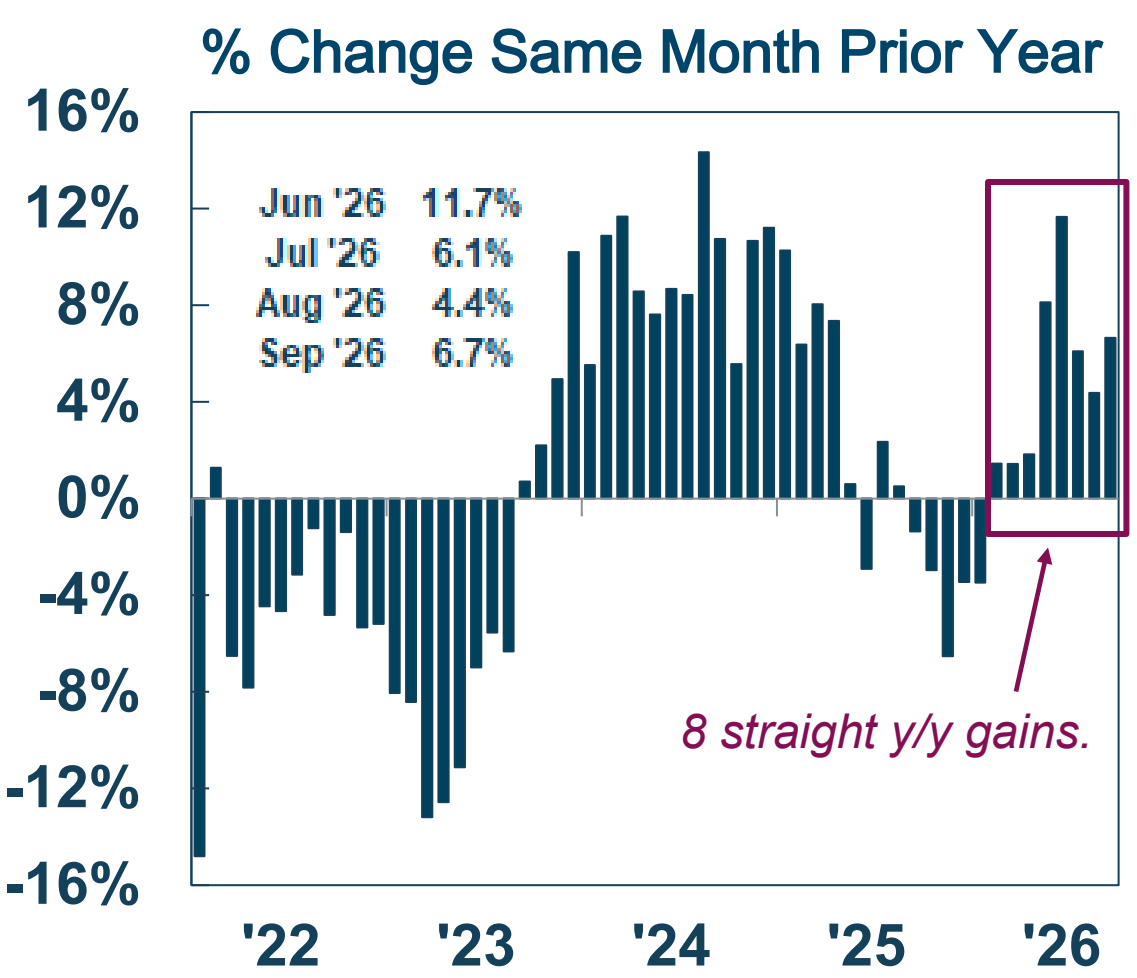


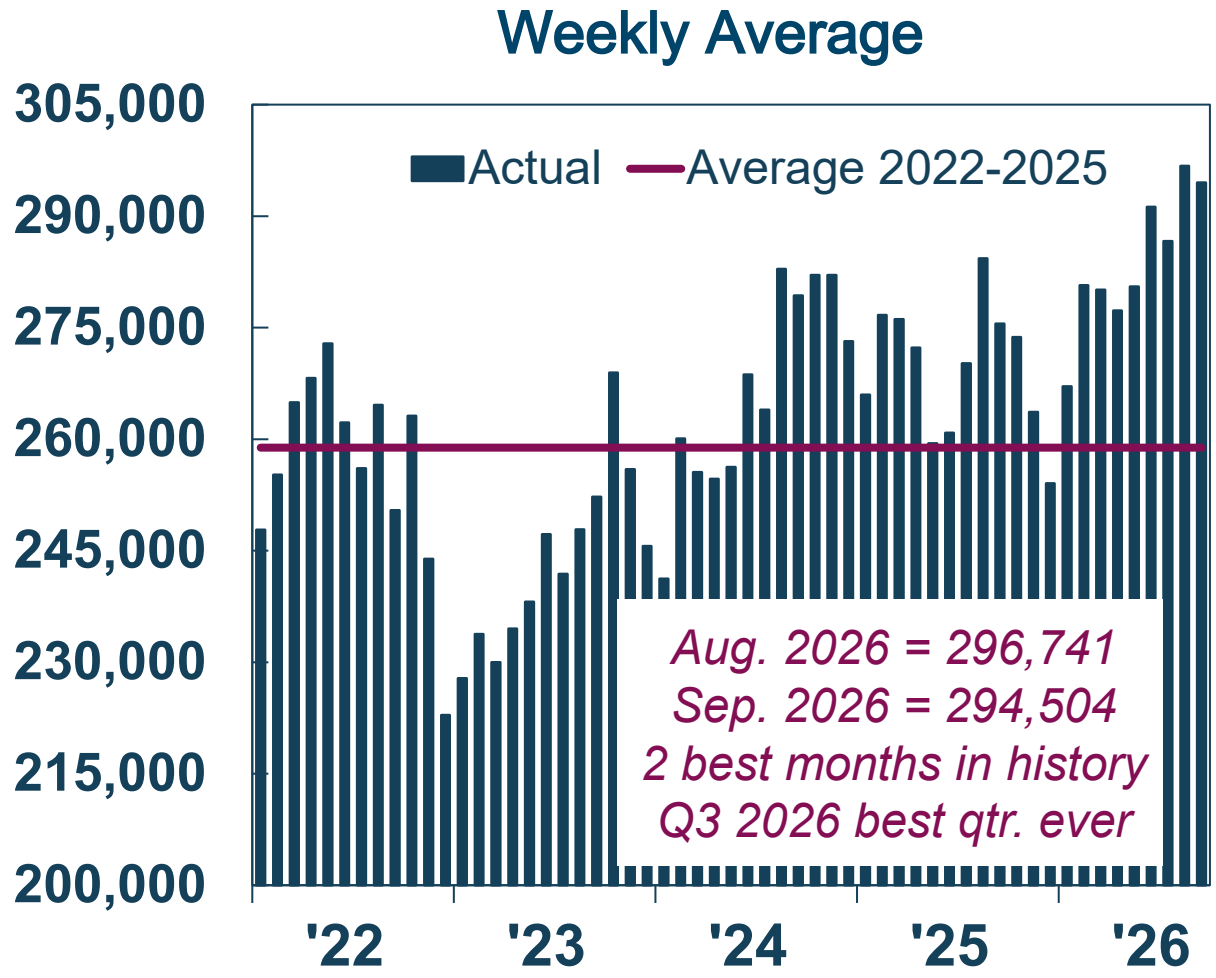
Railroad Update

Rail Energy Transportation Advisory Committee

