

NGCC White Paper Committee Meeting 8/5/2009:

Thanks for everyone's participation on the call today. In attendance were:

Bill Eilbracht-UP  
Mark Van Cleave-Trinity  
Randy Bryden-CHS  
Tim McNulty-CSX  
Tom Brugman-STB

Missing due to conflict  
Terry Voss-AGP  
Doug Story-Watco  
Brant Ring-BN

The committee is charged with creation of two separate and distinct papers. The primary focus of this call was to focus on the second paper which is a focus on key trends in the Agricultural Industry which have historically evolved into major influences within the current grain market as moves today. An additional focus to the historical perspective is to indicate whether these key trends will continue to play a key role in future events within the Agricultural Industry.

The paper will be constructed in seven broad subjects as follows. The immediate goal of all committee members is to add detail beneath the major subjects regarding what specific issues should be researched addressed within each broader subject. If anyone has any other thoughts regarding additional subjects which should be added they should also submit those as well. The group has committed to think about these issues over the next 2-3 weeks and submit all sub-bullets and suggestions for new subjects to Tim McNulty as you think of them. I will then compile a more detailed outline and we will meet and finalize a basic outline for the whole paper and detail the sub bullets under each category. The team agreed this next meeting would take place August 26, 11:00 eastern time.

- Subject 1: Evolution of the Grain Market
  - Growth in Supply and Demand Markets
  - Changes in Export Markets
  - Consolidation of Grain Elevators
  - Consolidation of Grain Customers
  
- Subject 2: Locomotive Development
  - Evolution of Efficiencies
  - Capability of Newer Engines
  
- Subject 3: Grain Car Development
  - Increased Lading
  - Mechanical Improvements
  - Fleet Implications
  - Capital Implications
  - Impact of Shortages/overages of equipment
  
- Subject 4: Unit Train Development
  - Market Consolidation
  - Economies of Unit Trains
  - Impact of Faster Loading/Unloading
  - Impact on Fleet size
  
- Subject 5: Private vs. System Cars
  - Role of each
  - Responsibility of Each
  - Equipment Pools
  - Impact of OT-5 Authority
  
- Subject 6: Role of Technology in Grain Movement

- System Capability
- Beneficial Programs
- Communication changes

Subject 7: Capital Investment by Agricultural and Railroad Community

- Dollars Spent
- How has capital investment improved system

These were a few of the sub-bullets discussed this morning. I think it is important we spend the next few weeks thinking of other relevant sub-bullets within each category to add (think of it as an electronic brainstorming session). I think it is also fair to say we will ultimately trim the list down as not every potential issue can or should be addressed within the scope of this assignment. So, just to be clear, the assignment over the next three weeks is to send me additional thoughts and sub-bullets on the subjects outlined above.

Again, appreciate everyone's participation, the committee also agreed to hold ourselves to a reasonable time frame to complete this project realizing the need to be thorough and respectful of each other's time.

I look forward to your updates.

Tim McNulty, Chairman