



Jacksonville Port Task Force

Jacksonville, FL
June 18, 2014

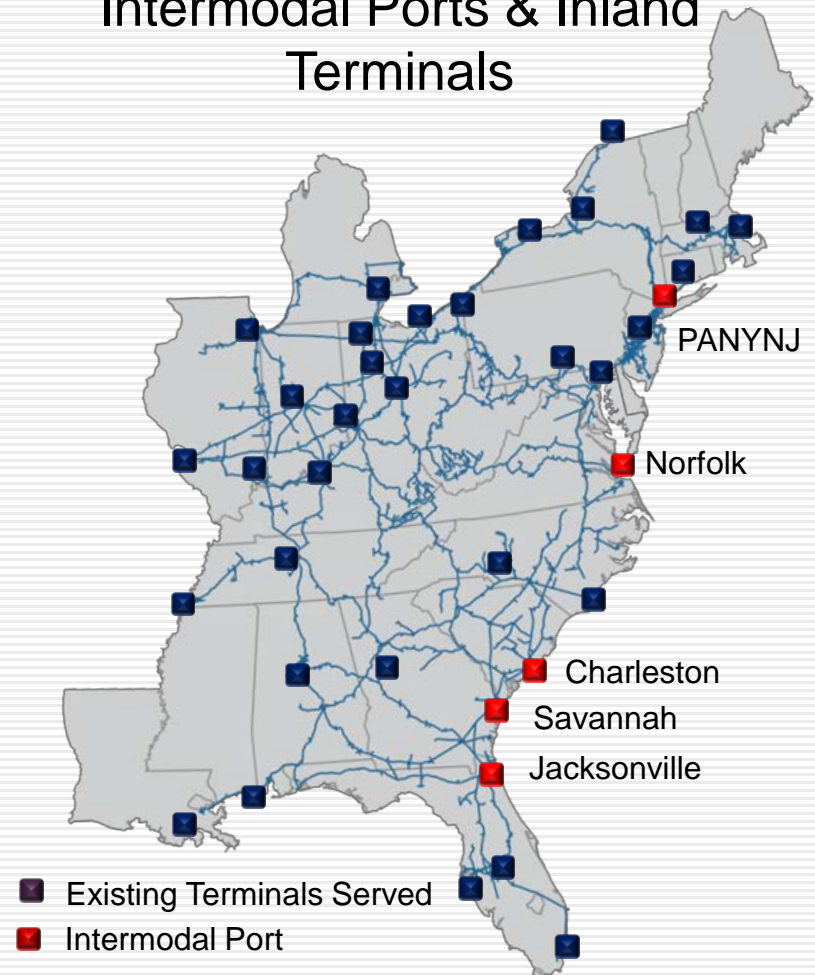


Introduction to CSX and intermodal ports

Company Overview

- America's first railroad
 - *Founded 1827, headquartered in Jacksonville, FL*
- Fortune 250 Company
 - *\$12 billion of revenue in 2013*
- Largest rail network in east
 - *21,000 route miles in 23 states, serving 70 ports*
- Diverse business at JAXPORT
 - *Includes, containers, autos, pulp and paper imports, corn syrup and pulpboard exports*

Intermodal Ports & Inland Terminals



Competitive assessment of key Eastern ports

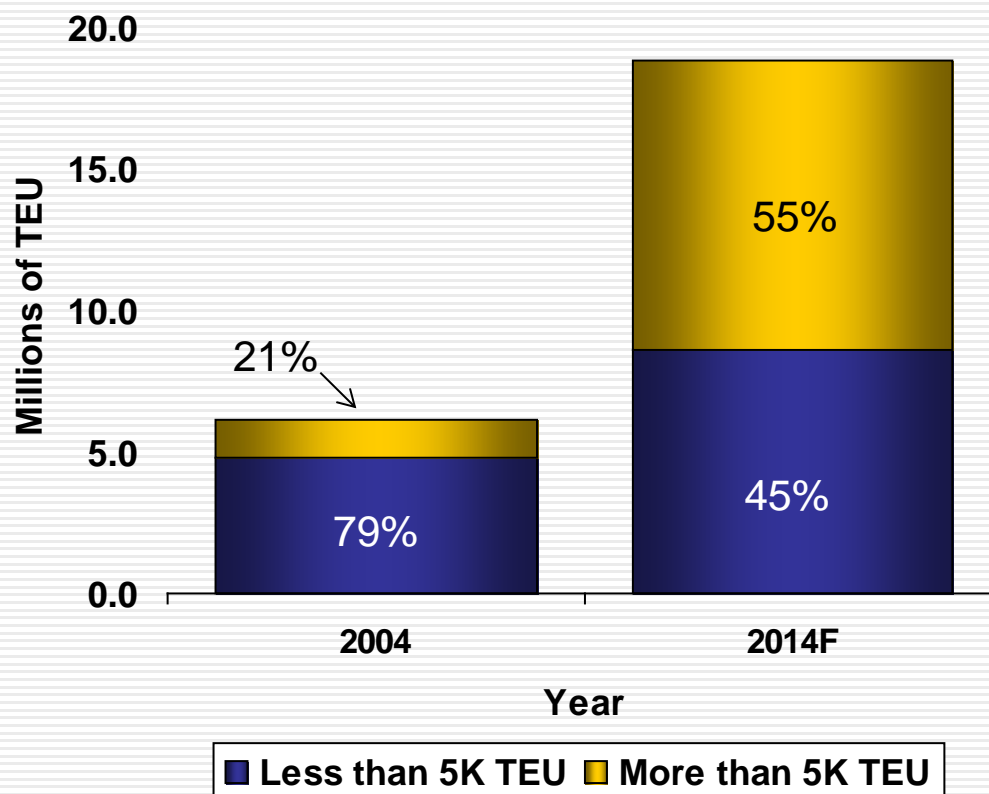
	Consumptive Base ¹	On-Dock ICTF	Water Depth
NY & NJ	47.2 million	Yes	50'
VA Ports	16.3 million	Yes	50'
Charleston	8.6 million	In EIS Stage	45'
Savannah	7.9 million	Yes	42'
Jacksonville	10.6 million	Under Construction	40'