October 27, 2026

U.S. Intermodal Traffic: Jan. 2022 – Sept. 2026

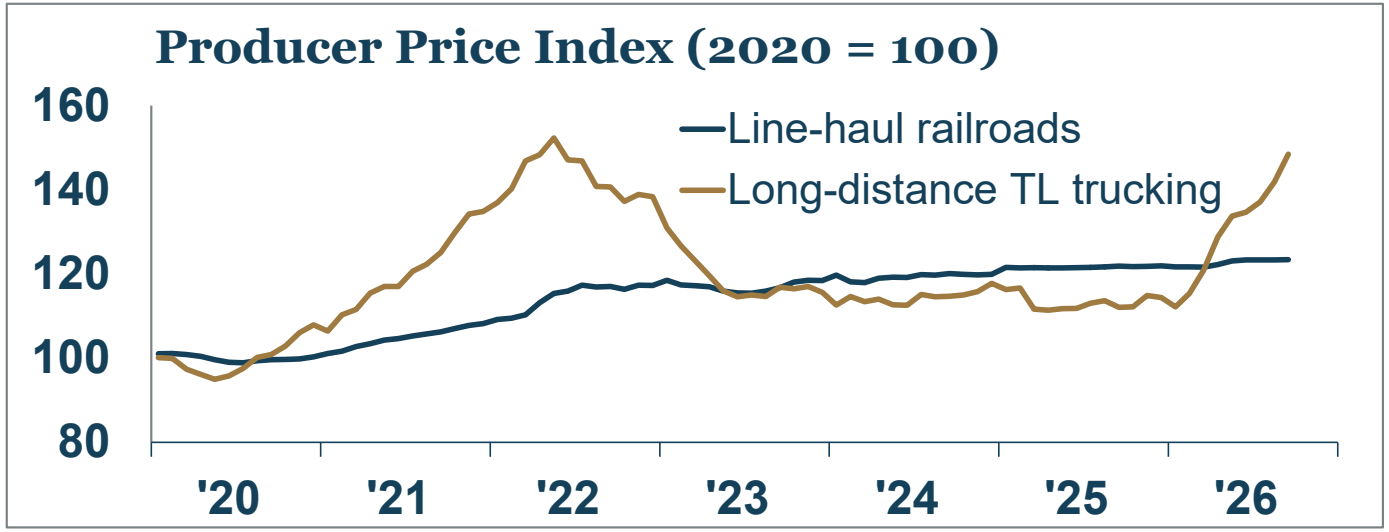


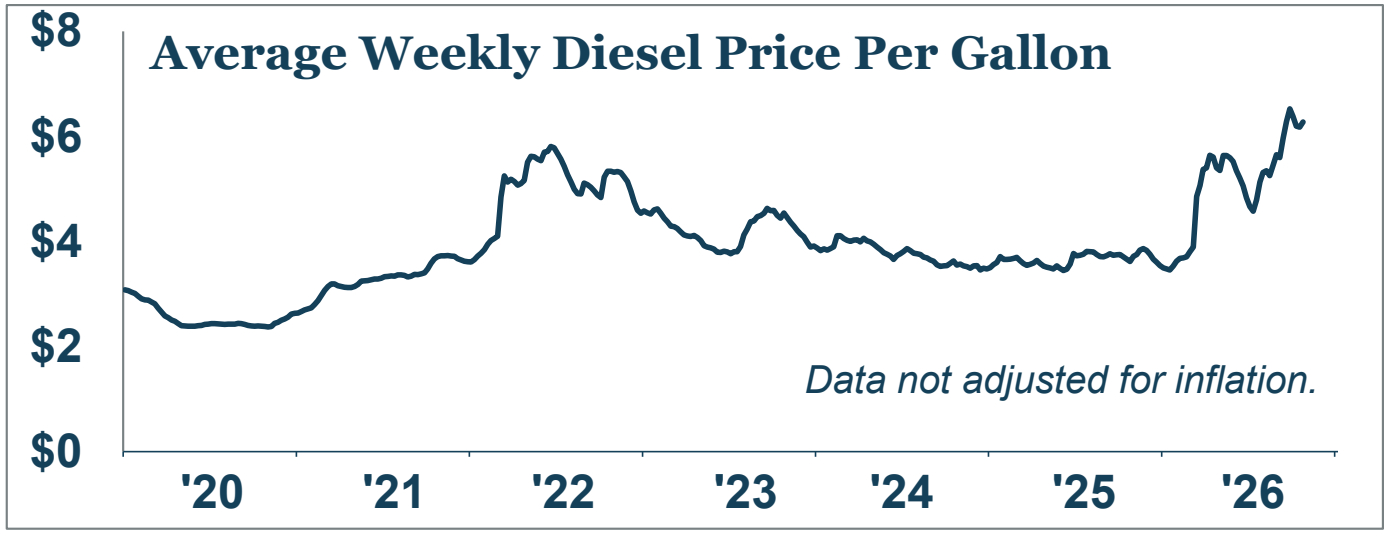


Data are based on originations, are not seasonally adjusted, and don't include the U.S. operations of CN, CPKC, and GMXT. Source: AAR

