

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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GROWTH IN THE FREIGHT RAIL INDUSTRY

Docket No. EP 775

**WRITTEN TESTIMONY OF
CSX TRANSPORTATION, INC.**

CSX Transportation, Inc. ("CSX") hereby submits written testimony pursuant to the Board's notice of public hearing served on July 15, 2024. CSX's hearing testimony will be delivered by CSX's President and Chief Executive Officer, Joseph R. Hinrichs and Executive Vice President and Chief Commercial Officer, Kevin Boone. The following is a summary of the testimony that Mr. Hinrichs and Mr. Boone intend to provide on behalf of CSX.

At the hearing, Mr. Hinrichs and Mr. Boone will discuss the opportunities and challenges with growing volume and provide details on strategic initiatives. They will explain how CSX's growth strategy requires it to be flexible in responding to factors that are outside CSX's control, which can significantly influence rail traffic volumes. These factors include macroeconomic conditions, changes in customer demand, end user demographics, competitive dynamics, and supply chain flows, as well as changing and declining markets in certain commodities. They will describe the competitive landscape railroads operate within, and why long-lived railroad investments require high levels of confidence in future business levels. They will explain that despite some of the challenges over the last five years, CSX

has worked diligently to offset macro-related declines for certain merchandise markets with positive growth in other markets as well as intermodal. They will also illustrate some of the more recent positive trend lines for our carload business.

Mr. Hinrichs will specifically address how CSX's ability to grow is directly linked to the company's culture. He will explain the progress the company is making on the ONE CSX culture initiative which is focused on getting all 23,000 CSX railroaders to work together as one team to safely serve customers. Mr. Hinrichs will share how any good service business needs to have their employees engaged, motivated and inspired by what they are doing to provide good service. Through the culture initiative, CSX is working to inspire and motivate employees to serve customers better and differently and build confidence in the reliability of the service product to earn more business and grow. Mr. Hinrichs will share his unique perspective having been a customer of railroads for over 30 years prior to joining CSX in 2022, and his observation that the railroad industry has not been customer-centric. He will speak to how CSX is working to change the culture to be more service-oriented and customer-focused through ONE CSX.

Mr. Hinrichs and Mr. Boone will also discuss the importance of the collaboration between the commercial and operating teams to identify opportunities that help CSX grow with customers. They will explain that CSX is implementing specific initiatives focused on growth at existing customer locations, efforts to locate new customers on our network by our industrial development team, opportunities presented by emerging markets, and our efforts to expand our market reach. They

will discuss examples of CSX's growth-oriented investment decisions, which have included both opportunities at existing customer locations as well as larger strategic acquisitions to expand CSX's reach and drive additional rail volume. They will address how CSX has pursued strategic partnerships to foster growth. They will also address the ways in which CSX is focused on long-term growth with our customers, including how CSX has been investing in its fleet and mainline track to build greater efficiency, capacity, and supply chain resilience.

Finally, Mr. Hinrichs and Mr. Boone will explain that CSX is staffing for growth and investing in innovation and technology to further advance service and promote safety.

Respectfully submitted,

/s/ John P. Patelli
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Dated: August 16, 2024