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Intermodal “The Future Is Now”

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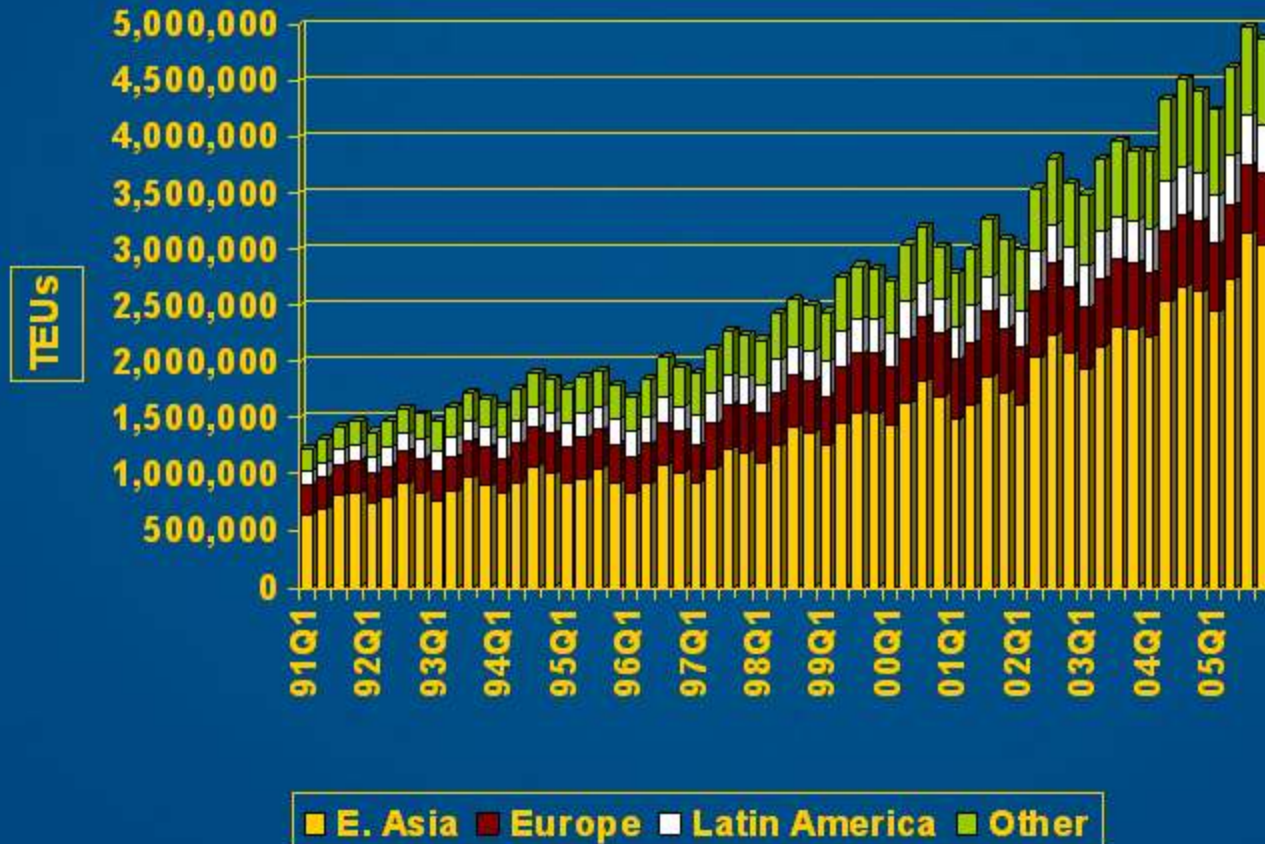
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The U.S. is Experiencing a Rail Renaissance

- Increased congestion on the highways make on-time delivery by truck less certain
- Driver shortages and turnover plague the trucking industry
- But the nation's thirst for imported and manufactured goods, along with coal and chemicals continues unabated

U.S. Container Imports (by region)



Freight rail provides a viable and efficient alternative

- More fuel efficient
- More environmentally friendly
- Preferred by trucking companies for the longer haul trips
- One intermodal train can carry 300 truck containers, and the equivalent cargo of 500 trucks
- Infrastructure improvements are no longer considered a public benefit, they are a public necessity

The Southeast Gateway is Key to CSX's Growth

- CSX-BNSF Agreement
 - Provides a seamless link for shippers
 - Expected to save up to 24 hours in shipping
- Location of capacity projects
- A gateway alternative to Chicago
 - Population spike in the Southeast

The investments leverage northeast markets and the growing southeast economic base

2004 Income



- LT \$50B
- \$51B – \$150B
- \$151 – \$250B
- GT \$250B

1994-2004 Income Growth



New Orleans

- LT 5%
- 5.0% – 5.5%
- 5.6% – 6.0%
- GT 6.0%

Source: Bureau of Economic Analysis

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Continued Major Capacity Expansion Needed

- Current investment levels will not meet all capacity needs
- Infrastructure Tax Incentive legislation will help
- Successful re-regulation efforts will destroy the railroads' ability to re-invest

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