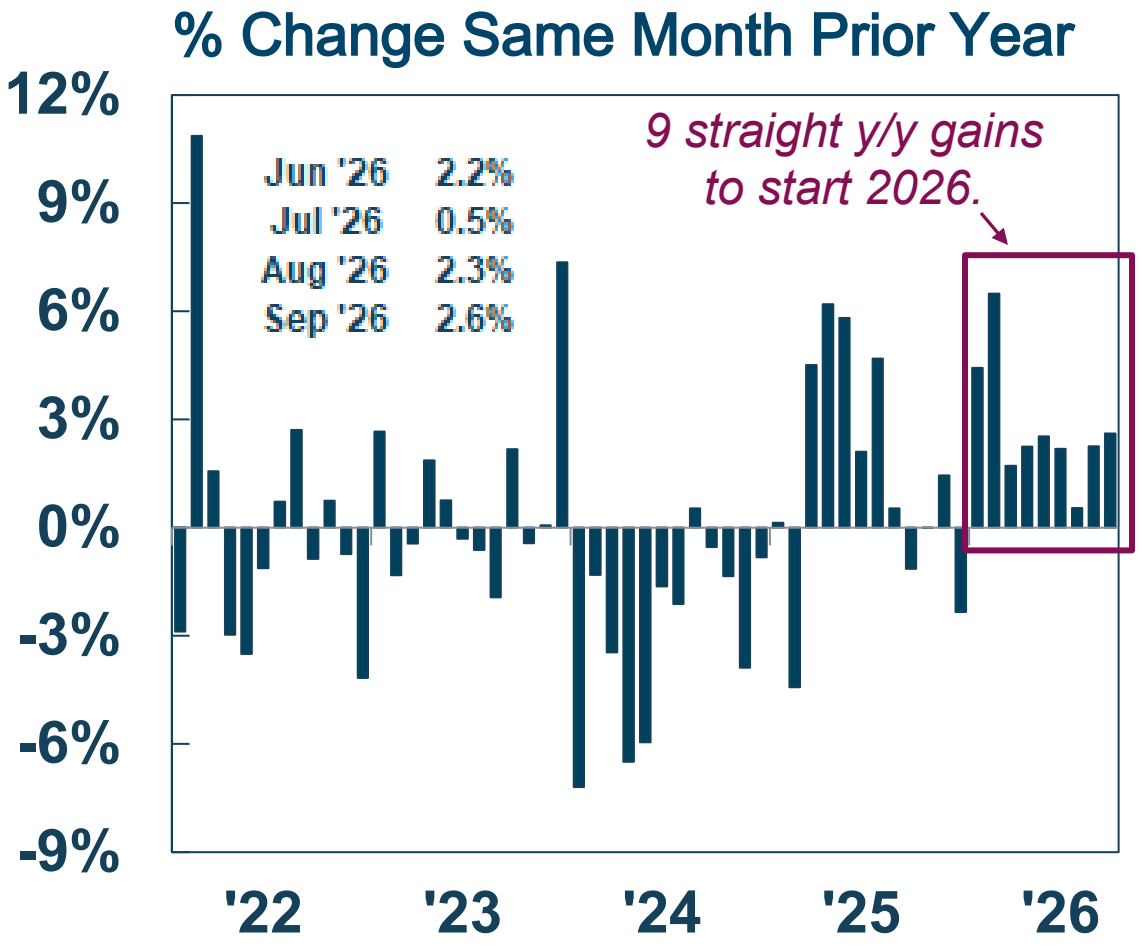
Why is Intermodal Growing?

