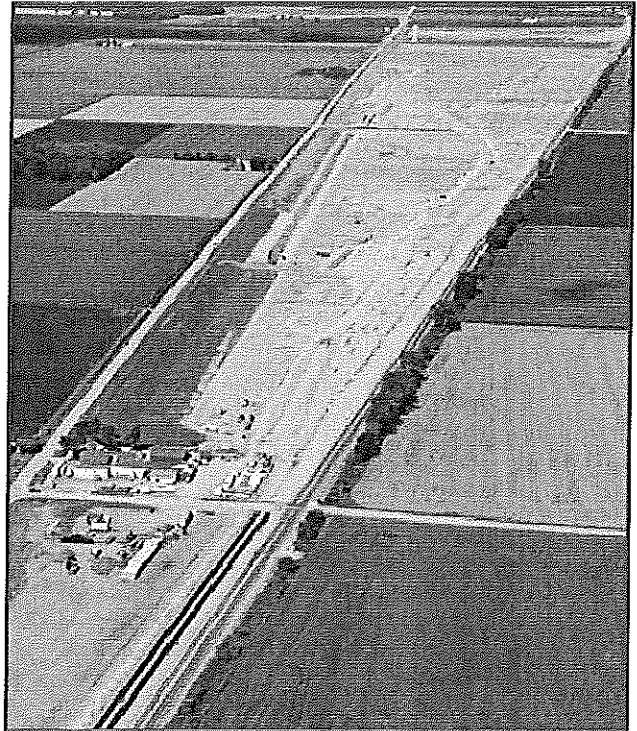
Ohio has been one of the states hardest hit by the recent economic downturn. Recent statistics show July 2009 unemployment in Ohio rose to 11.2 percent, with 664,000 Ohioans out of work (Ohio Department of Job and Family Services (ODJFS), July, 2009). According to ODJFS, job losses continue to mount in the manufacturing sector of the economy.

The clearance projects in Ohio, in conjunction with the new intermodal terminal in Northwest Ohio, will bring new economic opportunities and thousands of jobs to the state. The National Gateway will deliver more than \$700 million in public benefits to Ohio by:

- Creating more than 20,000 jobs;
- Saving more than \$400 million in shipping and logistics costs;
- Reducing the state's highway congestion by providing a cost-effective solution and enabling the reduction of more than 2.2 million long-haul truck trips from the highway, saving more than \$80 million in highway maintenance costs; and
- Reducing CO₂ emissions by nearly 2.5 million tons.

This is a major competitive advantage that can greatly benefit the citizens of Ohio, and the state of Ohio is committed to doing its part to help build this sort of needed infrastructure... In doing so, we'll also be setting an example for other states around the nation."

- Governor Ted Strickland: Toledo Blade, "CSX announces Wood County terminal as part of bigger plan" (May 1, 2008)

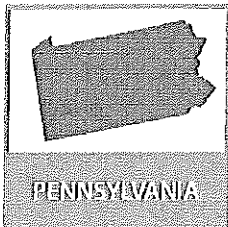


Location of the new Northwest Ohio Intermodal Terminal.

The National Gateway has been endorsed by Governor Ted Strickland, beginning with a public announcement in May 2008. Highlights of the governor's support for the National Gateway include the following:

- The governor has placed a high value on the logistics industry, citing Ohio's central geographic location and existing infrastructure (Governor's State of the State Address, January 2008).
- The governor's Building Ohio Jobs plan invests \$100 million in transportation and logistics initiatives over three years, beginning in 2009.
- The governor's Building 21st Century Transportation Priorities Task Force supported the governor's commitment to freight transportation in Ohio by specifically recommending public support for the National Gateway initiative (Transportation Task Force Final Report, January 2009).

The National Gateway has also received endorsement from the Toledo Council of Government (COG) and the Cincinnati Area/Ohio, Kentucky and Indiana COG.



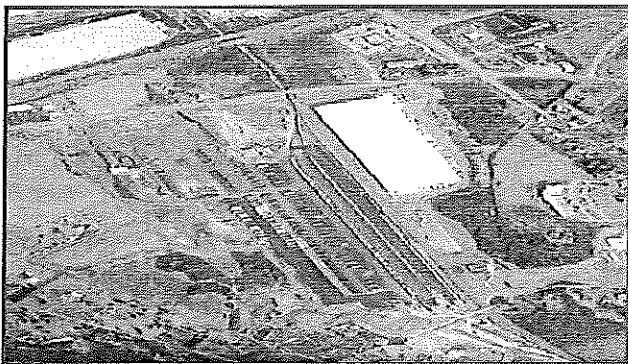
The National Gateway will improve the flow of freight by rail in Pennsylvania, enhancing the Commonwealth's consumer options and augmenting the region's ability to deliver manufactured goods to both domestic and world

markets. The clearance projects in Pennsylvania, collectively with the completed intermodal terminal in Chambersburg and the planned terminal in Pittsburgh, will help deliver over \$800 million in public benefits by:

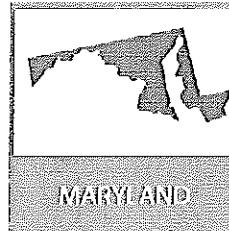
- Creating nearly 10,000 jobs;
- Saving nearly \$500 million in shipping and logistics costs;
- Reducing the Commonwealth's highway congestion by providing a cost-effective solution and enabling the reduction of nearly 2.5 million long-haul truck trips from the highway, saving more than \$90 million in highway maintenance costs; and
- Reducing CO₂ emissions by over 2.7 million tons.

When we have alternative intermodal options of transportation that make it more attractive to locate in a given area and state, it's a tremendous economic development generator."

-Pennsylvania Governor Edward G. Rendell



Location of the recently completed Chambersburg, Pennsylvania Intermodal Terminal.



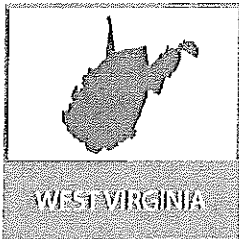
The National Gateway will improve the flow of freight by rail in Maryland, enhancing Maryland's consumer options and augmenting the Maryland Port Administration's ability to handle goods going to and coming from world markets. By completing

double-stack clearances and locating a terminal in the Baltimore area south of the Howard Street tunnel, nearly \$400 million in shipping and logistics costs savings will be realized by Maryland shippers, thereby reducing overall freight shipping costs on goods entering and leaving the state. In addition the National Gateway will provide nearly \$700 million in public benefits by:

- Creating nearly 12,000 jobs;
- Reducing the state's highway congestion by providing a cost-effective solution and enabling the reduction of more than two million long-haul truck trips from the highway, saving nearly \$80 million in highway maintenance costs;
- Reducing CO₂ emissions by more than 2.2 million tons; and
- Tripling the market access potential for the Port of Baltimore and the entire Baltimore region.

By investing in a more efficient freight rail network for our country, the National Gateway can, in a very meaningful way, help address serious concerns about the economy, U.S. competitiveness, congestion, highway safety and maintenance, global warming, clean air and energy efficiency."

