



# Senate Transportation Committee

Senator Robert C. Wonderling

Chairman

Craig R. Shuey, Executive Director

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## MEMORANDUM

**TO:** Pennsylvania Congressional Delegation

**FROM:** Senator Robert C. Wonderling, Majority Chair, Senate Transportation Committee *R.C.W.*  
Senator J. Barry Stout, Minority Chair *J.B.S.*

Representative Joseph F. Markosek, Majority Chair, House Committee *J.F.M.*

Representative Richard A. Geist, Minority Chair *R.G.*

**DATE:** June 17, 2009

**RE:** Support for National Gateway Funding

We write to express our support for the National Gateway initiative, and to urge your support of the multi-state effort to secure federal funding for the project in next year's surface transportation authorizing legislation. The National Gateway is a public-private partnership that would create a highly efficient freight transportation link between Mid-Atlantic ports and the Midwest by improving the flow of rail traffic between these two regions. This project is being developed by a coalition of states, local governments, businesses and economic development organizations. The project links Pennsylvania suppliers and consumers to markets in the Midwest and ports in the Mid-Atlantic. The project will also have positive impacts to highway congestion, traffic safety and general roadway longevity.

The National Gateway initiative consists of over \$700 million in intermodal terminal and rail infrastructure projects that would be divided between the public and private sectors. This investment has the potential to deliver over \$650 million in public benefits to Pennsylvania and over \$6.1 billion worth of public benefits nationally within ten years. The private sector would fund 50% of the project and a multi-state effort is being undertaken to secure \$194 million in federal transportation funds in the upcoming reauthorization bill. State governments along the route would be responsible to provide the remaining \$193 million in matching funds based on their share of the clearance work in their respective states.

The National Gateway would provide environmental, economic development and congestion relief benefits across a six-state area, including substantial benefits that would accrue specifically to Pennsylvania. The National Gateway's rail infrastructure investments would justify a new private sector investment of up to \$50 million for a new intermodal terminal in the Pittsburgh area. This new facility could potentially create more than 2,000 jobs in the region. This is in addition to the \$48 million investment that has already been made in a new intermodal terminal in Chambersburg. Approximately 30 direct jobs have already been created at this terminal and a total employment impact of 2,500 jobs in Franklin County is expected by 2017.

In addition, development of the National Gateway in Pennsylvania would:

- Reduce CO2 emissions by over 245,000 tons
- Reduce highway congestion by shifting freight from nearly 1.5 million trucks from the highway to the railway, saving over \$40 million in highway maintenance costs
- Save \$35 million in logistics costs

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. Governor Rendell has included the National Gateway initiative in the Commonwealth's transportation priorities for the upcoming transportation reauthorization bill and has committed \$35 million over the next three years toward the state share of the project. The General Assembly is currently deliberating on this point and will hopefully reach a positive conclusion in the coming weeks.

We respectfully request your assistance in securing the federal transportation funds in the upcoming transportation reauthorization.

Thank you for your consideration of this important and beneficial project. We look forward to working with you to ensure the development of the nation's transportation infrastructure.