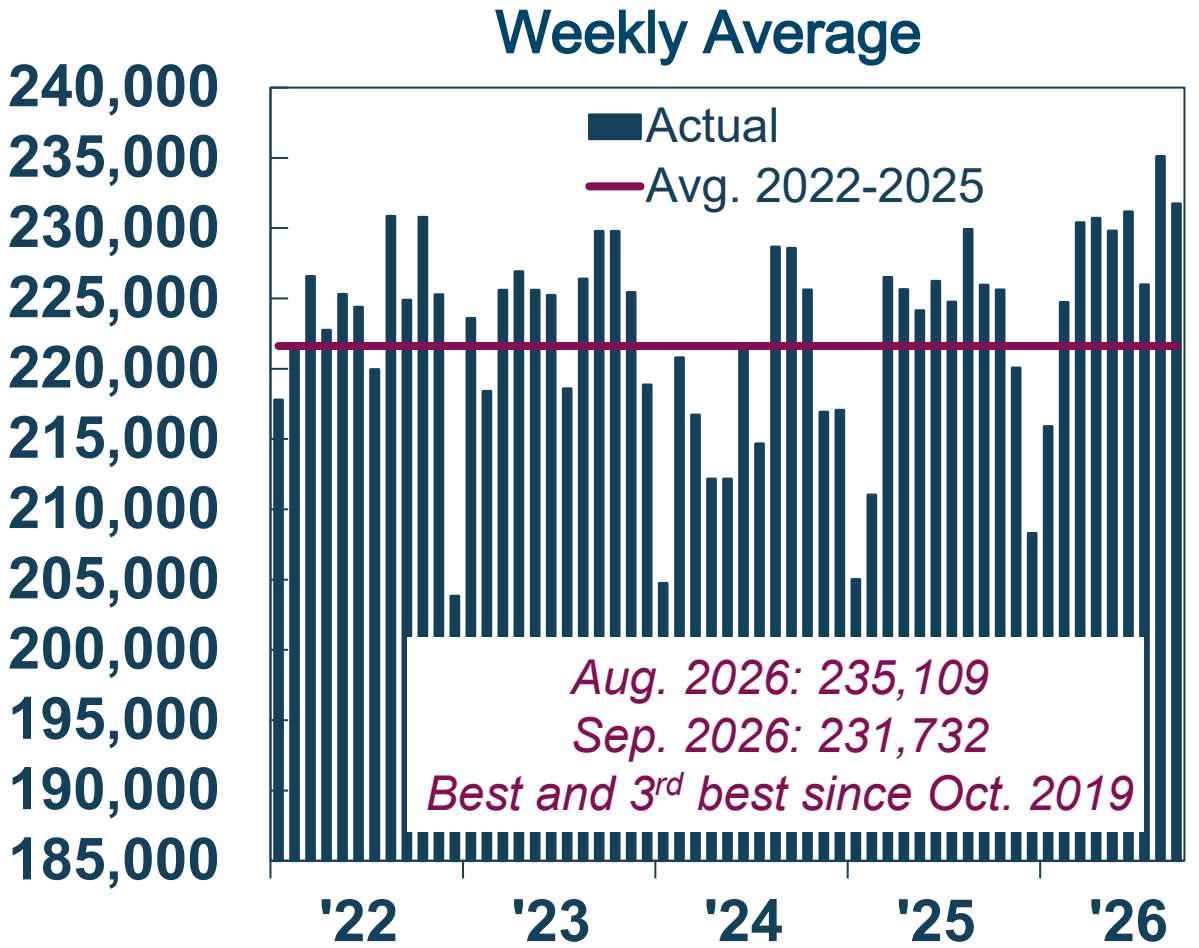
- Rail service excellent right now
- Higher truck rates:
  - ✓ Higher fuel prices
  - ✓ Exodus of truck drivers due to immigration and licensing policy changes
  - ✓ Insurance, maintenance, etc.
- Consumer spending staying strong





