

I-81 Rail Corridor Project Update

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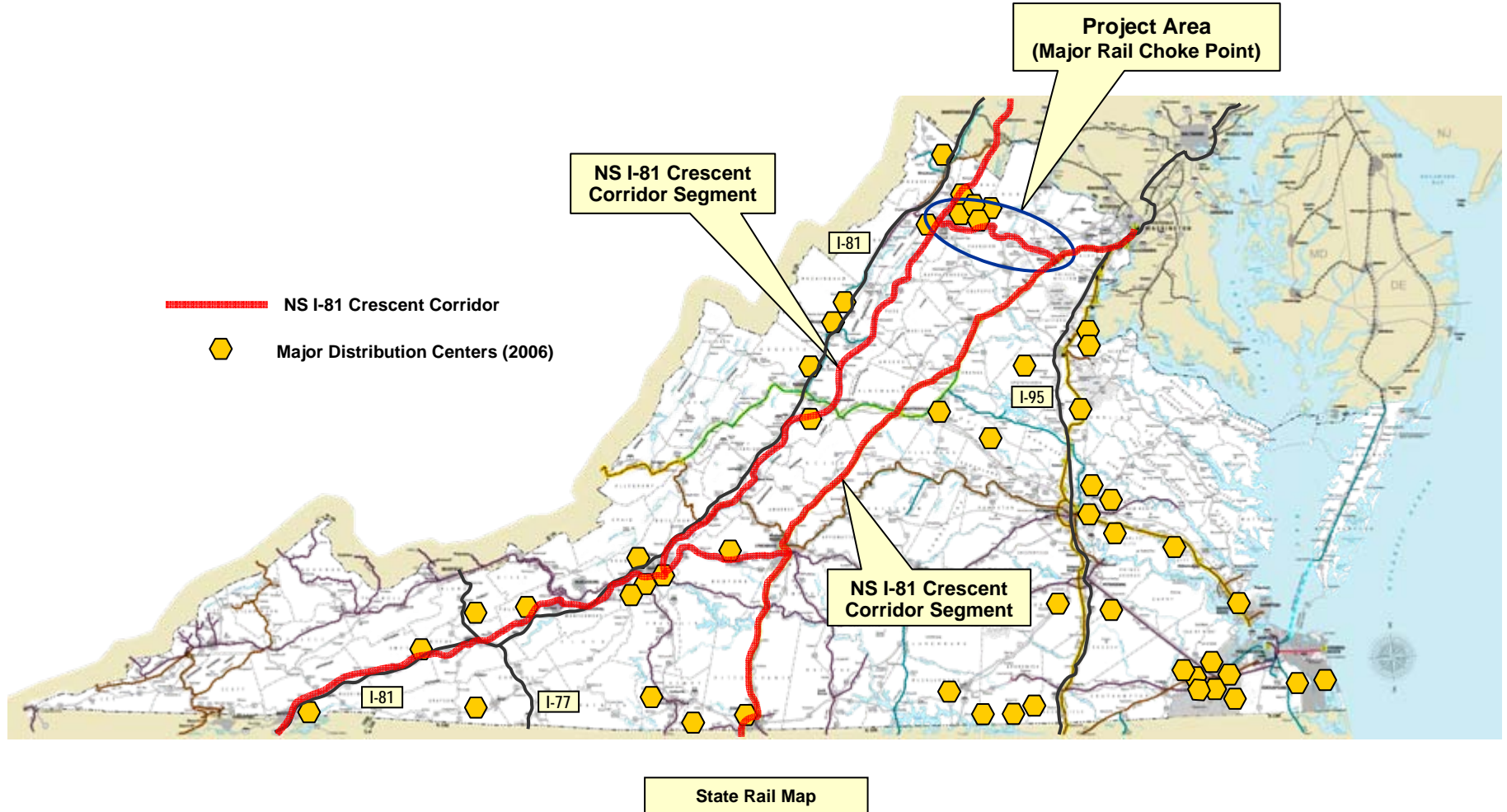
NS I-81 Crescent Corridor



