Dr. Rob Martínez, Vice President Business Development
November 2014
Investing in Rail Infrastructure

Freight Railroad Spending on Infrastructure & Equipment
($ billions)

Data are for Class I railroads. Capital spending + maintenance expenses.

Source: Association of American Railroads
U.S. Railroad Capital Expenditures

Data are for Class I railroads.

Source: Association of American Railroads
2014 Capital Expenditures ($ millions)

**Robust Capital Plan - $2.2 billion.**

- 2013 spending came in slightly under our initial budget.
- 2014 is budgeted to be 12% higher than 2013.
- PTC spending expected to be $220 million.

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<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1,470</td>
</tr>
<tr>
<td>2011</td>
<td>$2,160</td>
</tr>
<tr>
<td>2012</td>
<td>$2,241</td>
</tr>
<tr>
<td>2013</td>
<td>$1,971</td>
</tr>
<tr>
<td>2014B</td>
<td>$2,200</td>
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</tbody>
</table>

Positive Train Control
2014 Capital Improvement Budget

Core vs. Growth vs. PTC

Maintain the franchise, invest in business growth.

- **Core/Replacement Investments**
  - Rail, Tie, Ballast programs
  - Locomotive rebuild program
  - Coal car replacements

- **Growth/Productivity Investments**
  - New locomotives
  - Yard expansions
  - Technology
  - Infrastructure improvements

- **Positive Train Control**