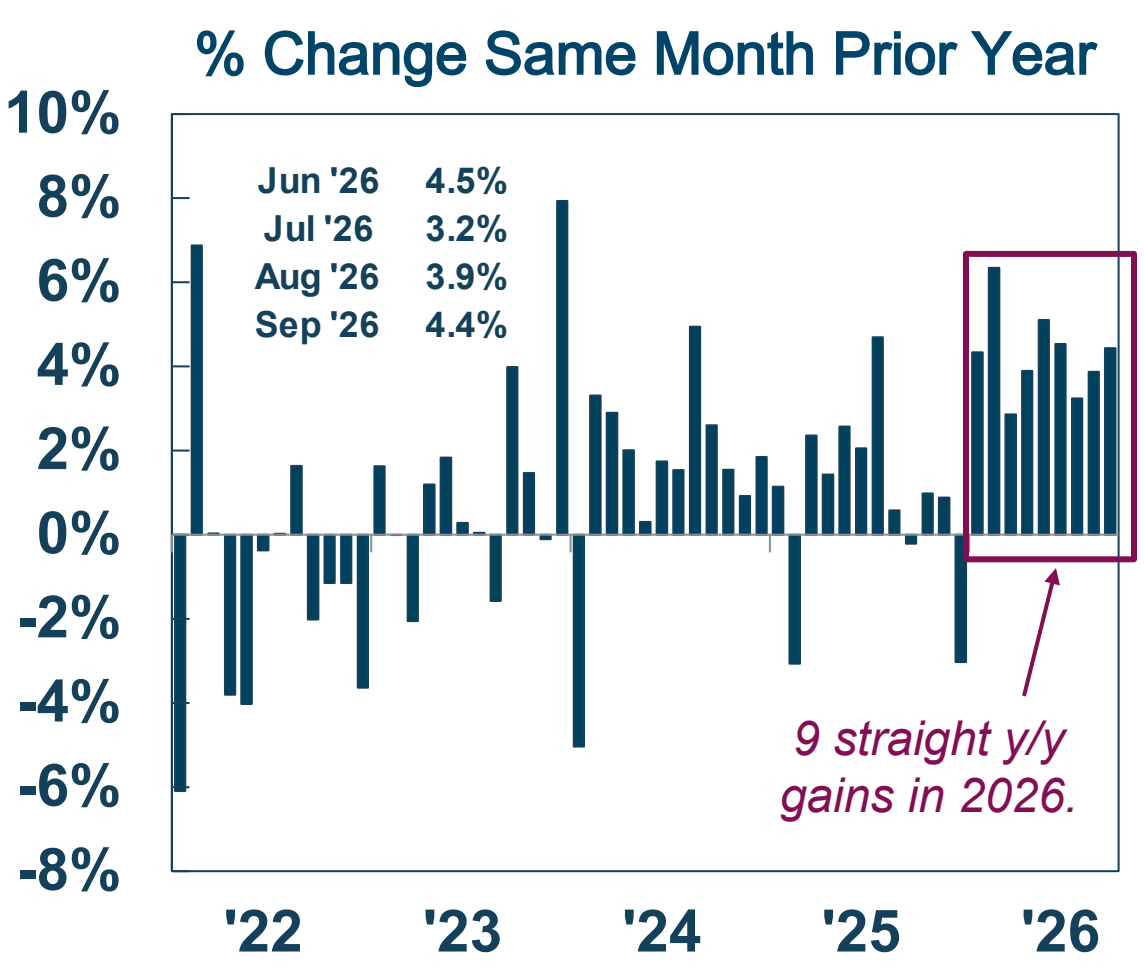
U.S. Total Carloads: Jan. 2022 – Sept. 2026