¹ Consumptive Base = population within 200 miles of the port

Vessels are bigger requiring deeper draft

- 2004: 40' draft sufficient for most US ports
- 2014: Fleet scales up, but dredging at US ports advancing slowly
- Average vessel size calling East Coast going from 4,500 TEU to 9,000 TEU
- JAXPORT must have 47' to handle these ships and remain competitive

Global container fleet by vessel size in TEU

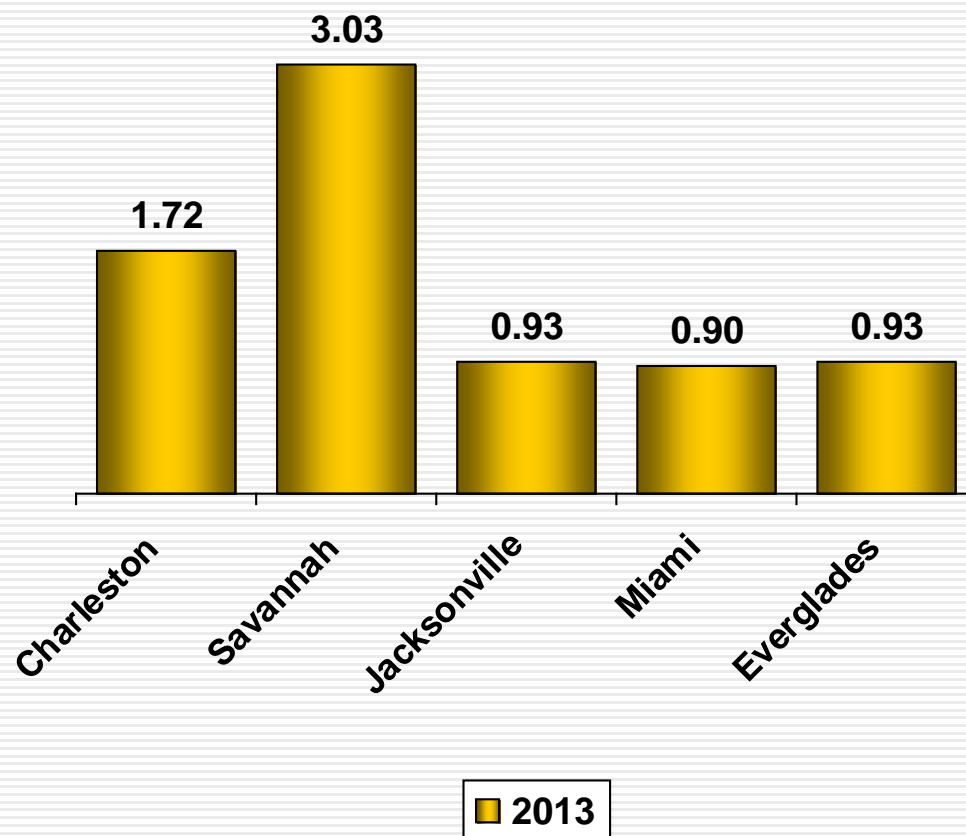


Jacksonville has the opportunity to stand out

- JAXPORT's existing advantages amplified with deepening
 - Proximity to growing population in Florida and the Southeast
 - Land use and transportation network supporting growth
 - Port business model driving cost efficiency at terminals
- CSX provides intermodal connections for discretionary cargo
 - Markets include: Chicago, Detroit, Atlanta, Memphis, Nashville
 - Discretionary cargo has been a key growth component for other ports

Southeast Port Container Volumes

Millions of of TEU by Port: 2013



Dredging and on-dock rail are essential for growth



On-dock Intermodal Container Transfer Facility (ICTF) required to compete for discretionary cargo

- The initiation of construction is an important step forward
- Success of the ICTF requires water depth, increased Post Panamax vessel activity and volume of imports and exports to drive effective inland intermodal service



JAXPORT needs (minimum) 47 feet of navigable depth to remain competitive

- Local and discretionary cargo are key to growth.
- The depth enables retention of existing Post Panamax ships, and increased frequency post-expansion