- Maryland Governor Martin O'Malley



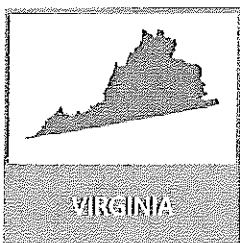
The National Gateway will expand rail service to and across West Virginia, connecting the state to major East Coast and Western markets via a new intermodal terminal near Pittsburgh, Pennsylvania. These

new service options will make West Virginia and the Appalachian region more competitive in both the U.S. and the global marketplace and will help deliver more than \$120 million in public benefits to the state by:

- Saving nearly \$75 million in shipping and logistics costs;
- Reducing the state's highway congestion by providing a cost-effective solution and enabling the reduction of nearly 300,000 long-haul truck trips from the highway, saving nearly \$15 million in highway maintenance costs; and
- Reducing CO₂ emissions by over 400,000 tons.

The CSX National Gateway corridor will help reduce CO₂ emissions and enhance rail transportation infrastructure to reduce congestion at three east coast ports... As a country we must address the necessary long-term funding that is needed to ensure our place in the global economy."

- West Virginia Governor Joe Manchin III



The National Gateway will triple the market access potential for the port facilities at Hampton Roads, allowing the region to take full advantage of the increased volume of freight traffic expected with the opening

of the Panama Canal in 2014. The National Gateway will also increase construction activity and job creation in Virginia and around the greater Washington D.C. region, reducing traffic congestion and greenhouse gas emissions while delivering nearly \$600 million in public benefits to the state by:

- Tripling the Port of Hampton Roads' rail-served market access potential;

- Allowing the port to handle the increased volume expected from the widening of the Panama Canal in 2014;
- Saving over \$350 million in shipping and logistics costs;
- Reducing the Commonwealth's highway congestion by providing a cost-effective solution and create the opportunity for trucking companies to use intermodal transportation for 1.8 million truck trips, saving nearly \$70 million in highway maintenance costs; and
- Reducing CO₂ emissions by nearly 2 million tons.

The National Gateway proposal builds upon Virginia's efforts to improve our surface transportation system with the best solution that addresses congestion, protects our climate, promotes transportation safety, and creates economic growth today and into the future."

- Virginia Governor Tim M. Kaine



The clearance projects in North Carolina will be complete by October 2009 and will enable double-stack intermodal service to and from the Port of Wilmington. These clearances, in conjunction with the rest of the National Gateway projects, will open up new service

opportunities to Charlotte, NC, Atlanta, GA, the Southeast and the Midwest. The expansion of the Charlotte intermodal terminal will bring new economic opportunities and help deliver more than \$230 million in public benefits to the state by:

- Creating nearly 4,500 jobs;
- Substantially increasing the rail-served market access potential for the Port of Wilmington;
- Expanding freight shipping options between North Carolina and Midwest markets;
- Saving more than \$140 million in shipping and logistics costs;
- Reducing the state's highway congestion by providing a cost-effective solution and enabling the

National Gateway TIGER Grant Application

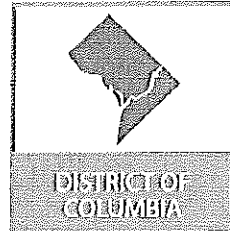


reduction of more than 700,000 long-haul truck trips from the highway, saving nearly \$30 million in highway maintenance costs; and

- Reducing CO₂ emissions by nearly 800,000 tons.

In this time of economic uncertainty, we must take full advantage of these public-private investments in infrastructure to stimulate our economy and deliver high-paying jobs... The double-stack clearances and density that the National Gateway allows will drastically expand North Carolina and the Port of Wilmington's market access potential."

- James W. Crawford, Jr.
North Carolina Representative, 32nd District



Washington, D.C.'s ability to handle the increased freight traffic from the National Gateway benefits the public in numerous ways, including:

- Creating nearly 2,000 jobs;
- Expanding rail access and lessening overall freight shipping costs for the Washington D.C. region; and
- Eliminating key passenger (Amtrak/MARC/VRE) and freight bottlenecks with an efficient double-stack and double-track route through D.C.

A summary of the state and National Gateway public benefits is provided in Table 5.

Table 5: Benefits Summary

Discount Rate	Total	State Totals						
		OH	PA	MD	WV	VA	NC	Other*
Clearance Project Impacts								
Additional Employment (Total)	4,285	652	760	459	438	108	0	1,868
Gallons of Gasoline Avoided (Millions)	1,767.9	220.4	245.7	201.3	37.4	178.1	70.8	814.2
Reduced CO ₂ Emissions (Millions, Tons)	19.60	2.44	2.72	2.23	0.41	1.97	0.78	9.03
Monetized Benefits (Millions, \$)								
Shipper Cost Savings - Existing Rail	\$2,195.3	\$273.7	\$305.1	\$249.9	\$46.4	\$221.2	\$87.9	\$1,011.1
Shipper Cost Savings - Diverted Trucks	\$1,150.6	\$143.4	\$159.9	\$131.0	\$24.3	\$115.9	\$46.1	\$529.9
Logistics Cost Savings - Existing Rail	\$152.8	\$19.0	\$21.2	\$17.4	\$3.2	\$15.4	\$6.1	\$70.4
Pavement Maintenance Savings	\$670.8	\$83.6	\$93.2	\$76.4	\$14.2	\$67.6	\$26.9	\$309.0
Accident Cost Savings	\$933.4	\$116.4	\$129.7	\$106.3	\$19.7	\$94.1	\$37.4	\$429.9
Congestion Savings	\$381.0	\$47.5	\$53.0	\$43.4	\$8.1	\$38.4	\$15.3	\$175.5
Emissions Savings	\$228.5	\$28.5	\$31.8	\$26.0	\$4.8	\$23.0	\$9.2	\$105.2
Increased Employment	\$208.1	\$25.9	\$28.9	\$23.7	\$4.4	\$21.0	\$8.3	\$95.8
Noise Savings	\$3.9	\$0.5	\$0.5	\$0.4	\$0.1	\$0.4	\$0.2	\$1.8
Benefit Cost Analysis Results								
Total Discounted Benefits (Millions, \$)	\$5,924.5	\$738.6	\$823.3	\$674.5	\$125.3	\$597.0	\$237.3	\$2,728.6
Total Discounted Costs (Millions, \$)	\$977.8							
Net Present Value (Millions, \$)	\$4,946.7							
Benefit - Cost Ratio	6.1							
Year of Payback	2014							
Cost Effectiveness Measures								
Tons of CO ₂ Reduction per \$1000	20.0							
Investment \$M Cost (Discounted) per Additional Short-term Job-year	\$0.23							
Investment Cost of Removing Trucks from Road	\$14.48							

* Employment figures for 'Other' are associated with Washington D.C. Most of the VMT reduction impacts in the 'Other' category relate to diverted truck miles outside the region.

Source: HDR, Inc.



Legislative Approvals

The National Gateway will not require any legislative approvals. In some cases, state commitments are subject to appropriation. The National Gateway has received support and endorsement from members of the legislature in all six states directly impacted by the project.

Schedule

Subject to securing all permits, approvals and agreements required to begin construction by February 2010, the requested funding would enable the National Gateway to be double-stack cleared by February 17, 2012. The funding would be entirely obligated and expended for 60 of the 61 projects by that date, allowing the public benefits to commence. By 2013, the benefits would begin to outweigh costs. Between February 2012 and June 2013, the Commonwealth of Virginia and CSX will provide matching funds for the final phases of the remaining project – the Virginia Avenue Tunnel – which would continue to bring benefits and jobs to an economically distressed area. For a detailed construction and implementation timeline, please refer to **Appendix C**.