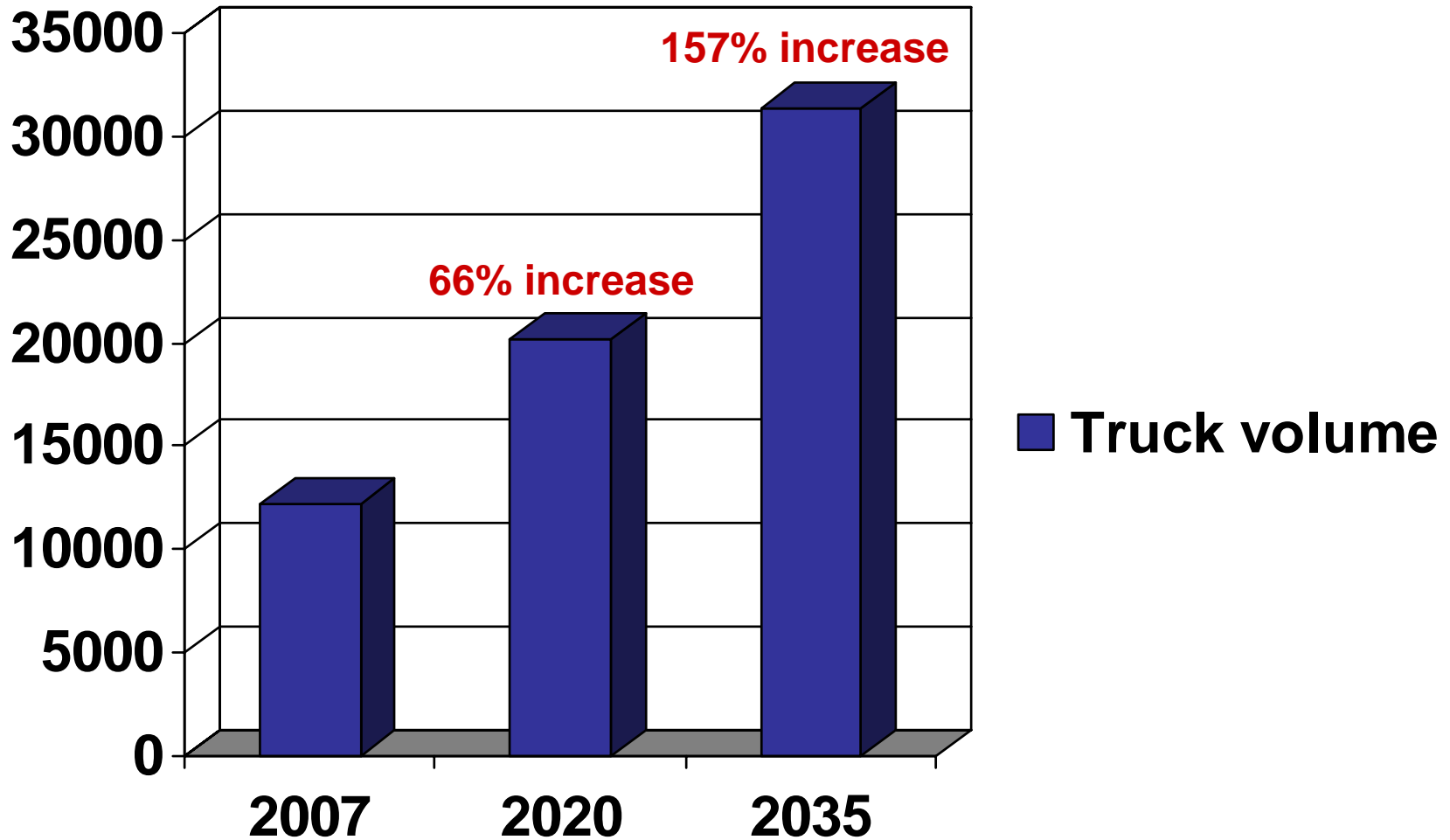
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NS I-81 Crescent Corridor in Virginia

