



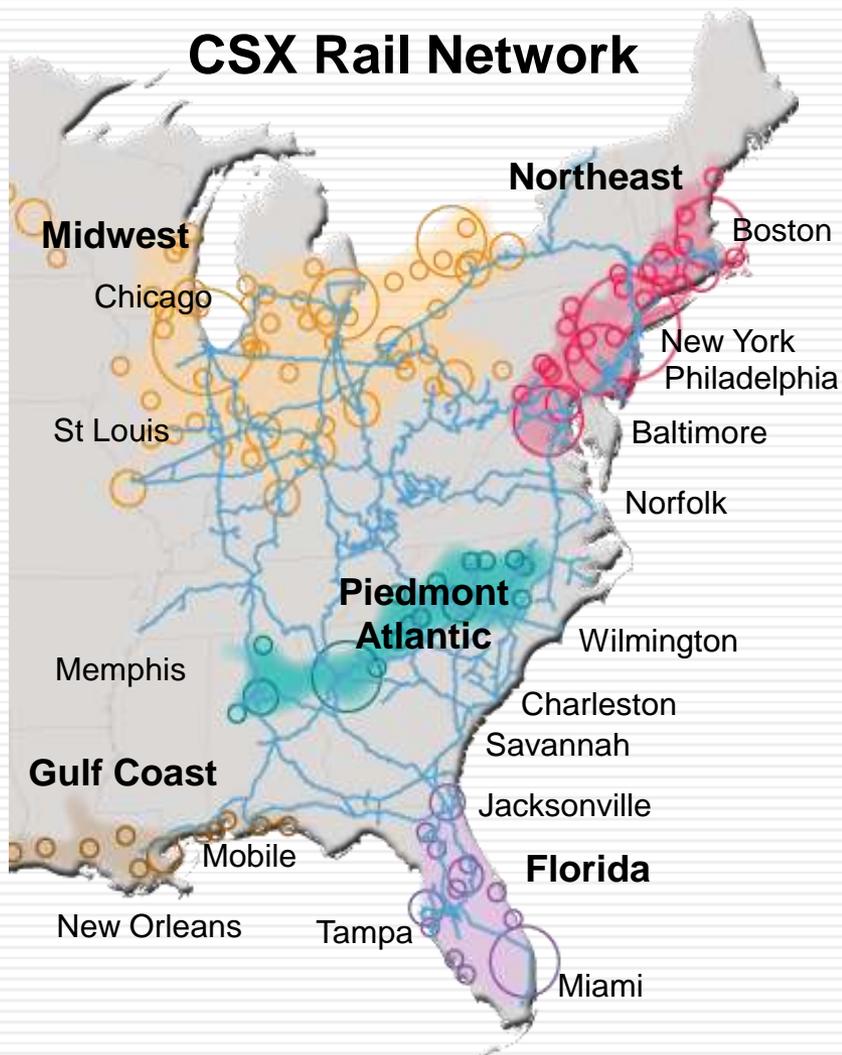
Shifting Trade Routes

Kyle Hancock

January 25, 2013



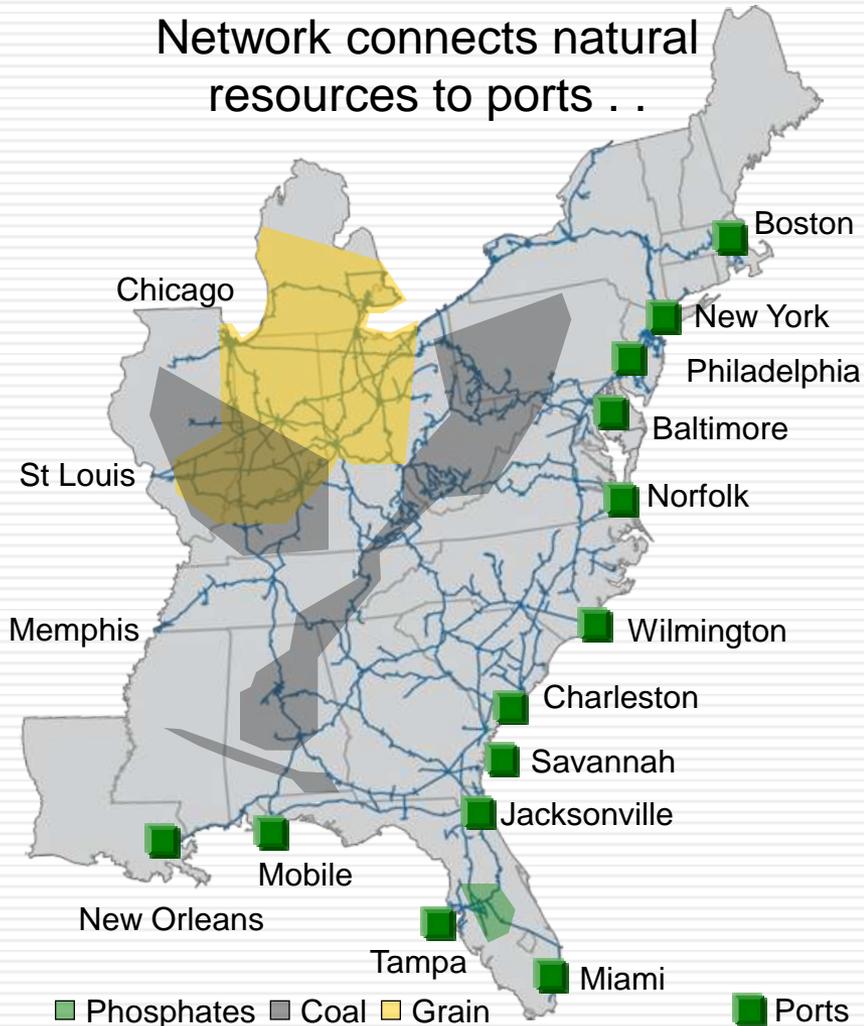
CSX is a Fortune 250 company with 32,000 employees operating East of the Mississippi



