



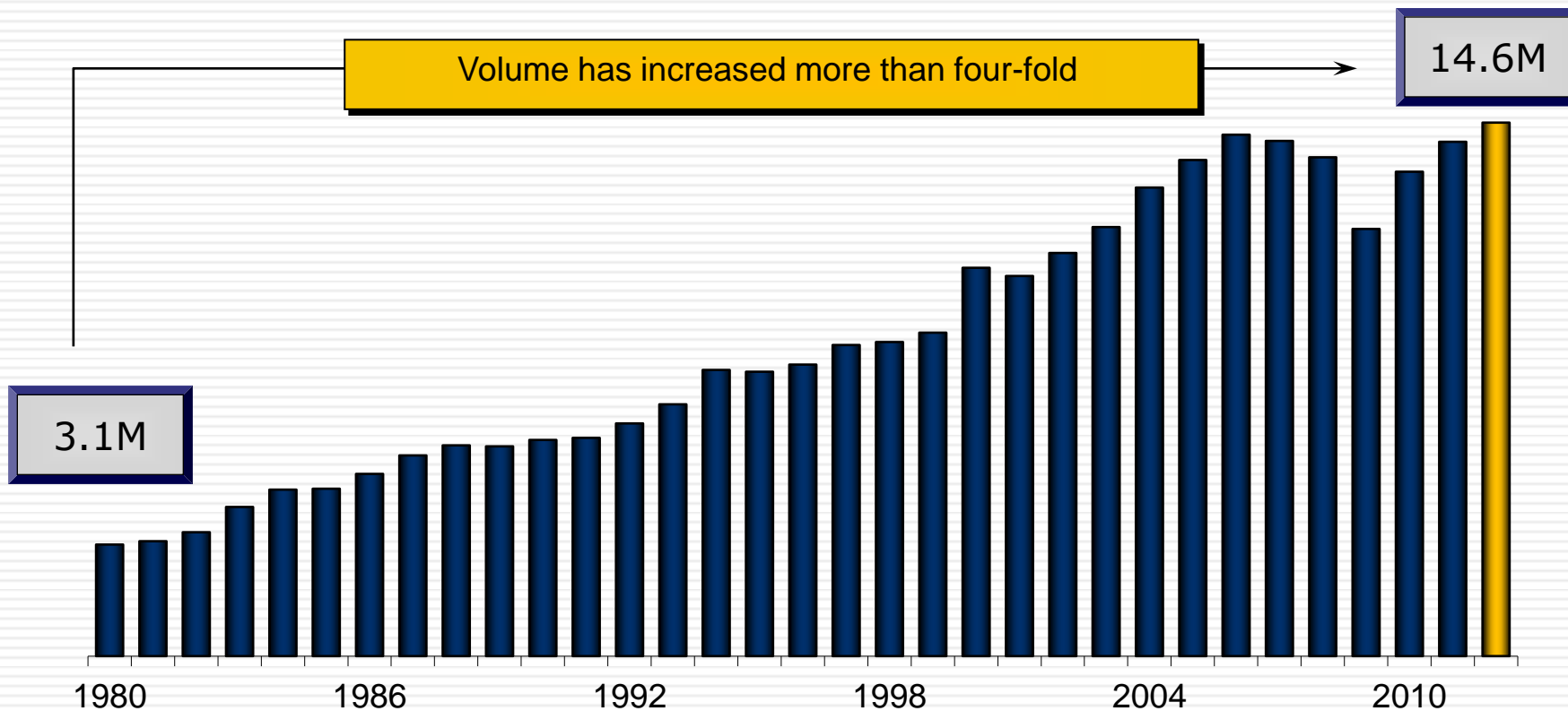
Intermodal Port Strategy

AAPA Vancouver Conference
November 6, 2013



Intermodal industry volume has steadily grown

North American Intermodal Volume (1980 – 2012)
Units in Millions



Source: AAR, Intermodal Association of North America, TTX

Trucking challenges encourage modal conversion

Decreasing Driver Supply

- Regulatory restrictions
- Aging driver population
- Quality of life challenges

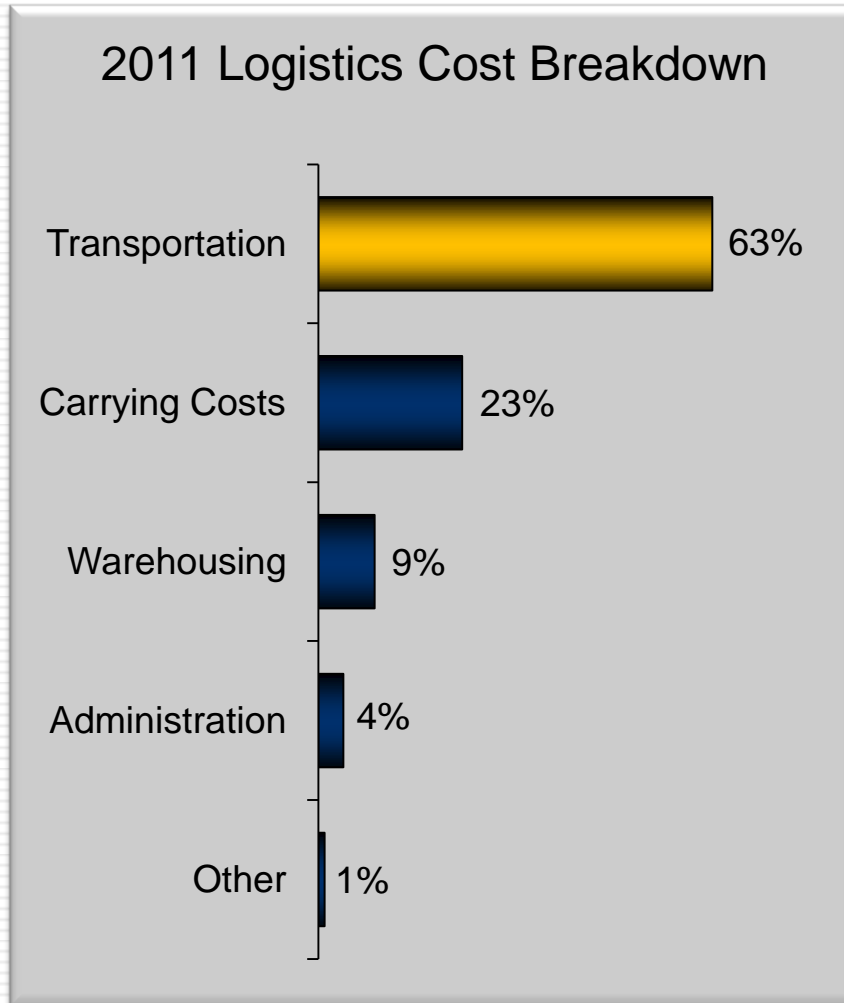
Increasing Highway Congestion

- Projected U.S. freight increases
- Aging highway and bridge infrastructure
- Significant public funding gap

Fuel Cost

- Rising diesel prices
- Alternate fuel sources require major investment

Shippers striving for cost savings and sustainability



- Companies implementing strategies to achieve savings
 - *Supply chain simplification*
 - *Near-sourcing of manufacturing*
 - *Use of optimization software*
 - *Alternate transportation mode use*
- Corporate sustainability initiatives gaining visibility
 - *Rail is the most fuel efficient form of ground transportation*
- Intermodal well positioned to deliver both

National Gateway overview

■ Project overview:

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

■ Strategic value

- Increases intermodal capability to reach key population centers
- Provides double stack capacity from East Coast Ports to Midwest
- Opens new markets



The Northwest Ohio (NWO) Terminal

Foundation of the hub and spoke connectivity advantage

Strategic Importance

- Enhanced connectivity of the network design enables flexibility
- Central element of the National Gateway: superior access from East Coast ports to the Midwest