Manassas to Front Royal Improvement Project

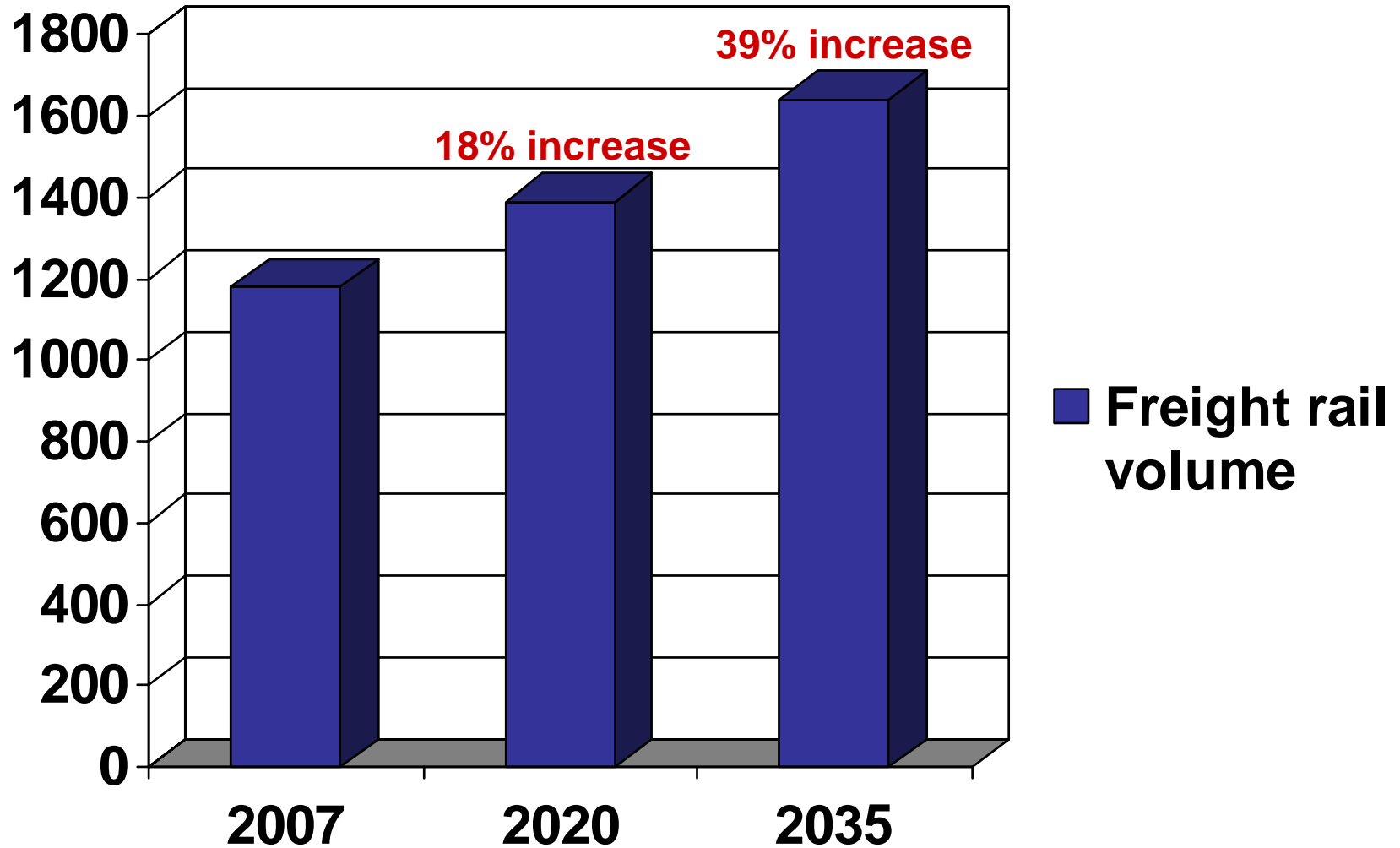


I-81 Corridor Highway Traffic Projected Growth in Daily Truck Volume



I-81 Corridor Freight Rail Traffic

Projected Growth in Daily Volume



Strategy for Improvement

- ❑ Both highway and rail corridors need additional capacity to meet future demand