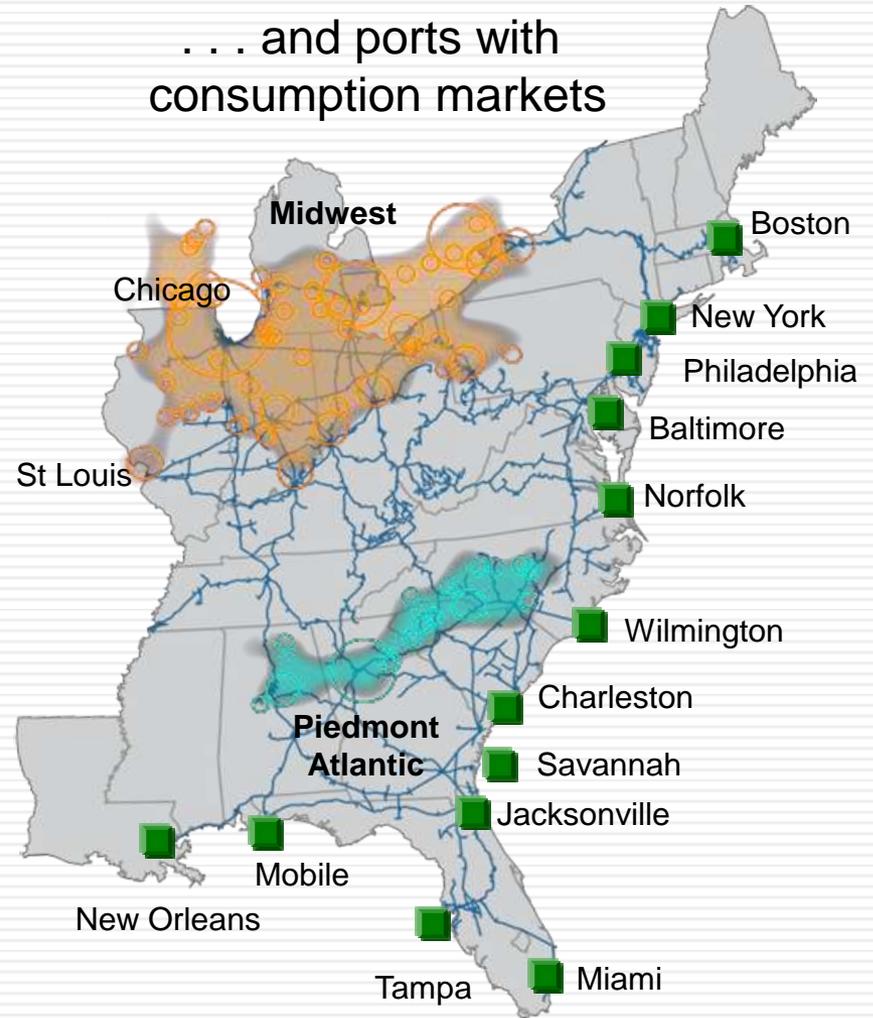
- CSX serves nearly two thirds of U.S. population
- Majority of U.S. consumption in the east
- Connects all mega-regions in the eastern U.S.