Environmental Approvals

See **Appendix D** for a detailed schedule of the federal, state and local environmental approvals. A summary of the environmental work completed to date is provided in the NEPA and ENVIRONMENTAL RELATED FEDERAL, STATE AND LOCAL ACTIVITIES sections of this application. The NEPA documents for the clearance projects can be viewed at <http://www.nationalgateway.org/media/NEPA/>.

State and Local Planning

National Gateway projects are included in Ohio's Transportation Improvement Plan (TIP), Pennsylvania's Rail Transportation Assistance Program, Maryland's Draft State Rail Plan and Virginia's Fiscal Year 2010-2015 Six-Year Improvement Plan (SYIP). The expansion of the Charlotte intermodal terminal and the clearances for the Port of Wilmington are included in North Carolina's TIP.

Technical Feasibility

The preliminary engineering for the National Gateway has begun for all 61 projects.

Financial Feasibility

The states and CSX have developed a public-private partnership to fund the clearance work and terminal developments. The State of Ohio, in collaboration with the other states, is requesting that the federal portion of the National Gateway, or \$258 million, be financed with TIGER funds. TIGER funds would enable substantial completion of the clearance projects by 2012, and as a result, would accelerate the completion and benefits of the National Gateway. CSX is committed to providing \$359 million for the terminal projects, and another \$88 million will be contributed by Maryland, Virginia and North Carolina. The Northwest Ohio intermodal terminal development is already under construction and a formal groundbreaking ceremony was held on August 14, 2009. Ohio Governor Ted Strickland and U.S. Representative Bob Latta joined CSX Chairman and CEO Michael Ward at the ceremony in Wood County, Ohio. The privately funded terminal is scheduled to be completed by early 2011. Ohio has also allocated \$20 million in ARRA funds for clearance projects. The State of North Carolina, through the North Carolina Department of Transportation and the North Carolina State Ports Authority, invested \$100,000 (matched by CSX) to complete the National Gateway clearance projects in North Carolina. In Virginia, CSX and the Virginia Department of Rail and Public Transportation have entered into a Framework Agreement to support National Gateway projects, and the Commonwealth Transportation Board has to date committed \$32 million in funding. Pennsylvania has authorized CSX to begin spending funds on National Gateway projects that will be reimbursable upon awarding of a \$35 million Transportation Assistance Program grant. Finally, Maryland has signed a Memorandum of Understanding allotting \$75 million for the National Gateway.



National Gateway Supporters

The National Gateway project is supported by a large coalition of public and private sector leaders including governors and other state and local officials across six states; more than three dozen members of Congress; three port authorities; and a large group of global shippers, ocean carriers, business organizations and environmental groups. Supporters of the National

Gateway are listed in **Table 6** (Elected State Officials), **Table 7** (Members of Congress) and **Table 9** (Businesses and Economic Development Organizations). A list of the project letters of support currently on file for the National Gateway. The complete project letters of support are available for download at <http://www.nationalgateway.org/media/SupportLetters>.

Table 6: National Gateway Supporters - Elected State Officials

State	Representative	Committee	District
OH	Governor Ted Strickland		
	State Senator Mark Wagoner	Senate Majority Whip	2nd
	State Senator Bill Harris	Senate President	19th
	State Senator Tom Patton	Chairman, Senate Highways and Transportation Committee	24th
	State Representative Randy Gardner		6th
	State Representative Armond Budish State Representative Bob Hagan	Speaker of the House Chairman, House Transportation and Infrastructure Committee	8th 60th
PA	Governor Edward Rendell		
	State Senator Robert Wonderling (retired)	Former Senate Transportation Committee Chair	24rd
	State Senator Barry Stout	Senate Transportation Committee Minority Chair	46th
	State Representative Joseph Markosek State Representative Richard Geist	House Transportation Committee Majority Chair House Transportation Committee Minority Chair	25th 79th
MD	Governor Martin O'Malley		
	State Senator Ulysses Currie	Chairman of the Senate Budget and Taxation Committee	25th
	State Senator John Astle		30th
	Thomas V. Mike Miller, Jr. Miller Busch	President of the State Senate Speaker of the House of Delegates	
WV	Governor Joe Manchin		
	Delegate Kevin Craig		15th
VA	Governor Tim Kaine		
	State Senator Frank Wagner		7th
	State Senator John Watkins	Transportation Committee	10th
	State Senator Walter Stosch	Minority Leader	12th
	State Senator Roscoe Reynolds		20th
	State Senator Chap Peterson	Transportation Committee	34th
	State Senator Toddy Puller		36th
	Delegate Ward Armstrong	Minority Leader	10th
	Delegate Bill Howell	Speaker of the House	28th
	Delegate Joe May	Transportation Committee Chair	33rd
	Delegate Tim Hugo	Transportation Committee	40th
	Delegate Mark Sickles		43rd
	Delegate David Englin		45th
	Delegate Bob Brink	Transportation Committee	48th
	Delegate Chuck Caputo		67th
	Delegate Manoli Loupassi	Transportation Committee	68th
	Delegate Chris Jones		76th
	Delegate Joe Bouchard		83rd
	Delegate Phillip Hamilton		93rd
Delegate Glenn Oder		94th	
NC	State Representative James Crawford		32nd



Table 7: National Gateway Supporters - Members of Congress

State	Representative	District
OH	US Senator George Voinovich	
	US Senator Sherrod Brown	
	US Representative Jean Schmidt	2nd
	US Representative Michael Turner	3rd
	US Representative Charlie Wilson	6th
	US Representative Steve Austria	7th
	US Representative Marcy Kaptur	9th
	US Representative Pat Tiberi	12th
	US Representative Betty Sutton	13th
	US Representative Steven LaTourette	14th
	US Representative Mary Jo Kilroy	15th
US Representative John Boccieri	16th	
US Representative Tim Ryan	17th	
PA	US Senator Arlen Specter	
	US Senator Robert Casey, Jr.	
	US Representative Kathy Dahlkemper	3rd
	US Representative Jason Altmire	4th
	US Representative Bill Shuster	9th
US Representative Mike Doyle	14th	
MD	US Senator Benjamin Cardin	
	US Senator Barbara Mikulski	
	US Representative Frank Kratovil	1st
	US Representative Dutch Ruppersberger	2nd
	US Representative John Sarbanes	3rd
	US Representative Donna Edwards	4th
	US Representative Steny Hoyer	5th
	US Representative Elijah Cummings	7th
US Representative Chris Van Hollen	8th	
WV	US Representative Shelley Moore Capito	2nd
VA	US Senator Mark Warner	
	US Senator Jim Webb	
	US Representative Robert Wittman	1st
	US Representative Glenn Nye	2nd
	US Representative Randy Forbes	4th
	US Representative James Moran	8th
US Representative Gerry Connolly	11th	
NC	US Representative G.K. Butterfield	1st
	US Representative Mike McIntyre	7th
	US Representative Sue Myrick	9th

SECONDARY SELECTION CRITERIA

INNOVATION

The following is a list of innovative technologies that will be implemented as part of the National Gateway:

Double-Stacking Intermodal Containers - The National Gateway will modify clearances to allow for double-stack intermodal containers. Intermodal con-

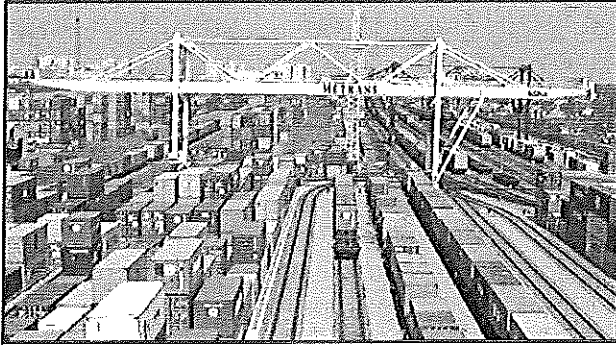
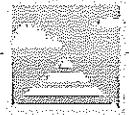
tainer trains reduce costs, increase capacity and mitigate service barriers by using specially engineered rail cars that carry two tiers of containers instead of one. This significantly reduces the locomotive power, fuel and track capacity required by conventional intermodal trains to move a comparable payload.