- ❑ Improvement strategies are underway to:
 - provide additional passenger and freight capacity for both modes
 - divert additional freight traffic to rail

- ❑ Funding constraints necessitate the phasing of improvements:
 - Short term highway improvements:
 - Final environmental impact study
 - Highway improvements (ramp extensions, truck climbing lanes, and bridges):
 - \$72.7 million (underway)
 - \$416 million (in SYIP)
 - Short term rail improvements:
 - I-81 Freight Rail Study
 - Manassas to Front Royal corridor improvements: \$40 million

Previous Rail Study Results

- ❑ The Northeast–Southeast-Midwest Corridor Marketing Study (2003) [Reebie Associates]
 - Multi-state assessment of needs to divert freight from truck to rail
 - Long Term Capital Investment (Multi-State)
 - \$7.3 billion to \$7.9 billion (\$1.35 billion for Virginia)
 - Truck Diversion on I-81 in VA: 28.2% to 30.3% of total trucks
 - Medium Term Capital Investment (Virginia only)
 - Cost: \$492 million to \$501 million for Virginia
 - Truck Diversion on I-81 in VA: 9.8% to 10.4% of total trucks
 - Medium term capital rail investments (Virginia only) will provide capacity for 474,000 to 501,000 additional railcars per year
- ❑ Basis for \$40M in I-81 rail improvements for the Manassas to Front Royal rail segment

I-81 Freight Rail Study

- ❑ Will determine the maximum feasible diversion of truck traffic to rail
- ❑ Conducted by the Commonwealth in cooperation with Norfolk Southern
 - extends at least 500 miles, including Tennessee, Pennsylvania and New York
 - includes analysis of roll on/roll off and other rail technologies
- ❑ Includes coordination with other states in the I-81 Corridor
- ❑ Timeframe: fall 2006 – spring 2008

Current I-81 Rail Corridor Project

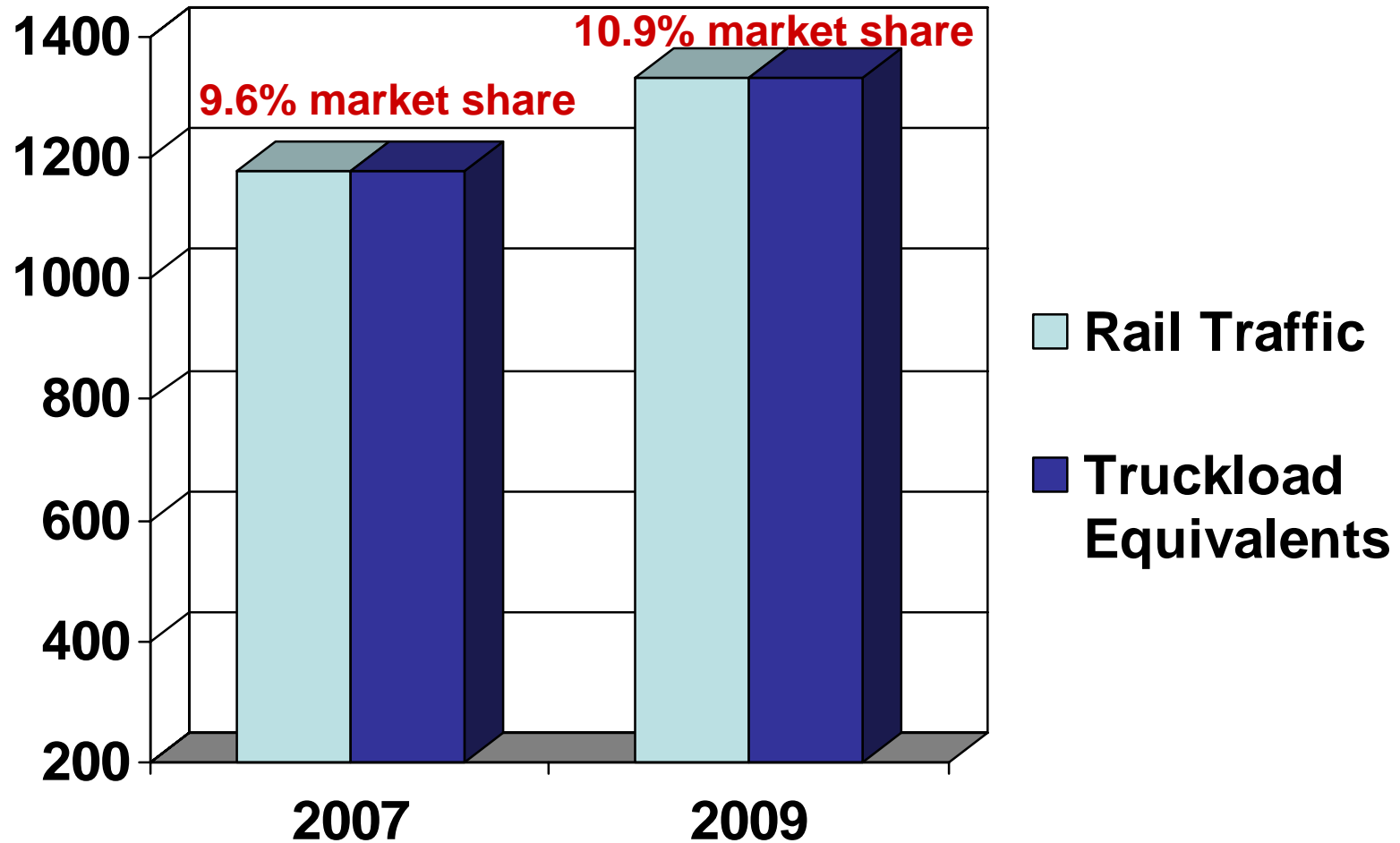
- Project area conditions today:
 - The most congested portion of the rail corridor
 - Mainly one-way track
 - Limited opportunities for trains to pass each other through passing sidings
 - No signal system to control rail traffic
 - No commuter rail service in Gainesville/Haymarket area