CSX offers efficient transportation solutions

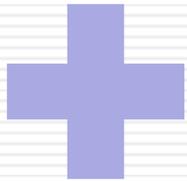
Network connects natural resources to ports . .



. . . and ports with consumption markets



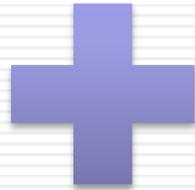
American consumption drives freight movement



More People + More Freight = Challenge

2020

29,794,748
More
People



1.2B more
tons of
freight



Train would
wrap
around the
earth 7x's

2030

61,911,757
More
People



2.5B more
tons of
freight



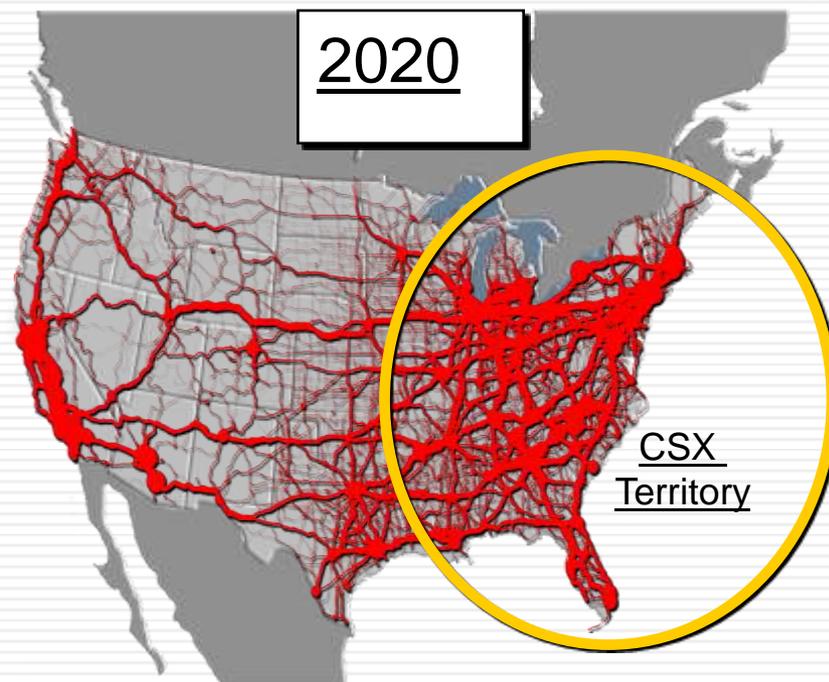
Train would
wrap
around the
earth 14x's

Congestion is getting worse

Today



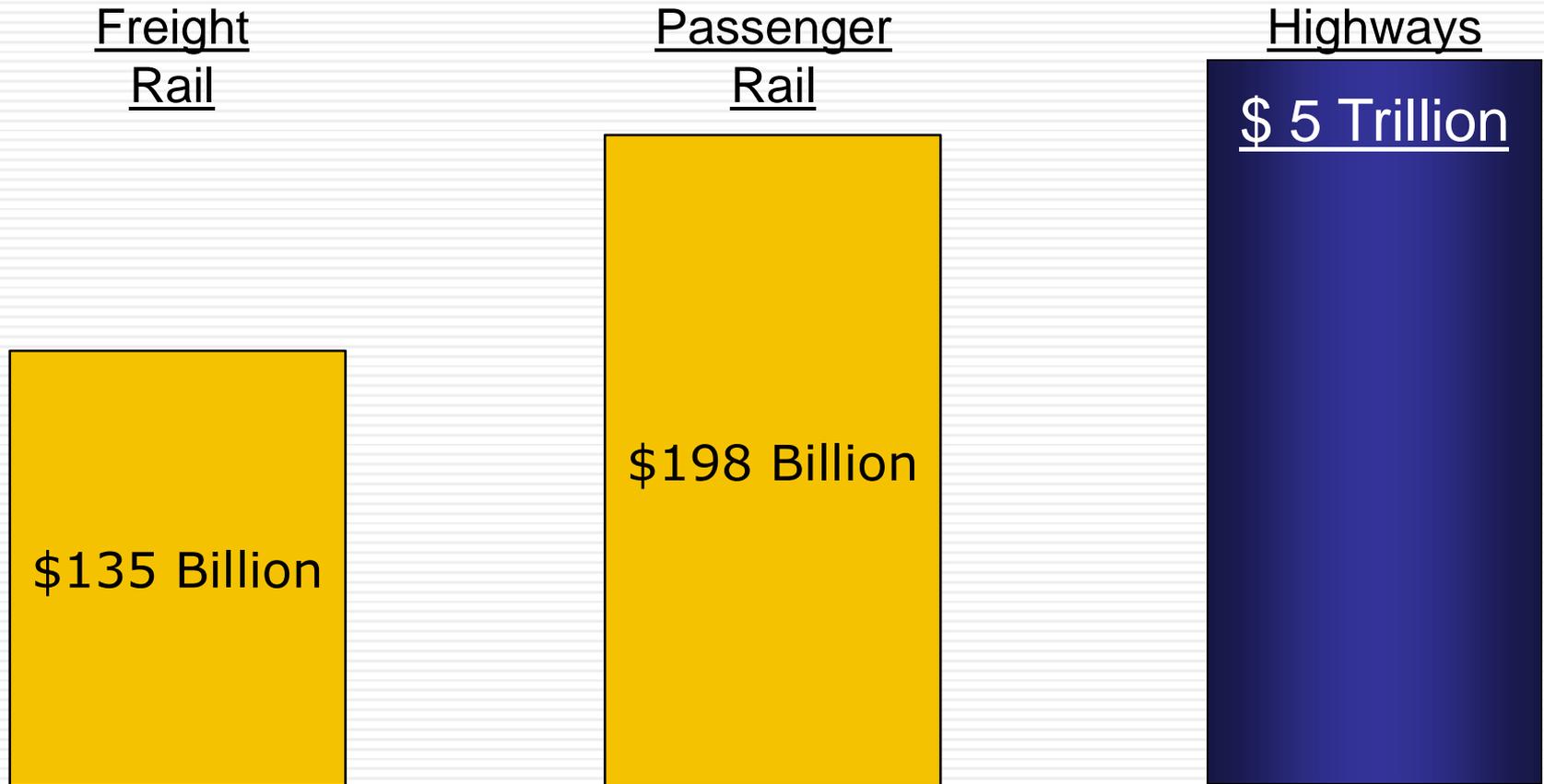
Tomorrow



Source: USDOT FHWA Freight Analysis Framework

Infrastructure crisis has become a national issue

Investment required by 2035



Source: Rail – 2007 AAR/Cambridge Study; Highway – 2007 DOT Surface Transportation Study

CSX Investing in Prepare for Projected Increases in Freight Demand



Virginia Avenue Tunnel

- Partnering with Commonwealth of Virginia to invest ~\$160 million for new double stack cleared Virginia Avenue Tunnel in downtown DC



Maryland

- Partnering with State to invest over \$90 million in new intermodal terminal to serve Port of Baltimore



Florida

- CSX made \$500 million commitment to invest in FL rail infrastructure
- Subsidiary investing in new intermodal terminal in Winter Haven



Massachusetts