Network Advantages

- Streamlined coast-to-coast service
- Efficiencies improve service performance

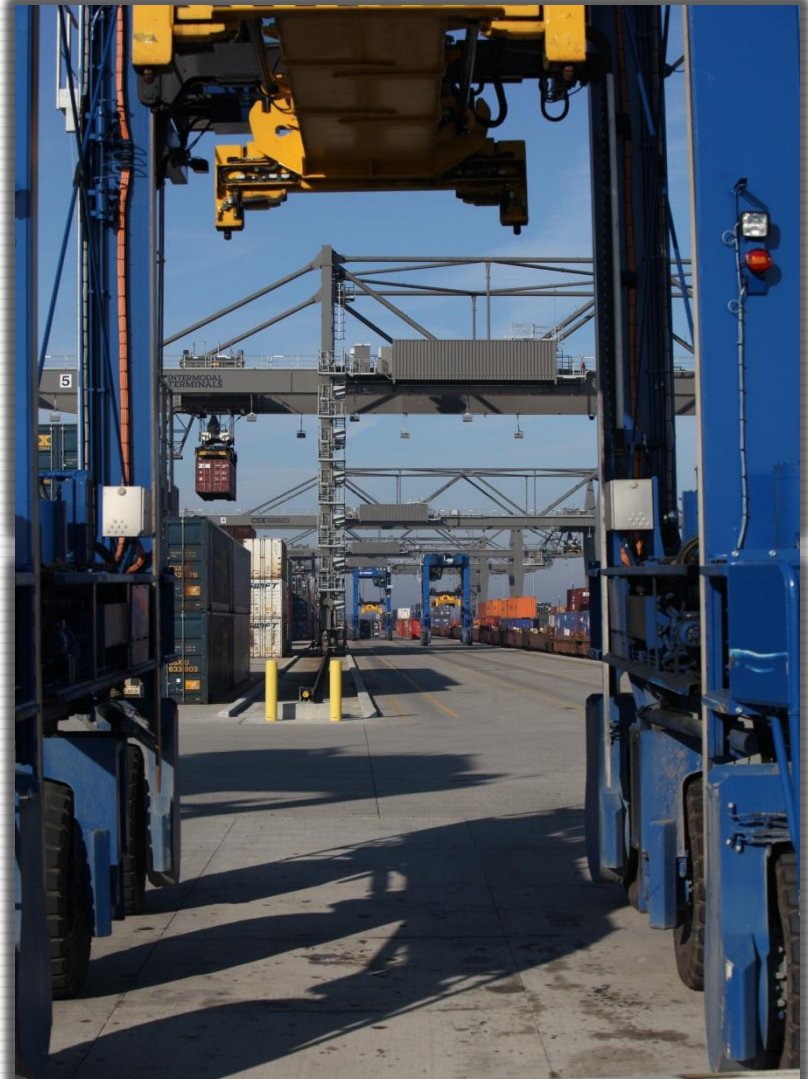
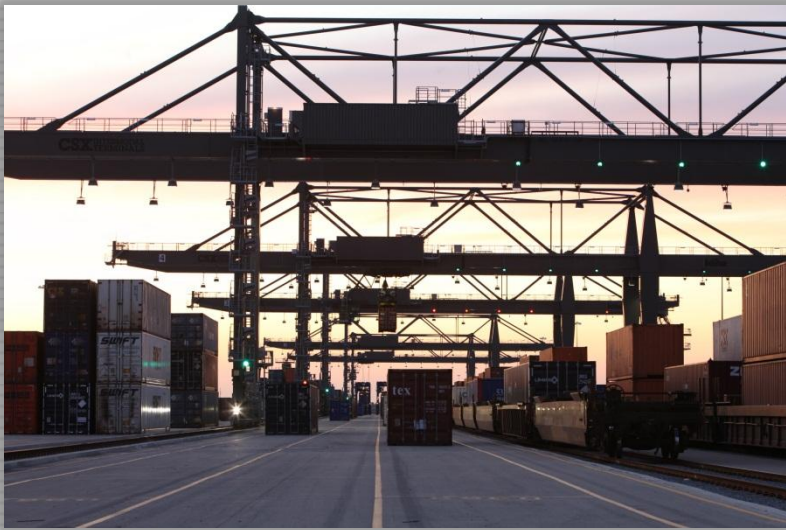
Service Expansion