New Intermodal Terminal Technology - In addition to clearing major rail corridors for double-stack containers, the National Gateway project calls for either the construction of new terminals or the expansion of existing terminals. Where feasible, each of these terminal projects will be completed using the newest technology and materials, as well as the most current, environmentally-friendly operational methods.

New Locomotive Technology - The National Gateway will use new technology and systems, as well as create strategic partnerships that will "fuel" the greening of the freight railroad industry. CSX has invested more than \$1 billion since 2000 to upgrade its fleet, retrofitting existing locomotives to improve efficiency and introducing new Tier I and Tier II clean air locomotives, which meet or exceed the latest EPA emission requirements. In the coming years, CSX will implement EPA's new clean air standards, which will reduce particulate matter and oxides of nitrogen by 90 percent.

Intermodal Transport - The National Gateway will take advantage of intermodal transport methods. Through the use of intermodal transport, freight is easily moved between railroads and trucks allowing for the most efficient and flexible movement of goods. Intermodal transportation is a complex system of freight movement in large containers by rail, ship and truck. The only items that are moved among these modes of transportation are the containers themselves - the cargo inside is secured at origin and not touched until final delivery of the container. This not only reduces material handling, but also improves security, cuts damage and loss and transports goods faster at lower cost. In addition to these benefits, the portability provides energy savings and significant reductions in carbon emissions.

State-of-the-Art Wide-Span Electric Cranes - Where feasible, wide-span electric cranes will be used at new intermodal yards constructed as part of the National Gateway. Operating solely from electric power, wide-span cranes produce zero emissions on-site and improve overall capacity and efficiency. This new technology provides the most practical use of land and reduces railcar switching. In addition, the wide-span design of



these new cranes decreases the need for diesel trucks (hostlers) for shuttling containers within an intermodal facility. The new cranes are faster, more efficient and less polluting than older, diesel cranes. The electric cranes will be in operation at the Northwest Ohio terminal in early 2011.

Radio Frequency Identification (RFID) Technology - RFID technology will be used to allow better coordination of freight transfer. Improving the freight transfer process through the use of this technology drastically reduces freight transfer times and truck idling time. The less time a truck driver has to wait to determine the

location of a container, the less time the truck engine is idling. Reduced idling translates to less CO₂ emissions and reduced fuel use.

PARTNERSHIPS

National Gateway supporters span a variety of stakeholders. For letters of support, see **Appendix B**. The following sections describe the roles and commitments of the major stakeholders and the support provided by non-transportation entities, including public entities.

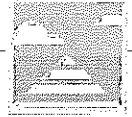
Jurisdictional and Stakeholder Collaboration

The National Gateway has received a number of commitments from state partners and various transportation organizations including state transportation departments, transportation planning organizations and port authorities. **Table 8** summarizes, by state, the collaboration with non-federal entities and their commitments to the National Gateway.

Table 8: Non-Federal Involvement and Commitments

State	Description
Ohio	CSX, as part of the National Gateway initiative, has committed over \$175 million towards intermodal terminal development in Ohio. This includes the Northwest Ohio intermodal terminal which is already under construction. In addition, the State of Ohio has allocated \$20 million in ARRA funding for clearance projects. The Northwest Ohio intermodal terminal and the ARRA funded clearance projects are scheduled to be completed by early 2011. In addition, the National Gateway has received endorsements from numerous statewide, regional and local organizations, including MPOs around the State.
Pennsylvania	The Pennsylvania Department of Transportation has committed \$35 million in state funds to be used for the National Gateway clearance projects.
Maryland	Maryland has signed a Memorandum of Understanding committing \$75 million for the National Gateway intermodal terminal in the Baltimore/Washington region. Maryland has also agreed to help pursue federal funds to be used in its state for the National Gateway. The Governor and members of Congress have signed letters of support for the initiative.
West Virginia	Governor Manchin and the West Virginia Public Port Authority have endorsed the National Gateway.
Virginia	CSX, the Virginia Department of Transportation and the Virginia Department of Rail and Public Transportation are partners in National Gateway projects in Virginia and the District of Columbia. CSX has committed \$43 million and Virginia has approved \$32 million for National Gateway projects in Virginia and the District of Columbia.
North Carolina	CSX, NCDOT and the Port of Wilmington are partnering to finish the clearance projects in North Carolina, which will be completed in Fall 2009. In addition to the agreement that allowed for the completion of the National Gateway clearance projects, CSX has a signed agreement with the North Carolina Department of Transportation and the Charlotte Department of Transportation to study traffic flows related to the expansion of the Charlotte intermodal facility.

Source: CSX



Disciplinary Integration

In addition to support received from the projects state partners and various transportation organizations, the National Gateway has received support from multiple entities including chambers of commerce, economic development councils, community organizations and private shippers. A list of businesses and economic development organizations that have provided letters of support for the National Gateway are shown in Table 9.

PROGRAM SPECIFIC CRITERIA

Not applicable to this application.

EVALUATION OF PROJECT COSTS AND BENEFITS

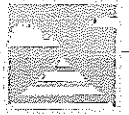
Maximizing the Efficiencies of Freight Rail and Short-Haul Trucking

Maximizing the efficiencies of both freight rail and short-haul trucking to intermodal rail is a key part of the public value of the National Gateway. Diversion potential is determined using data from the Freight Analysis Framework (FAF2) database and applying a series of data filters to determine potential truck traffic that could shift to rail. Two filters are applied to the FAF2 dataset of trucks to estimate divertible volumes

Table 9: National Gateway Supporters—Businesses and Economic Development Organizations

Project Supporters	
Allegheny Conference on Community Development	Mosser Construction, Inc.
APM Terminals	Mulch Manufacturing
Baltimore County Chamber of Commerce	Northern Virginia Transportation Alliance
Big Lots! Distribution and Transportation Services	ODW Logistics
Butler County Port Authority	Ohio Chamber of Commerce
Celtic International	Ohio Kentucky Indiana Regional COG
Comprehensive Development Services	Ohio Logistics
Container Port Group, Inc.	Ohio Soybean Council
CSX Corporation	Pacer Rail
Evergreen	Pacer Stacktrain
Franklin Storage, LP	Pacific Rail Services
Greater Baltimore Committee	Pennsylvania Chamber of Business and Industry
Greater Chambersburg Chamber of Commerce	Pittsburgh Regional Alliance
Greater Findlay, Inc.	Regional Growth Partnership
Greater Pittsburgh Chamber of Commerce	ROAR Logistics
Hamburg Sud	Shippensburg Area Chamber of Commerce
Hampton Roads Partnership	Toledo Metropolitan Area COG
Hapag Lloyd	Trailer Transport Systems, Inc.
Hyundai Intermodal Inc.	United Parcel Service
Jones Falls Watershed Association	Valley Quarries
Limited Logistics Services, Inc.	Virginia Chamber of Commerce
Maryland Chamber of Commerce	Wood County Economic Development Commission
Mediterranean Shipping Company (USA)	
Mercersburg Area Chamber of Commerce	
Mi-Jack Products	

Source: CSX



by market: (a) selecting commodities with the potential to be transported by intermodal rail; and (b) selecting markets (by origin and destination) that, as a result of the National Gateway project, would be competitive with trucks and the traffic therefore potentially divertible to intermodal rail.