- As of 2012, CSX is double stack cleared on mainline to Worcester
- Invested over \$100 million in new intermodal terminals in Worcester and West Springfield

Infrastructure projects support increasing demand



National Gateway

- \$842 million public/private partnership
- CSX-funded terminal capacity
- Public-funded double-stack capacity from East Coast ports to Midwest

Freight Rail is the Answer to Some of Our Nation's Largest Challenges



“[H]ow we continue to make investments in...things like infrastructure that help our economy grow.” President Obama, 12/31/12

- ***In 2013, CSX will invest over \$2.3 billion in our infrastructure***



“U.S. slips in World Economic Forum’s competitiveness rankings” Washington Post 9/15/12

- U.S. freight rail often called one of our last great competitive advantages



“E.P.A. Sets a Lower Limit for Soot Particles in the Air” New York Times 12/15/12

- Freight rail can move a ton of freight 469 miles on a gallon of fuel



“Bad News: Traffic Jam. Good News: Economy's Revving Up” Forbes 12/10/12

- One freight train can move the equivalent of 280 trucks

Two Steps Towards Allowing the Private Sector to Become A Greater Part of the Solution



Streamline Federal Environmental Reviews

- Environmental reviews are a must
- Current process has become too long and burdensome
- Makes it very difficult for private sector to invest in infrastructure