- Regular new service offerings
- Competitive transit time

Innovative Design

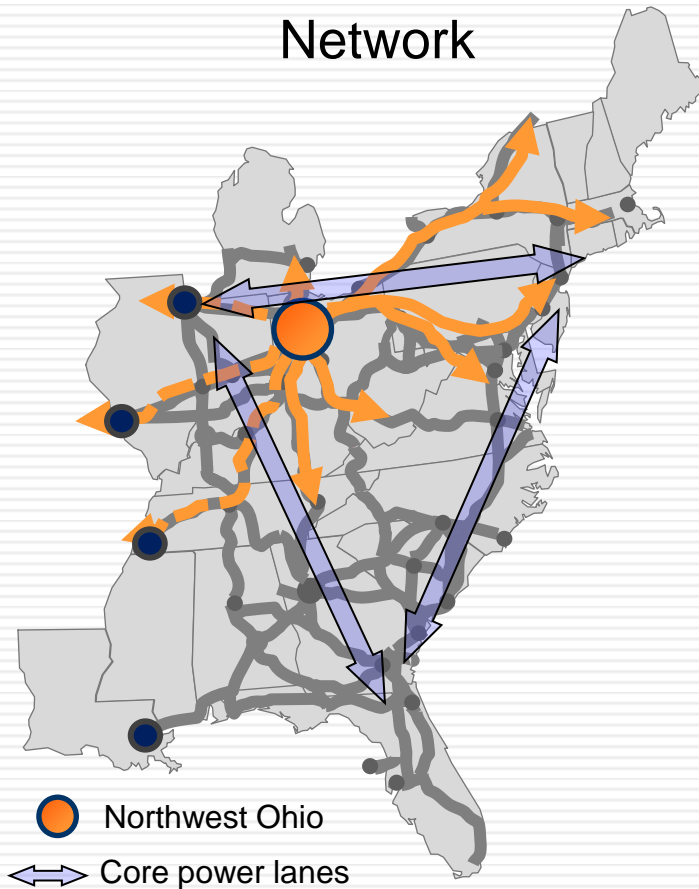
- State-of-the-art terminal technology and equipment
- Environmentally-friendly, contributing to greener supply chains

Northwest Ohio terminal innovation



Connecting markets requires “smart” infrastructure

CSXT Intermodal Network

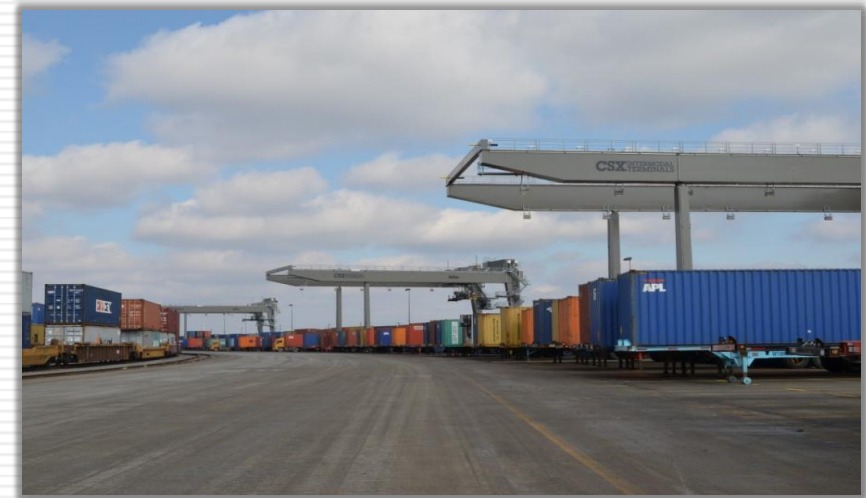


- Corridor approach in dense lanes between major markets
 - *Strong, reliable service product in major markets*
- Hub-and-spoke supplements corridor approach
 - *Increases flexibility and reliability*
 - *Connects mid-tier markets*
 - *Improves capacity at end terminals*
 - *Differentiates network offering*
- The CSXT network provides shippers the ability to reach more markets

Ohio Valley Expansions in 2013

- Columbus – added wide span cranes and doubled capacity – now open
- Detroit – Adding capacity
- Louisville – open in 2012- already full – Phase II starts this year
- Cincinnati-New cranes, more capacity

High performing network has driven business growth and investment in the Ohio Valley



CSX Columbus Intermodal Terminal

Public private partnership re-aligns CSX in Florida

- State of Florida gets commuter rail in greater Orlando area parallel to I-4
- CSX moves Orlando Intermodal to Winter Haven
- Winter Haven employs latest technology and adds logistics park

Florida & CSX
We're Going Places!

