

**Heartland Corridor – Clearance Project**  
**FHWA Quarterly Status Report**  
**April 30, 2007**

<p><b>Project Description:</b> The Heartland Corridor Clearance Project will enable double-stacked international maritime and domestic containers to be transported by rail between the Hampton Roads region of Virginia and locations in the Midwest by increasing tunnel clearances and modifying other overhead obstructions in western Virginia, West Virginia, and through to Columbus, Ohio.</p>	<p><b>Background:</b> The Project is described twice in Public Law 109-59, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). At Section 1301(m)(2) it is described as: "Heartland Corridor Project including multiple intermodal facility improvements and improvements to facilitate the movement of intermodal freight from VA to OH." At Section 1702, Project No. 5072, it is described as: "Double stack clearance of tunnels on the Norfolk and Western Mainline in Virginia located on the Heartland Corridor."</p>
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Critical Issues:

- NEPA: CE originally scheduled to be complete by April 2007.

Budget/Costs Status: The overall budget has not changed from the January 2007 baseline. The project is continuing to progress and the estimate to complete will be adjusted as final designs are completed and the first construction contracts are awarded later in the summer.

<b>Federal Participation</b>							
Location	January - 07 Baseline Budget	Estimate to Complete	Expended to Date (3/31/07)	Federal Share (80%)	Federal \$ Expended	Total Fed \$ Available	Federal \$ Remaining
VA	17,465,826	17,432,826	238,317	190,654	0	4,320,000	4,320,000
WV	127,804,875	127,045,875	1,926,648	1,541,318	0	77,316,107	77,316,107
FHWA/ States	1,000,000	1,000,000	153,263	153,263	153,263	1,000,000	846,737
<b>Subtotal</b>	<b>146,270,701</b>	<b>145,478,701</b>	<b>2,318,228</b>	<b>1,885,235</b>	<b>153,263</b>	<b>82,636,107</b>	<b>82,482,844</b>
<b>No Federal Participation</b>							
VA	3,024,314	2,925,314	124,052				
OH	1,103,968	1,248,968	183,173				
KY, WV, & Misc	9,284,288	10,293,467	1,152,096				
<b>Subtotal</b>	<b>13,412,570</b>	<b>14,467,749</b>	<b>1,459,321</b>				
<b>Total</b>	<b>\$159,683,271</b>	<b>\$159,683,271</b>	<b>\$3,777,549</b>				

Reasons for difference between Baseline Budget and Estimate to Complete:

4/19/07 - \$1,108,179 was removed on a prorated basis from both the VA and WV federal participating and WV non-participating rows. This amount was for the planning work completed prior to the MOA and is now included in the Misc. amount. This was done to better correspond with Norfolk Southern's project accounts.

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### Work Completed:

- ✓ *Project Funding:* In a Letter of Authorization from EFLHD dated February 8, 2007, Norfolk Southern was authorized Section 1301 funds in the amount of \$5,498,664 for the Federal share of preliminary engineering work in West Virginia.

In a Memorandum from FLH Director, Office of Program Development dated March 27, 2007, Section 1702 funds for fiscal years 2005 and 2006 were allocated to EFLHD for the Heartland Corridor in the amount of \$1,716,300. In a Letter of Authorization from EFLHD dated April 9, 2007, Norfolk Southern was authorized Section 1702 funds in the amount of \$556,364 for the Federal share of preliminary engineering work in Virginia.

- ✓ *Preliminary Engineering:* The 70% plans and specifications for the first tunnels in West Virginia and Virginia, and the bridges in Ohio were distributed for comment in early March 2007.
- ✓ *Contractor Meeting:* A Contractor informational meeting was held February 13, 2007 in Charleston, WV. This meeting was held to inform contractors of future construction work for the Clearance Project. 31 individuals attended representing contractors, engineering firms, and labor unions.

### Work-In-Progress:

- *Project Funding:* On April 18, 2007 EFL received a draft of the FY 2007 Projects of National and Regional Significance funding memo for the Heartland Corridor. This memo from FHWA Office of Freight Management and Operations will allot a total of \$20,716,107 in Federal budget authority to West Virginia for direct transfer to EFLHD for the Heartland Corridor. This dollar amount represents the 25% distribution for FY 2007 plus an additional \$390,726 in RABA adjustment. The obligation limitation is 90.5% for FY 2007 funds.
- *Preliminary Engineering:* 70% plans for five more tunnels in WV have been completed. 70% Plans and specifications are scheduled to be distributed to WV the first week of May. HMM is continuing to make progress on the remaining tunnels.
- *Construction Engineering:* A Request for Proposals for the construction management of the Heartland Corridor Clearance Project was posted on the West Virginia DOT web site on February 1, 2007. Proposals were due March 1, 2007 and a selection panel met on March 5-6, 2007 to evaluate the proposals. Norfolk Southern is currently negotiating a contract with the selected team led by STV/Ralph Whitehead .
- *Contractor Pre-Qualification:* A Request for Pre-Qualification was posted on West Virginia DOT web site on April 6, 2007. Contractor qualification statements are due April 25, 2007. A selection panel is scheduled to meet April 30, 2007 to review qualification statements and determine which contractors are qualified and will be given the opportunity to bid on the tunnel work.

