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

Existing Terminals Served
- Norfolk
- Charleston
- Savannah
- Jacksonville

Intermodal Port
- PANYNJ
- Charleston
- Savannah
- Jacksonville
## Competitive assessment of key Eastern ports

<table>
<thead>
<tr>
<th></th>
<th>Consumptive Base(^1)</th>
<th>On-Dock ICTF</th>
<th>Water Depth</th>
</tr>
</thead>
<tbody>
<tr>
<td>NY &amp; NJ</td>
<td>47.2 million</td>
<td>Yes</td>
<td>50’</td>
</tr>
<tr>
<td>VA Ports</td>
<td>16.3 million</td>
<td>Yes</td>
<td>50’</td>
</tr>
<tr>
<td>Charleston</td>
<td>8.6 million</td>
<td>In EIS Stage</td>
<td>45’</td>
</tr>
<tr>
<td>Savannah</td>
<td>7.9 million</td>
<td>Yes</td>
<td>42’</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>10.6 million</td>
<td>Under Construction</td>
<td>40’</td>
</tr>
</tbody>
</table>

\(^1\) 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

Source: Alphaliner
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
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