KEY
RAIL LINE
PORT TERMINALS

CSX's S-Line
Under the proposed plan, the S-line will be enhanced to accommodate more efficient movement of freight traffic, allow for commuter rail on the A-line, and enable the environmentally sustainable movement of goods in and out of Florida.

CSX's A-Line
With the development of commuter rail in Central Florida, CSX would relocate a number of through freight trains from the A-line to the S-line. Local freight service and some through trains would remain on the A-line.

Central Florida Commuter Rail
Commuter operations over a 61.5-mile section of the A-line - serving 4 counties - are expected to begin in 2010.

Winter Haven Terminal
CSX is working with Connetquot Western Railroad on the development of a 318-acre, state-of-the-art intermodal and automotive terminal. The terminal is expected to stimulate related economic growth and long-range plans call for the development of the Southeast's first Integrated Logistics Center.

South Florida Commuter Rail
CSX's agreement with the state provides for the transfer of dispatching and maintenance responsibilities for the Tri-Rail commuter corridor between West Palm Beach and Miami to the South Florida Regional Transportation Authority (SFRTA). SFRTA would get additional local control of the corridor over which 50 commuter trains a day travel.

Southeast Corridor - Connecting Florida to the World
CSX is investing more than \$6 billion in capital through 2010 to accelerate improvements in safety, service reliability and capacity of its transportation infrastructure. This investment includes the expansion of CSX's route from Chicago to Florida and from northern New Jersey to Albany, N.Y. The Chicago-Florida expansion is called the "Southeast Corridor." With the development of a state-of-the-art intermodal and automotive terminal in Winter Haven, CSX will continue to offer Florida an unparalleled rail advantage.

The Central Florida Rail Agreement between the Florida Department of Transportation and CSX Transportation will deliver real benefits to the state, and Central Florida in particular. The project will help relieve highway congestion by moving both passengers and freight more efficiently while protecting the environment.

Over the next two years, the Central Florida Rail project will pump more than a billion dollars into expansion of Florida's transportation and distribution infrastructure, keeping people, consumer goods and other products moving safely and reliably.

State and local investment, as well as over \$300 million in federal transit funds, will be used to support construction of the new commuter line, expand infrastructure, create jobs and generate additional tax revenues at a critical time for our state and local communities.

Winter Haven Intermodal Terminal

- 300 Acres for intermodal and automotive under construction
- Open for train service in May 2014
- 930 Acres adjacent controlled by CSX



Green, efficient terminal

- Electric wide span cranes
- LEED buildings
- Low impact LED lighting
- Adjacent logistics park will reduce drayage and impacts



New logistics center

- 930 acre footprint
- 5 to 7 million square feet of buildings
- Targeting companies seeking greater network efficiencies
- Rail connections to Northeast, SE Ports, West Coast, Chicago

