Meeting Future Infrastructure Needs
January 23, 2008
Adam Bridges
AVP Strategy – CSXI
2008 – 2012 Intermodal Industry Trends – Positive

- Pacific all water to East Coast = Stable share
- Transloading as % of Transcon = Stable share

- International IPI = Solid growth
- Domestic Intermodal = Solid growth

- Continued improved rail service levels
- Challenged Rail, terminal, Container and Ship Capacity

- Emerging Public / Private Partnerships (3Ps)
Infrastructure – A need for Collaboration

col·lab·o·ra·tion –
1. The act or process of collaborating.

col·lab·o·rate
1. to work, one with another; cooperate
2. to cooperate, usually willingly

How tomorrow moves [CSX]
Keys to successful collaboration

Elements of Collaboration
- Best in class capabilities
- Shared vision
- Shared time horizon
- Shared win
- Shared rewards
- Open communications

Players
- Customers
- Steamship Lines
- Port Authorities
- Port Operators
- Railroads
- Developers
- Governments
- Equipment providers
- Other....
Best in class – it starts with the customer

Overall Customer Satisfaction

- Improved Service
- Improved Customer Satisfaction
- Profitable Growth

<table>
<thead>
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<th>2007</th>
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<tbody>
<tr>
<td>Truck</td>
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<tr>
<td>CSX</td>
<td>7.06</td>
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* Q4 2007 CSXI rated at 7.34
* Q4 2007 Truck rated at 7.07

2007
Best in class - in New Technologies

- Gate Technology
- Electric Cranes
- Radio Frequency Technology
- Wireless technology provides yard personnel with precise location data.
- Eliminates unproductive yard movement
- Reduces emissions
- E-Z Pass for Intermodal
- Smaller and more efficient equipment
- Reduces emissions by capturing people in the gate
Shared vision – capitalize on demand

Panama – Build to keep pace

Sources: PIERS, TranSystems, TTX

How tomorrow moves [CSX]
Shared vision – leverage inland networks

Seattle/Tacoma
Oakland
LA/LB

NY/NJ
Virginia
Charleston

Savannah
Houston
Jacksonville

Source: Global Insight and World Trade Service

2006-2011 CAGR

- > 10%
- 5-10%
- < 5%

= Key CSX Ports

How tomorrow moves [CSX]
Shared vision – network serving key markets and ports

- Investments drive long-term growth in mega-regions
- Clearance projects leverage growing ports and high volume lanes
- CSXI 5 year annual investment will average $80 million

Legend:
- ○ = CSX Terminals
- = CSX Rail
- ↓ = Container Port & Rail

New Construction
Terminal Expansion
Double Stack Clearances
On-Dock Rail

How tomorrow moves [CSX]
Shared vision - National Gateway project

Mid Atlantic to Mid West Network
- Charlotte
- Chicago
- Columbus
- Cleveland
- Cincinnati
- Pittsburgh
- Buffalo
- Indianapolis
- Detroit
- E. St. Louis
- Kansas City

NW Ohio Transfer Yard
Port of Baltimore
Portsmouth
Wilmington
Jacksonville
Central Florida

NGI
Current

How tomorrow moves [CSX]
Shared vision - highway challenges are structural

- Congestion
- Fuel cost & type
- Driver shortages
- Employee screening
- Hours of service
- Emissions requirements
- Insurance

Truckers looking to rails for alliances
Shared time horizon – and sense of urgency

Today

2020

Truck Volume Scale

50,000
25,000
12,500

Source: USDOT FHWA Freight Analysis Framework
Shared win – all players accrue value from service
Shared rewards – customers, public, suppliers

- Competitive advantage
- 1 train = 240 trucks
  - 1/3 of the emissions per ton
- Extends pavement life
- Lanes for passengers
- Economic development
- Growth
Success

How tomorrow moves

CSX
Conclusion – collaboration works

- It Starts With The Customer
  - Shared success
    - Driving capacity
    - Driving service
    - Driving Ease of Doing Business
    - Driving access to key markets
    - Leveraging a Nationwide network
    - Environmentally responsible
    - Good public policy

Thanks