Market and operational analysis indicated that the National Gateway projects could significantly reduce shipper costs for current rail users and generate an additional 20 to 33 percent market capture of total divertible truck volumes (expected percentage of market capture depends on the market). Generalized cost savings (e.g. time savings, reliability and drayage costs) are expected to be approximately \$0.61 per unit mile for shippers. Diversion to rail intermodal, in turn, reduces truck traffic on highways in multiple states with the average truck traveling over 800 miles. The associated reduction in truck miles per diverted truck is based on origin-destination distances. Reduced truck miles are determined for each state based on typical truck routes; reduced highway ton-miles are calculated using an average of 17 net tons per truck trip. Additional information on diversion forecasts is discussed in Appendix E.

Figure 5 presents the anticipated growth in market share for intermodal units. Cost savings would increase

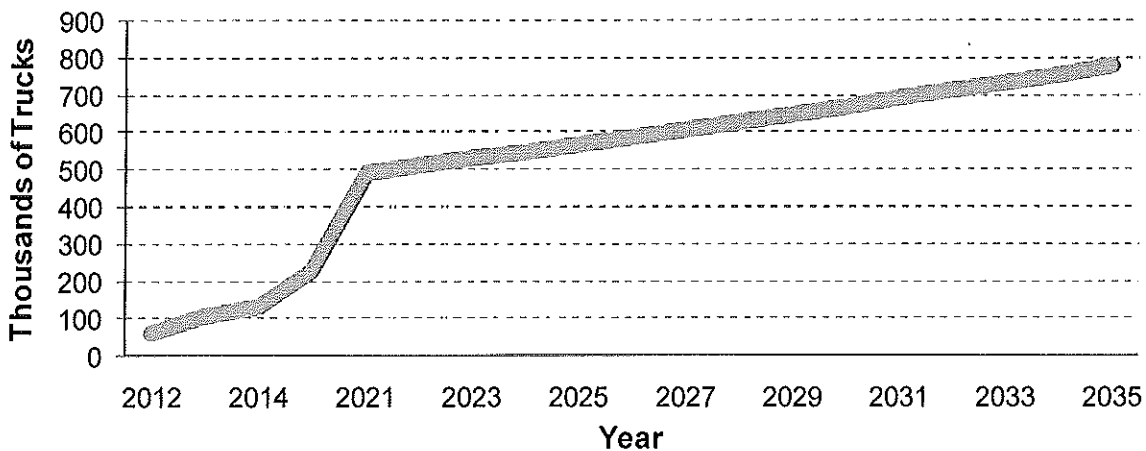
by 20 percent in the first year (2012) when double-stacking is possible in Ohio and Pennsylvania. Thereafter, rail is expected to steadily gain market share over ten years. By 2020, the market impact would have reached a steady-state annual growth of 3.5 percent.

Economic Benefits

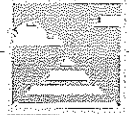
Every dollar invested in the National Gateway returns \$6 of public benefits. Public benefits from the project fall into several categories: reduced shipping costs, environmental, safety, congestion and pavement maintenance costs. These benefit categories are measured in terms of the net impact from diversion; that is, reduced truck miles and costs and increased rail miles and costs. This section presents a brief explanation of the types and magnitude of benefits as well as the overall public value of the project. Details on the calculations that support the monetizing metrics for benefit calculations are included in Appendix E. This section also explains how results change under alternative data or scenarios (e.g. a three percent discount rate).

Over 30 years, annual benefits far exceed costs (Figure 6). From a total discounted cost of more than \$950 million, which includes public and private capital

Figure 5: Annual Number of Trucks Diverted from Highways (Thousands)



Source: HDR, Inc.



expenditures and annual operations and maintenance costs (covered by CSX), the project would generate a net value of over \$4.9 billion. By 2013, the benefits would begin to outweigh costs. Alongside these results is the enormous magnitude of the physical performance measures including: nearly 4,300 jobs created from clearance alone, nearly two billion gallons of fuel saved, a reduction of more than 14 billion truck miles and a reduction of nearly 20 million tons of CO₂.

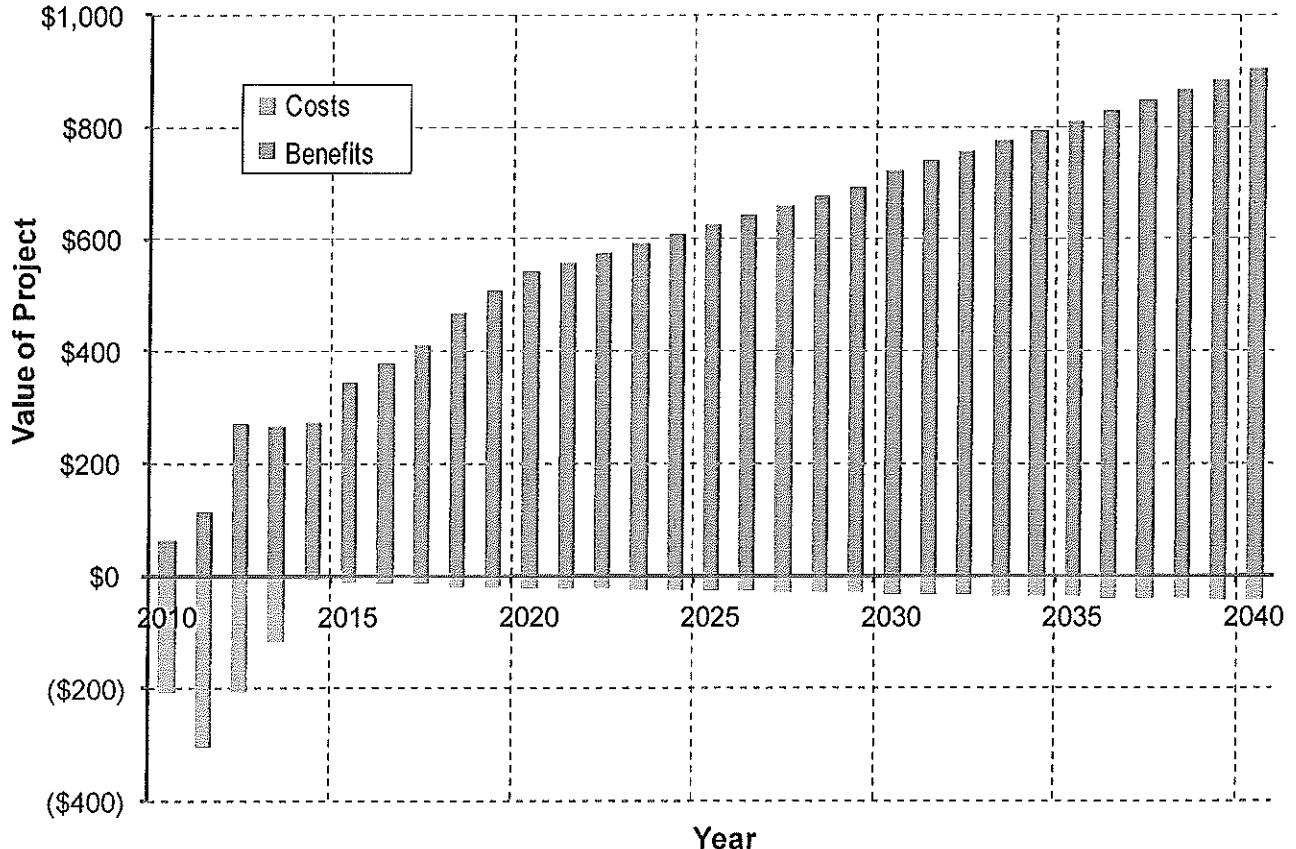
Key observations about the sources and magnitude of benefits include:

- Shipping cost savings from the improved access and efficiencies accrue to existing rail shippers and those who switch to rail from trucks. Shipping cost savings per mile are estimated to be about 30 percent of the generalized rail cost, which in a competitive market is assumed to be set by the truck rate (\$2.02 per unit mile). Generalized cost savings

for diverted trucks and existing rail would include some combination of reduced travel time, improved reliability and lower drayage costs, among other factors. These savings are realized by shippers due to their new access and efficiency of the National Gateway terminals and double-stacking. The approach to estimating shipping cost benefits applies a consumer surplus framework.

- Logistics cost savings accrue to current rail users only and would be associated with investments made possible from shipping costs savings that improve productivity and industrial re-organization, which in turn achieves even larger cost savings, 10 and 20 years from now.
- Costs savings associated with reduced truck traffic accrue to highway users, highway departments and ultimately the taxpayers who fund the highway maintenance. Reduced truck

Figure 6: Annual Costs and Benefits (Future Dollars, Millions)



Source: HDR, Inc.



traffic means roads are less congested for other users. Reduced truck traffic also means less wear and tear to the roads, therefore reducing highway maintenance costs. The monetized costs for these factors were derived from the FHWA Highway Cost Allocation Study and employed assumptions about the type of truck and proportions of travel in urban and rural areas.

- Other costs savings (emissions, accidents and noise) are associated with a net effect between truck and rail use. It is assumed in these cases that rail miles are 15 percent longer than truck miles. Values for determining the rate of impact and monetary value of impact have been derived from economic literature and official government sources.
- Benefits from employment are included because the jobs created in this project are assumed to be new jobs. The value of a new job is monetized by the average wage rate. This assumption is justified because the current economic downturn has raised unemployment to levels not seen in more than 20 years. The construction industry in many parts of the project area has been significantly impacted by the current economic conditions. Sensitivity analysis performed on this benefit category assumes alternatively, that only jobs in Economically Distressed Areas (EDAs) are new.

Sensitivity Analysis of CBA Results

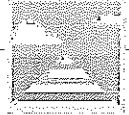
Estimates of benefits and costs presented in the application are shown in **Table 10** as the 7 percent discount rate. Additional sensitivity analysis on these results for global and specific metrics is presented here. Global changes include: (a) lowering the discount rate to 3 percent; (b) assuming that generalized shipper cost savings were greater than expected, for example, \$0.80 per unit-mile (keeping diversion the same and applying alternative cross-price elasticity assumptions); (c) assuming even higher generalized shipper cost savings (\$1.21 per unit mile) generates even greater levels of diversion to 40 percent market capture; (d) a reduced planning horizon of 20 years; (e) developing a break-even analysis on cost savings yielded a \$0.06 level of savings for new and diverted freight; and (f) a perspective on the return on investment, leveraging federal TIGER funds only. These changes were made independently to the main model. In addition, a scenario run with category-specific changes determined that if employment benefits were limited to EDA's, total public benefits for this category would be \$120 million less. This result would not significantly change the overall value of the project or the conclusion that benefits exceed costs.

The analysis uses a conservative basis for estimating percent cost savings per load. CSX anticipates that these savings could be much larger for existing and new rail users. In addition, the 40 percent market capture is on the upper-end of market potential, but represents additional traffic that the system could handle. A shorter

Table 10: Sensitivity Analysis

	7% Discount Rate	3% Discount Rate	Alternate Cost Savings	Alternate Diversion	20 Year Planning Horizon	Break- Even Analysis	Federal Funds Leverage
Benefits (Millions, \$)	\$5,924.5	\$11,286.5	\$7,067.6	\$13,942.0	\$4,669.2	\$784.4	\$5,924.5
Costs (Millions, \$)	\$977.8	\$1,363.0	\$954.8	\$1,241.5	\$917.3	\$741.8	\$335.3
B/C Ratio	6.1	8.3	7.4	11.2	5.1	1.1	17.7
Net Present Value (Millions, \$)	\$4,946.7	\$9,923.5	\$6,112.8	\$12,700.5	\$3,751.9	\$42.6	\$5,589.2

Source: HDR, Inc.



timeframe would directly constrain benefits unrealistically because clearance projects represent a permanent infrastructure change. In all likelihood, an even longer planning horizon could be acceptable for the benefits of double-stacking. The break-even analysis indicated that a 2.1 percent diversion rate would be required to simply cover the costs. This is an extremely low threshold given the size, enhanced access, improved efficiency and other benefits this project is expected to produce. **Finally, from a TIGER funds only perspective, the project generates a 24.8 to 1 return on investment.** In summary, this sensitivity analysis provides compelling evidence that the project will generate significant net benefits and a high return on investment.

EVALUATION OF PROJECT PERFORMANCE

This application provides a plan for evaluating the success of the project and measuring short- and long-term performance, specifically with respect to the economic recovery measures and long-term outcomes specified in this notice.

A master schedule is presented in **Appendix C** of this application. Parameters that will be measured and monitored will be categorized into five specific areas: environmental, safety, financial, engineering design and construction. The number and type of new jobs created and/or retained for each of these categories will be recorded.

Under the National Gateway, periodic reports will include the following information:

- The amount of Grant Funds appropriated, allocated, obligated and outlayed under the appropriation;
- The number of projects put out to bid under the appropriation and the amount of Grant Funds associated with these contracts;
- The number of projects for which the contracts have been awarded under the appropriation and the amount of Grant Funds associated with these contracts;

- The number of projects for which work has been completed and the associated amount of Grant Funds;
- The number of direct, on-project jobs created or sustained by the Grant Funds for projects under the appropriation and, to the extent possible, the estimated number of indirect jobs created or sustained in associated supplying industries, including the number of job-years created and total increase in employment since February 17, 2009; and
- The actual aggregate expenditures by each recipient from state sources for projects eligible for funding under the program between February 17, 2009, and September 30, 2010, compared to the level of such expenditures planned to occur during this period as of February 17, 2009.