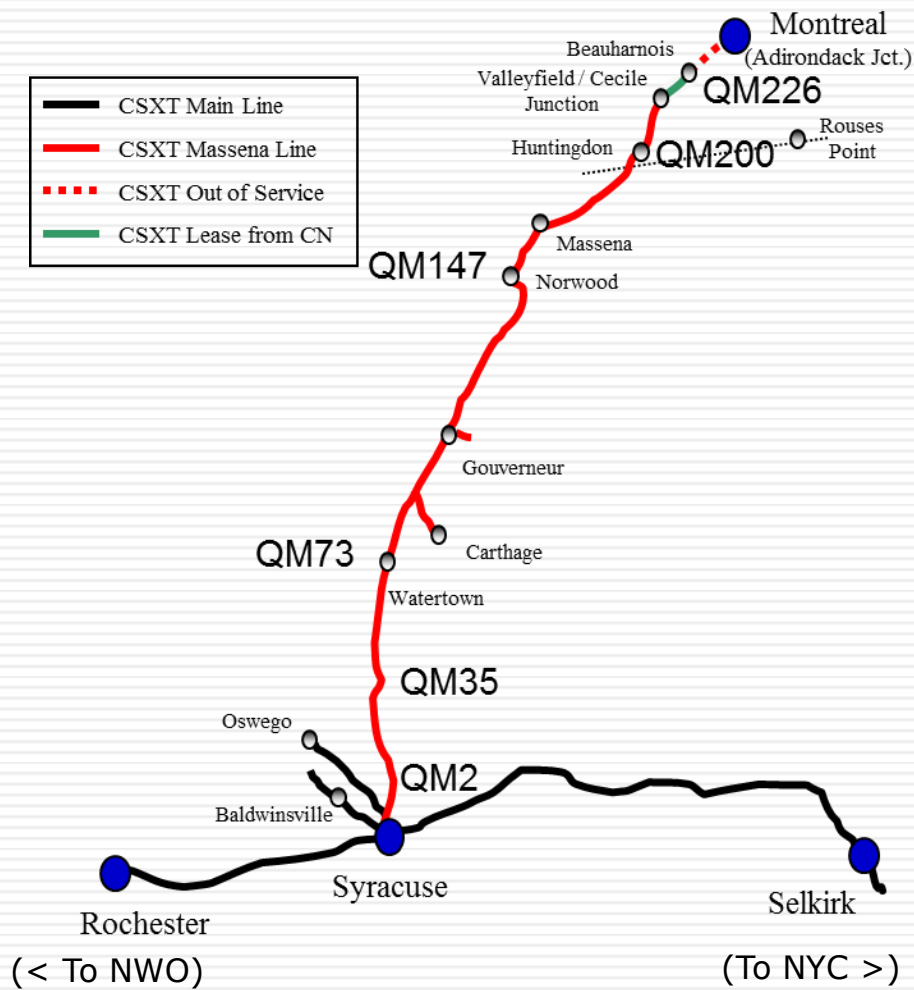
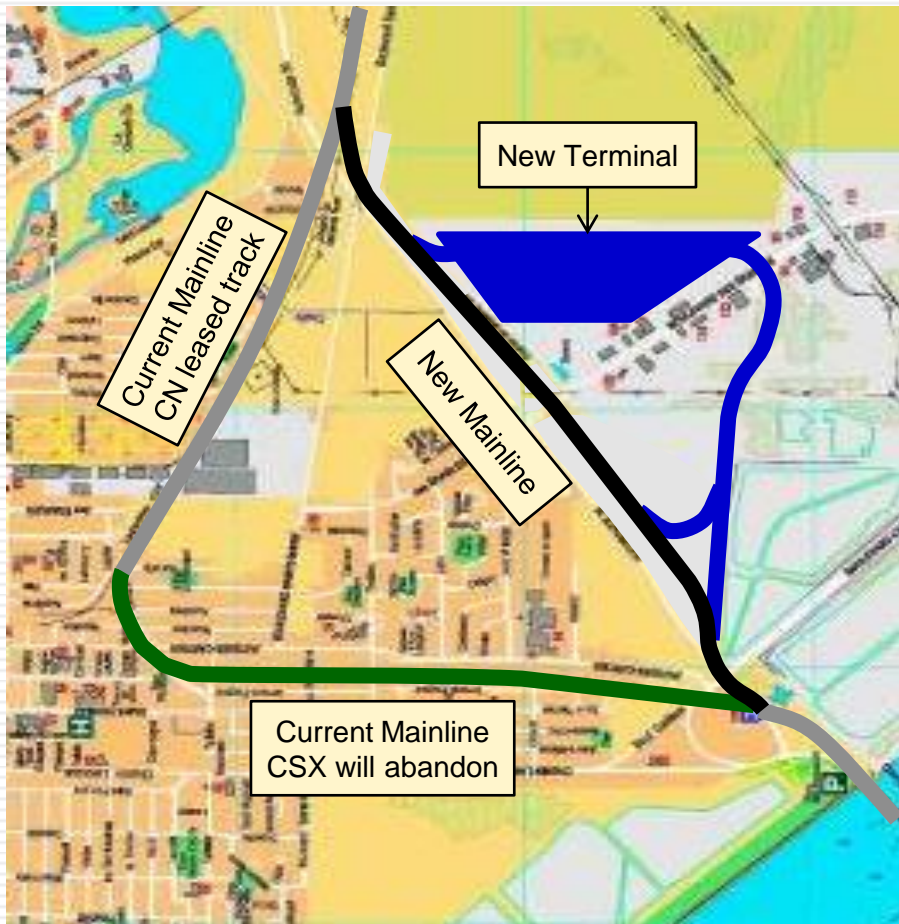