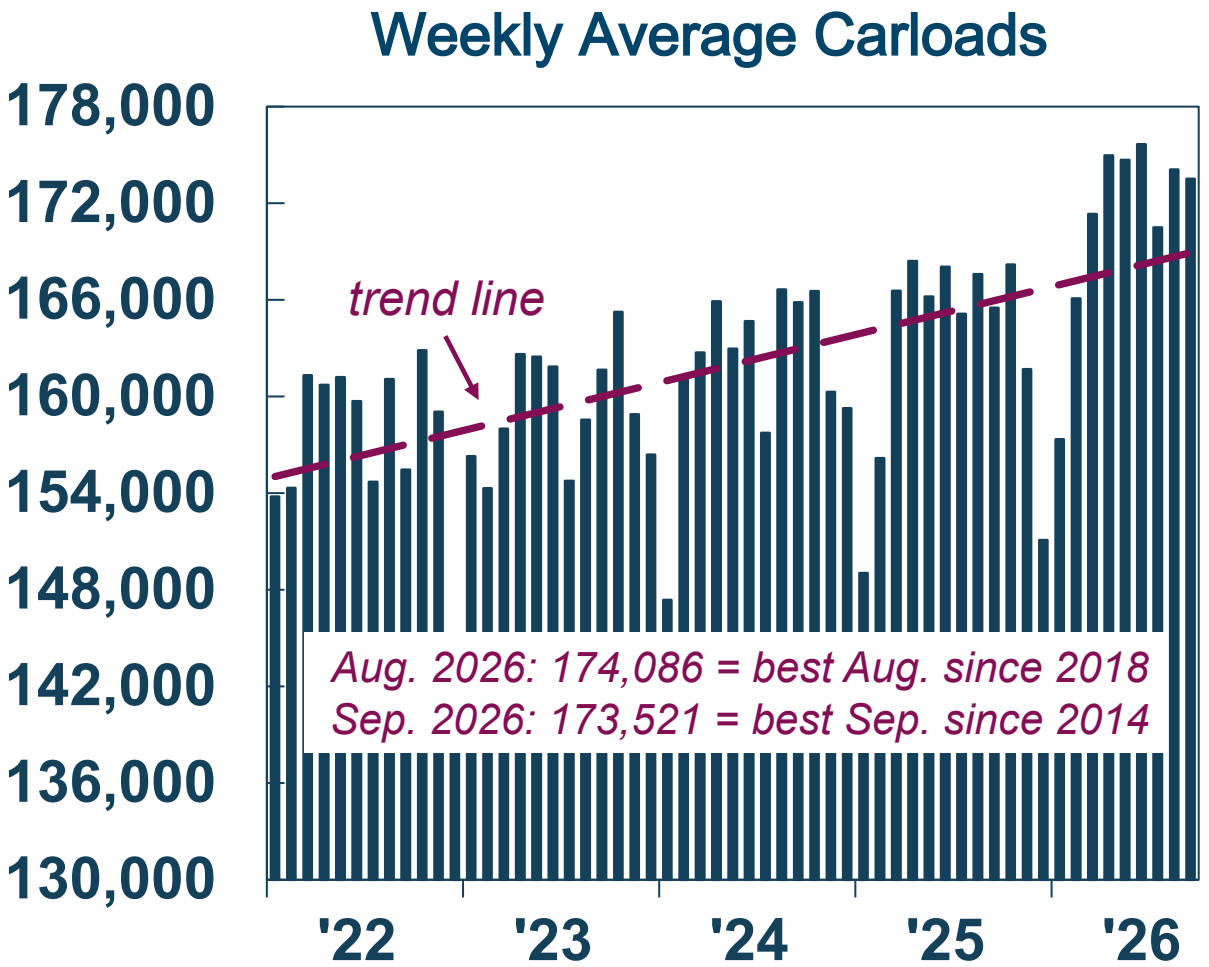




Data are based on originations, are not seasonally adjusted, and don't include the U.S. operations of CN, CPKC, and GMXT. Source: AAR