Reports will be submitted no later than 180 days, one year, two years and three years after funds have been allocated.

FEDERAL WAGE DETERMINATION

The applicant hereby certifies that it will comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code (Federal Wage Requirements), as set forth in the certification attached as **Appendix G**.

NEPA

The National Environmental Policy Act (NEPA) requires consideration of environmental impacts for major federal actions that significantly impact the human environment. This review requirement can be satisfied in three ways depending upon the scope of a project. These three methods are: (i) categorical exclusions (CE), which are categories of projects that have been predetermined to have only minimal environmental impacts; (ii) environmental assessments (EAs) that result in a finding of no significant impact; and (iii) environmental impact statements (EIS) for projects that are expected to have a significant impact.

The National Gateway clearance project modifications, which involve track lowering, bridge replacements or



raising and tunnel improvements, will be constructed almost exclusively within existing CSX right-of-way and are expected to have only minimal environmental impacts. This allows the clearance projects to be processed using the Categorical Exclusion process. Each eligible applicant has a Memorandum of Understanding (MOU) with FHWA allowing it to satisfy NEPA requirements at the state level for projects that qualify for CEs. The clearance projects are being processed as CEs at the state level under the authority of the various MOUs. Approval of the CEs is expected to be received no later than December 31, 2009.

The National Gateway terminal intermodal projects are complementary to the clearance projects, but have separate and independent utility from the clearance projects. Site selection is underway for the remaining terminal intermodal projects. One of the key selection criteria will be the environmental impacts necessary to develop a site. CSX is committed to selecting sites with minimal environmental impacts, and because these sites are planned to be developed without using federal funds, it is possible that NEPA will not be applicable. To the extent NEPA is applicable due to unavoidable impacts that require federal permitting (such as wetlands permitting), CSX anticipates that CEs or EAs would be performed, and the result would be a finding of no significant impact. CSX anticipates that it could promptly complete any necessary NEPA requirements for a specific intermodal terminal within six months. The NEPA documents for the clearance projects can be viewed at <http://www.nationalgateway.org/media/NEPA/>.

ENVIRONMENTAL RELATED FEDERAL, STATE AND LOCAL ACTIVITIES

See Appendix D for a detailed schedule of the anticipated federal, state and local environmental approvals. A summary of the environmental work completed to date in each state and the District of Columbia is provided below:

Ohio

- Eighteen clearance projects
- Environmental field work completed:
 - One clearance project (Kent - Crain Avenue) is scheduled to be completed by the Ohio Department of Transportation with

construction to begin by 2010.

- Three projects may require United States Army Corps of Engineers (USACE) Nationwide Permits depending upon final design.
- All projects will require National Pollutant Discharge Elimination System-Notice of Intent (NPDES-NOI) submittal.
- NEPA research (cultural resources, section 4(f), etc.) is approximately 80 to 90 percent complete:
 - Final NEPA CE application was submitted September 8, 2009.

Pennsylvania

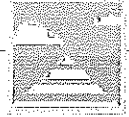
- Seventeen clearance projects
- Environmental field work completed:
 - Only two (Sandpatch and Fairhope) Section 404/401 wetland/stream permits required. Each will be a USACE Nationwide Permit.
 - All but three projects will require NPDES-NOI submittal.
- NEPA research (cultural resources, section 4(f), etc.) is approximately 70 to 90 percent complete:
 - Final NEPA CE application was submitted September 8, 2009.

Maryland

- Ten clearance projects
- Environmental field work completed:
 - One location (Jessup) Section 404/401 wetland/stream permits required. Project will be a USACE Nationwide Permit.
 - All projects will require NPDES-NOI submittal.
- NEPA research (cultural resources, section 4(f), etc.) is approximately 70 to 90 percent complete:
 - Final NEPA CE application was submitted September 9, 2009.

District of Columbia

- Six clearance projects
- Environmental field work completed:
 - VAT had 0.02-acre of wetland impacts (USACE Nationwide Permit).



- DCRA exempted all projects from completion of the Environmental Impact Screening Form (EISF).
- All but one project (Potomac River Swing Bridge) will require NPDES-NOI submittal.
- NEPA research (cultural resources, section 4(f), etc.) is approximately 60 to 80 percent complete:
 - Two NEPA documents are being completed for DC projects.
- Final NEPA applications will be submitted in October 2009.

West Virginia

- Five clearance projects
- Environmental field work completed:
 - Three locations (Paw Paw, Martinsburg, and Shenandoah Junction) will require Section 404/401 wetland/stream permits. Each will be a USACE Nationwide Permit.
 - All projects will require NPDES-NOI submittal.
 - NEPA research (cultural resources, section 4(f), etc.) is approximately 70 to 90 percent complete:
- Final NEPA CE application was submitted September 9, 2009.

Virginia

- Five clearance projects
- Environmental field work completed:
 - No environmental impacts.
 - One project (Courthouse Rd, Stafford) is being completed by Virginia Department of Transportation.
 - Two of the four projects will require NPDES-NOI submittal.
- Research for cultural resources, public lands, etc. is approximately 80 to 90 percent complete.

CONFIDENTIAL INFORMATION

There is no information in this application deemed as confidential at this time.

INDEX OF WEBSITES

The primary web address for the National Gateway project is www.nationalgateway.org. NEPA documents can be viewed at <http://www.nationalgateway.org/media/NEPA/>. Letters of support can be viewed at <http://www.nationalgateway.org/media/SupportLetters>.

- March 1, 2011 Walkway -Receive NTP to lower track at Overhead
- March 30, 2011 Overhead Walkway -Complete lowering of track at

Park Street – BG 129.50, Akron, OH

- May 17, 2010 -Project Advertisement
- September 17, 2010 Street -Receive NTP to remove bridge at Park
- August 2, 2011 Street -Complete removal of bridge at Park

New Interlocking – BG 120.00, Kent, OH

- September 1, 2010 -Project Advertisement
- December 1, 2010 interlocking -Receive NTP to do trackwork at new
- May 24, 2011 interlocking -Complete supporting trackwork at new

W&LE Railroad Bridge – BG 118.20, Kent, OH

- February 25, 2011 -Project Advertisement
- May 25, 2011 Bridge -Receive NTP to lower track at W&LE RR
- December 20, 2011 Bridge -Complete lowering of track at W&LE RR

Main Street – BG117.30, Kent, OH

- February 25, 2011 -Project Advertisement
- May 25, 2011 -Receive NTP to lower track at Main Street
- December 20, 2011 -Complete lowering of track at Main Street

Crain Avenue – BG 117.00, Kent, OH

- ODOT Project. No milestones given.