Public-Private Partnerships

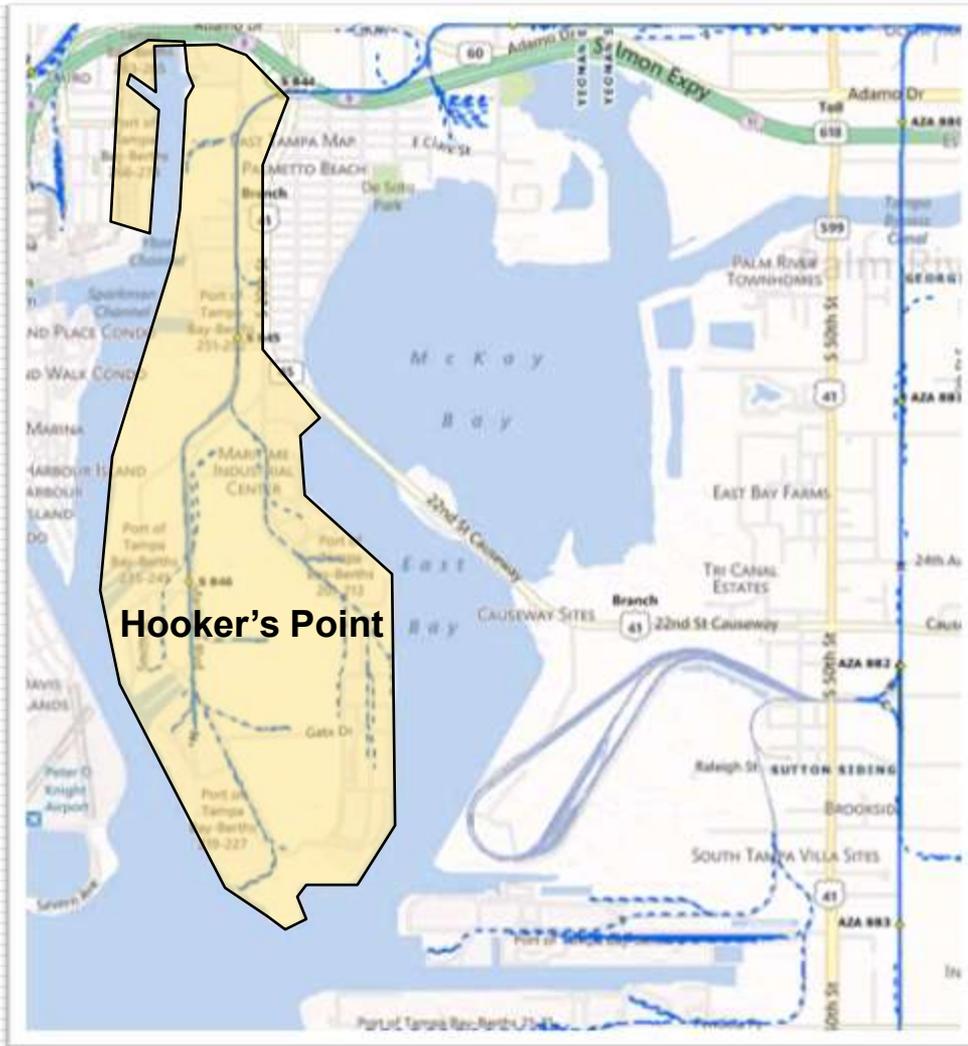
- Leverage scarce private and public capital
- Public money distributed using cost-benefit
- CSX's National Gateway provide \$36 of public benefits for every public dollar invested

Port of Tampa offers global access for imports/exports

- Florida's largest port in cargo tonnage & area
- Expanding container/distribution center gateway
- 43 foot (13 meters) deep water berth
- 3 gantry cranes/mobile harbor crane
- Acquisition of 2 additional gantry cranes planned
- 2800 feet (855 meters) of berth
- 40 acre (16 hectares) container terminal - expanding to 160 acres (64 hectares)



CSX and Tampa Port Authority have an excellent partnership



Current Projects

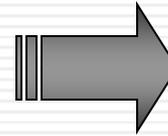
- Unit train ethanol facility completed end of 2012
 - \$10M Public/Private partnership
 - Enhanced rail infrastructure at port
- Green Express
 - Express rail service connecting Florida and Midwest markets
 - Targeting import/export food products

Unit train ethanol facility at Tampa Port Authority



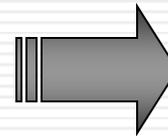
CSX provides sustainable transportation solutions

- Rail is the safest and most secure mode of surface transportation



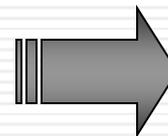
Safe and Secure

- One Intermodal train can carry the load of 280 trucks



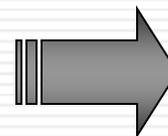
Efficient

- A locomotive can haul a ton of freight 469 miles on one gallon of gas



Green

- Rail capital investment relies principally on private funds



Sustainable

Blue + Yellow = Green