Project Description

- ❑ Four 11,000-foot rail sidings for passing trains
 - Gainesville: \$6.2 million
 - Marshall: \$5.3 million
 - Delaplane: \$7.2 million
 - Whitecut: \$12.2 million
- ❑ Rail traffic control system from Manassas to Front Royal (Riverton Junction): 50.9 miles, \$18.5 million
- ❑ Marsh run extension: new mainline combined with existing siding at Front Royal (including new signal system): 5 miles, \$11.6 million
- ❑ Provides potential capacity for VRE commuter rail expansion in the Gainesville/Haymarket area
- ❑ Project completion in late 2008

Project Benefits - Truck Diversion

Daily Rail Volumes Before and After Improvements



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Project Benefits- Economic Impact

□ Project Costs

- Commonwealth REF = \$40,000,000 (70%)
- NS matching share = \$17,142,857 (30%)
- Project total = \$57,142,857

□ Public Benefits (over 15 years)

- Benefit/cost ratio= 1.03
- Project will pay for itself in 15 years

Additional Benefits

❑ Fuel savings

- Average of 4 million gallons/year
- More than 60 million gallons over a 15-year period

❑ CO₂ emissions avoided

- Average of 10,100 tons/year (equivalent to 2,230 vehicles)
- 151,800 tons over 15 years (equivalent to 33,500 vehicles)

❑ Employment: 9 full-time new jobs

❑ Additional rail capacity:

- Allows the addition of 6-10 new trains and increases capacity of train service by 60% to 100%
- Allows the potential for VRE commuter rail service expansion

Project Schedule

Planning, Design and Engineering	January 2008
Construction	February 2008
Completion	Late 2008

- ❑ Project Schedule pending environmental approvals

Conclusion

- ❑ This project eliminates a major rail chokepoint on the I-81 rail corridor and provides the potential capacity for VRE service expansion in the Gainesville/Haymarket area

- ❑ A first step and “down-payment” for corridor-wide rail improvements
 - Multi-state improvements outlined in the Reebie study estimate significantly higher diversion of trucks to rail

- ❑ Next steps will be identified in the I-81 Freight Rail Study this spring