Infrastructure, commercial projects support presence

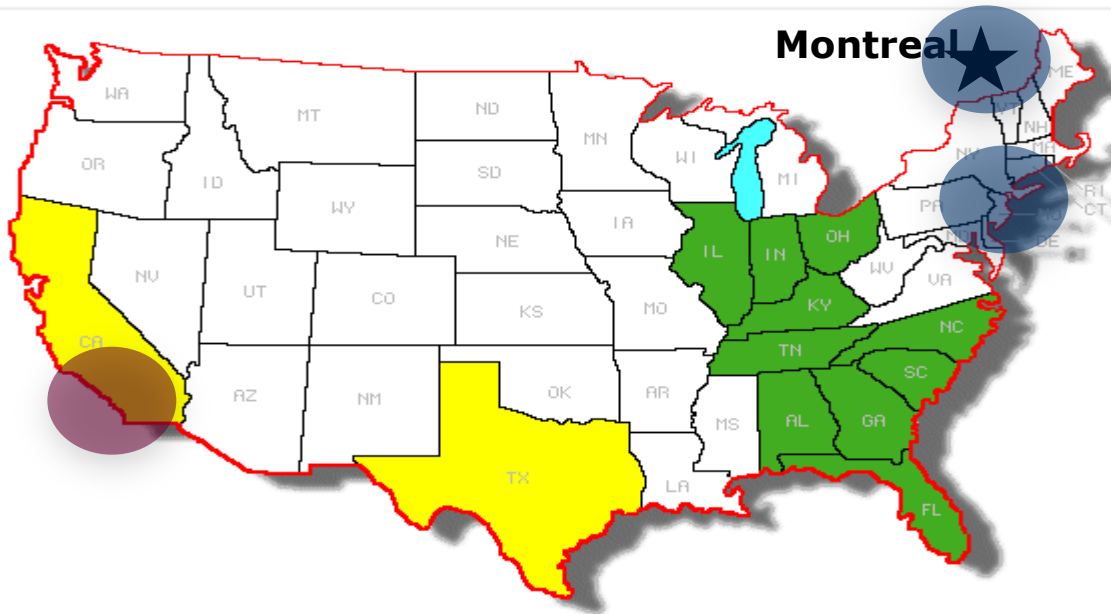


- Regional beltway expansion (Autoroute 30 opened Dec. 2012)
- Industrial park development
- Future integrated logistics centers (Hub 30 & Les Cèdres)
- Port of Montreal future expansion on south shore

Terminal, local rail, Massena Line investment vital



Major markets for Montreal intermodal growth



Expansion will improve intermodal offerings:

- Enhance NAFTA trade, including Mexico
- Efficient service to Ohio Valley and Southeast
- Truck competitive transit

Interline International

Attract West Coast international and land bridge traffic.

East Coast International

Divert NY Port truck traffic to rail and provide Port of Montreal connectivity to new markets.

Interline Domestic

Leverage rail assets to convert truck traffic to western US and Mexico markets.

CSX Core Domestic

Connect Québec with Southeast and Midwest to convert truck traffic.

Summary Conclusions

- Innovative network strategy changes will enable truck-like service capabilities by rail
- Multi-port service capability will enhance market reach and drive density to smaller markets
- Advancements in technology & equipment will provide greater access and scalable growth
- Intermodal rail will compete with, as well as serve, the truck market as sustainability metrics increase in importance



Questions?