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- *NEPA Compliance:* EFL has coordinated with the West Virginia, Virginia, Ohio, and Kentucky State Historic Preservation Offices (SHPO) regarding the Clearance Project. The SHPOs and FHWA have agreed that the Norfolk Southern mainline between Cowan, VA and Bull, WV is eligible for listing on the National Register of Historic Places and that the proposed undertaking may have an adverse effect on the corridor. A Memorandum of Agreement is being developed between FHWA and SHPOs regarding the mitigation of these adverse effects. EFL has also coordinated with the Fish and Wildlife Service regarding threatened and endangered species. Once these coordination efforts are completed, the Categorical Exclusion can be completed.
  
- *Initial Financial Plan:* A draft of the Initial Financial Plan has been completed and was sent to all Parties of the MOA on April 25, 2007 for review and comment. FHWA HQ was also given the opportunity to comment on the plan. It is intended to finalize the Initial Financial Plan by mid May 2007 prior to the solicitation of bids for the first construction projects.

### Contracts:

Preliminary Engineering: Hatch Mott MacDonald

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Project Schedule/Status: Project is generally on schedule. NEPA is close to being completed but may be a couple of weeks behind the targeted date. The Transportation Department of Norfolk Southern is currently reviewing the schedule to ensure that both the project and train operations are maximized.

Milestones:

Activity	Planned	Actual
Advertisement of PE Contract:		June 29, 2006
PE Pre-Bid Meeting:		July 6, 2006
MOA w/ States Signed		July 11, 2006
PE Selection Panel		August 2, 2006
MOA w/ Railroad Signed		August 8, 2006
Award of PE Contract		Sep 29, 2006
EFLHD Receipt of FY 05 & 06 Funding	Nov-06	Feb 1, 2007; Mar 27, 2007
Advertisement of CE Contract:	Dec-06	Feb 1, 2007
EFLHD Receipt of FY07 Funding	Jan-07	
Award of CE Contract	Mar-07	
Completion of NEPA Document	Apr-07	
EFLHD Receipt of FY08 Funding	Jan-08	
EFLHD Receipt of FY 09 Funding	Jan-09	
<b>Ohio Bridges</b>		
Final Design Completed	Apr-07	
Award of Construction Contract	Jul-07	
Completion of Construction	Dec-07	
<b>Cowan Tunnel</b>		
70% Design Completed	Mar-07	March 5, 2007
Final Design Completed	Apr-07	
Award of Construction Contract	Jul-07	
Completion of Construction	Apr-08	
<b>Eggleston 1&amp;2, Pembroke (by NS forces)</b>		
Final Design Completed	Jun-07	
Completion of Construction	Dec-07	
<b>Roderfield, Laurel, and Gordon</b>		
70% Design Completed	Apr-07	March 5, 2007
Final Design Completed	May-07	
Award of Construction Contract	Aug-07	
Completion of Construction	Jul-08	
<b>Cooper</b>		
70% Design Completed	Apr-07	March 5, 2007
Final Design Completed	May-07	
Award of Construction Contract	Aug-07	
Completion of Construction	Apr-08	
<b>2008 Tunnels and Bridges</b>		
70% Design Completed	Sep-07	
Final Design Completed	Nov-07	

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Award of Construction Contract	Feb-08	
Completion of Construction	Jul-09	
2009 Tunnels and Bridges		
70% Design Completed	Jul-08	
Final Design Completed	Sep-08	
Award of Construction Contract	Dec-08	
Completion of Construction	Jun-10	

Conclusion: The project continues to gain momentum with more preliminary designs being completed and the pre-qualification of contractors underway. There continues to be good cooperation between all parties involved.

<i>Contacts:</i>	
<i>Project Director</i>	<i>Project Manager</i>
<b>Donald W. Miller, 703-404-6201</b>	<b>Kurt Dowden, 571-434-1569</b>