Recreational Trail – BG 115.80, Kent, OH

- May 2, 2011 -Project Advertisement
- June 27, 2011 Trail -Receive NTP to raise bridge at Recreational
- December 23, 2011 Trail -Complete raising of bridge at Recreational

ACBR Railroad Bridge – BG 115.67, Kent, OH

- May 2, 2011 -Project Advertisement
- June 27, 2011 Bridge -Receive NTP to raise bridge at ACBR RR

- December 23, 2011
Bridge -Complete raising of bridge at ACBR RR

NS Railroad Bridge – BG 110.80, Ravenna, OH

- February 25, 2011 -Project Advertisement
- May 25, 2011 -Receive NTP to lower track at NS RR
Bridge
- December 20, 2011 -Complete lowering of track at NS RR
Bridge

Knapp Road – BG 107.10, Ravenna, OH

- June 25, 2010 -Project Advertisement
- December 3, 2011 -Receive NTP to replace bridge at Knapp
Road
- March 30, 2012 -Complete replacing bridge at Knapp
Road

Rock Spring Road – BG 105.40, Newton Falls, OH

- June 25, 2010 -Project Advertisement
- January 3, 2011 -Receive NTP to replace bridge at
Rock Spring Road
- March 30, 2012 -Complete replacing bridge at Knapp
Road

Complete Existing Interlocking – BG 103.95, Newton Falls, OH

- September 1, 2010 -Project Advertisement
- December 1, 2010 -Receive NTP to complete interlocking at
BG 103.95
- April 12, 2011 -Complete interlocking at BG 103.95

5th Street – BG 85.70, Niles, OH

- June 11, 2010 -Project Advertisement
- December 20, 2010 -Receive NTP to replace bridge at 5th Street
- November 30, 2011 -Complete replacing bridge at 5th Street

Abandoned Railroad Bridge – BG 76.60, Youngstown, OH

- March 9, 2011 -Project Advertisement
- May 6, 2011 -Receive NTP to remove bridge at BG 76.60
- July 1, 2011 -Complete removal of bridge at BG 76.60

Overhead Walkway – PLE 10.25, Coraopolis, PA

- November 15, 2010 -Project Advertisement
- January 19, 2011 -Receive NTP to remove bridge at PLE
10.25

- March 18, 2011 -Complete removal of bridge at PLE 10.25

Ohio Central Railroad – PLE 3.79, McKees Rocks, PA

- March 15, 2011 -Project Advertisement
- May 16, 2011 -Receive NTP to raise bridge at PLE 3.79
- November 11, 2011 -Complete raising of bridge at PLE 3.79

Chartiers Creek – PLE 3.36, Pittsburgh, PA

- January 3, 2011 -Receive NTP to modify bridge at Chartiers Creek
- March 2, 2011 -Complete bridge modification at Chartiers Creek

Smithfield Street – PLY 0.09, Pittsburgh, PA

- April 20, 2011 -Project Advertisement
- June 15, 2011 -Receive NTP to lower track at Smithfield Street
- November 15, 2011 -Complete lowering of track at Smithfield Street

West End of J&L Tunnel – PLY 1.96, Pittsburgh, PA

- December 7, 2010 -Project Advertisement
- March 9, 2011 -Receive NTP to remove bridge at W. End of J&L Tunnel
- January 8, 2013 -Complete removal of bridge at W. End of J&L Tunnel

J&L Tunnel – PLY 2.00, Pittsburgh, PA

- December 7, 2010 -Project Advertisement
- March 9, 2011 -Receive NTP to raise roof of J&L Tunnel
- January 8, 2013 -Complete raising roof of J&L Tunnel

East End of J&L Tunnel – PLY 2.37, Pittsburgh, PA

- December 7, 2010 -Project Advertisement
- March 9, 2011 -Receive NTP to remove bridge at E. End of J&L Tunnel
- January 8, 2013 -Complete removal of bridge at E. End of J&L Tunnel

Walnut Street – BF 309.70, McKeesport, PA

- November 8, 2010 -Project Advertisement
- February 8, 2011 -Receive NTP to lower track at Walnut Street

- March 7, 2011 -Complete lowering of track at Walnut Street

Benford Tunnel – BFJ 5.00, Confluence, PA

- December 17, 2010 -Project Advertisement
- February 9, 2011 -Receive NTP to open cut Benford Tunnel
- March 7, 2012 -Complete open cut at Benford Tunnel

Brook Tunnel – BF 239.70, Confluence, PA

- December 17, 2010 -Project Advertisement
- February 9, 2011 -Receive NTP to remove tunnel liner in Brook Tunnel
- February 8, 2012 -Complete removal of tunnel liner in Brook Tunnel

Shoo Fly Tunnel – BF 236.80, Confluence, PA

- December 17, 2010 -Project Advertisement
- March 14, 2011 -Receive NTP to open cut Shoo Fly Tunnel
- July 7, 2011 -Complete open cut at Shoo Fly Tunnel

Pinkerton Tunnel – BF 235.40, Pinkerton, PA

- November 22, 2010 -Project Advertisement
- January 17, 2011 -Receive NTP to open cut Pinkerton Tunnel
- March 16, 2012 -Complete open cut at Pinkerton Tunnel

Church Street – BF 220.00, Garrett, PA

- April 13, 2011 -Project Advertisement
- August 1, 2011 -Receive NTP to replace bridge at Church Street
- May 25, 2012 -Complete replacement of bridge at Church Street

Blue Lick Truss – BF 212.83, Sand Patch, PA

- June 20, 2011 -Project Advertisement
- September 1, 2011 -Receive NTP to raise bridge at BF 212.83
- October 31, 2011 -Complete raising of bridge at BF 212.83

Sand Patch Tunnel – BF 210.60, Sand Patch, PA

- May 6, 2011 -Project Advertisement
- March 19, 2012 -Receive NTP to notch tunnel liner in Sand Patch Tunnel
- September 18, 2012 -Complete liner notching in Sand Patch Tunnel

Falls Cut Tunnel – BF 198.40, Fairhope, PA

- May 6, 2011 -Project Advertisement
- September 19, 2012 -Receive NTP to remove liner in Falls Cut Tunnel
- January 31, 2013 -Complete liner removal in Falls Cut Tunnel

Railroad Bridge – BF 191.92, Hyndman, PA

- November 8, 2010 -Receive NTP to modify railroad bridge at BF 191.92
- January 5, 2011 -Complete modifications to railroad bridge at BF 191.92

CSXT Railroad Bridge – BA 172.70, Mexico, MD

- June 24, 2011 -Project Advertisement
- August 1, 2011 -Receive NTP to remove bridge at BA 172.70
- October 28, 2011 -Complete removal of bridge at BA 172.70

Carothers Tunnel – BA 147.00, Paw Paw, WV

- July 1, 2011 -Project Advertisement
- November 2, 2011 -Receive NTP to remove liner of Carothers Tunnel
- May 1, 2012 -Complete removal of liner in Carothers Tunnel

Graham Tunnel – BA 145.80, Magnolia, MD

- July 1, 2011 -Project Advertisement
- November 2, 2011 -Receive NTP to remove liner of Graham Tunnel
- August 28, 2012 -Complete removal of liner in Graham Tunnel

New Interlocking – BA 145.00, Magnolia, WV

- February 3, 2011 -Project Advertisement
- December 29, 2010 -Receive NTP to do track work at BA 145.00
- May 3, 2011 -Complete track work at BA 145.00

Stuart Tunnel – BA 144.50, Hansrote, WV

- February 25, 2011 -Project Advertisement
- May 4, 2011 -Receive NTP to notch liner in Stuart Tunnel
- August 29, 2011 -Complete liner notching in Stuart Tunnel

Randolph Tunnel – BA 142.30, Hansrote, WV

- February 25, 2011 -Project Advertisement
- May 4, 2011 -Receive NTP to remove liner in Randolph Tunnel
- November 1, 2011 -Complete removal of liner in Randolph Tunnel