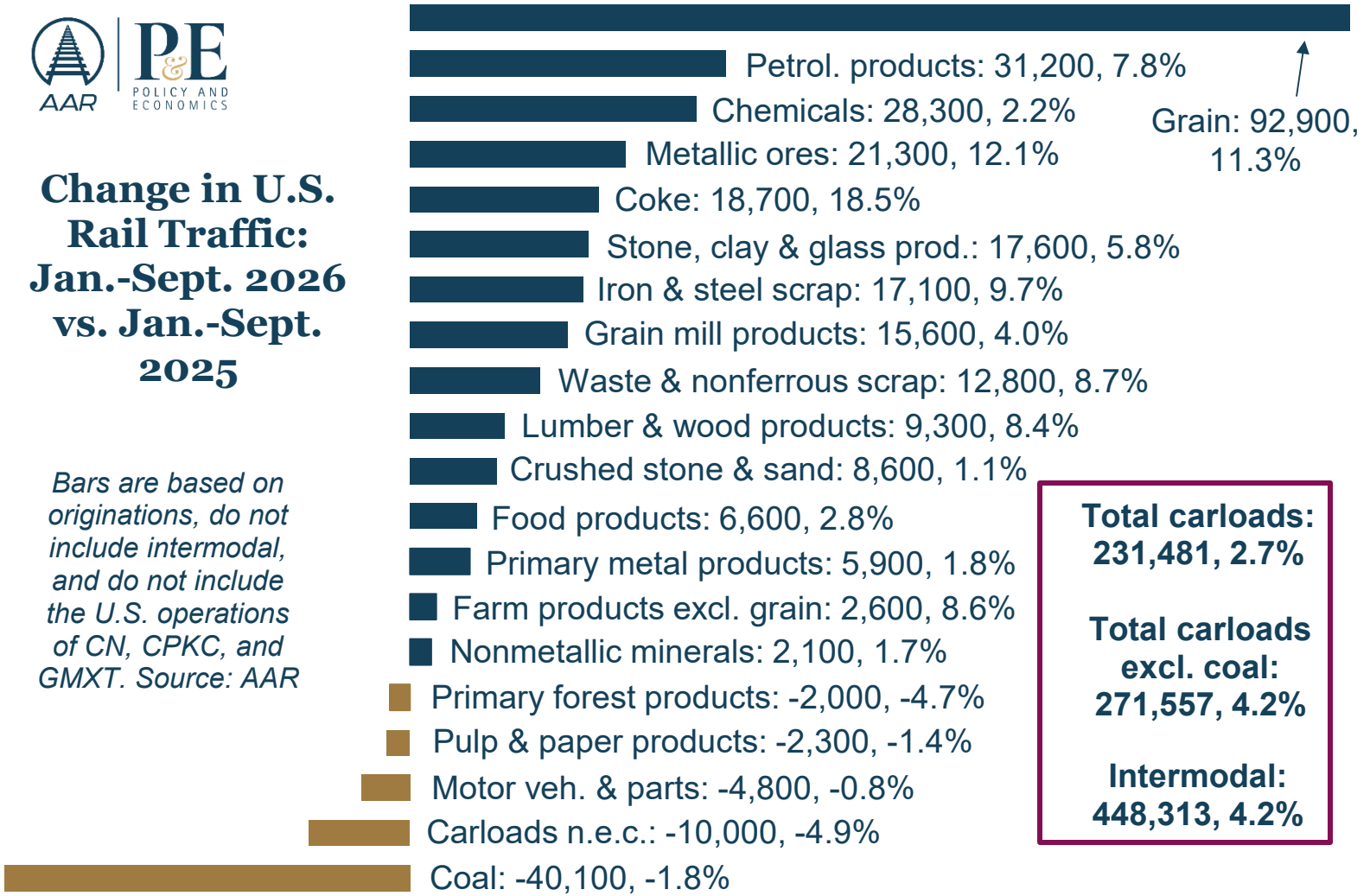
U.S. Carloads Excluding Coal: Jan. 2022 – Sept. 2026





Data are based on originations, do not include intermodal, are not seasonally adjusted, and don't include the U.S. operations of CN, CPKC, and GMXT. Source: AAR

Change in U.S. Rail Traffic: Jan.-Sept. 2026 vs. Jan.-Sept. 2025



Bars are based on originations, do not include intermodal, and do not include the U.S. operations of CN, CPKC, and GMXT. Source: AAR

Total carloads: 231,481, 2.7%

Total carloads excl. coal: 271,557, 4.2%

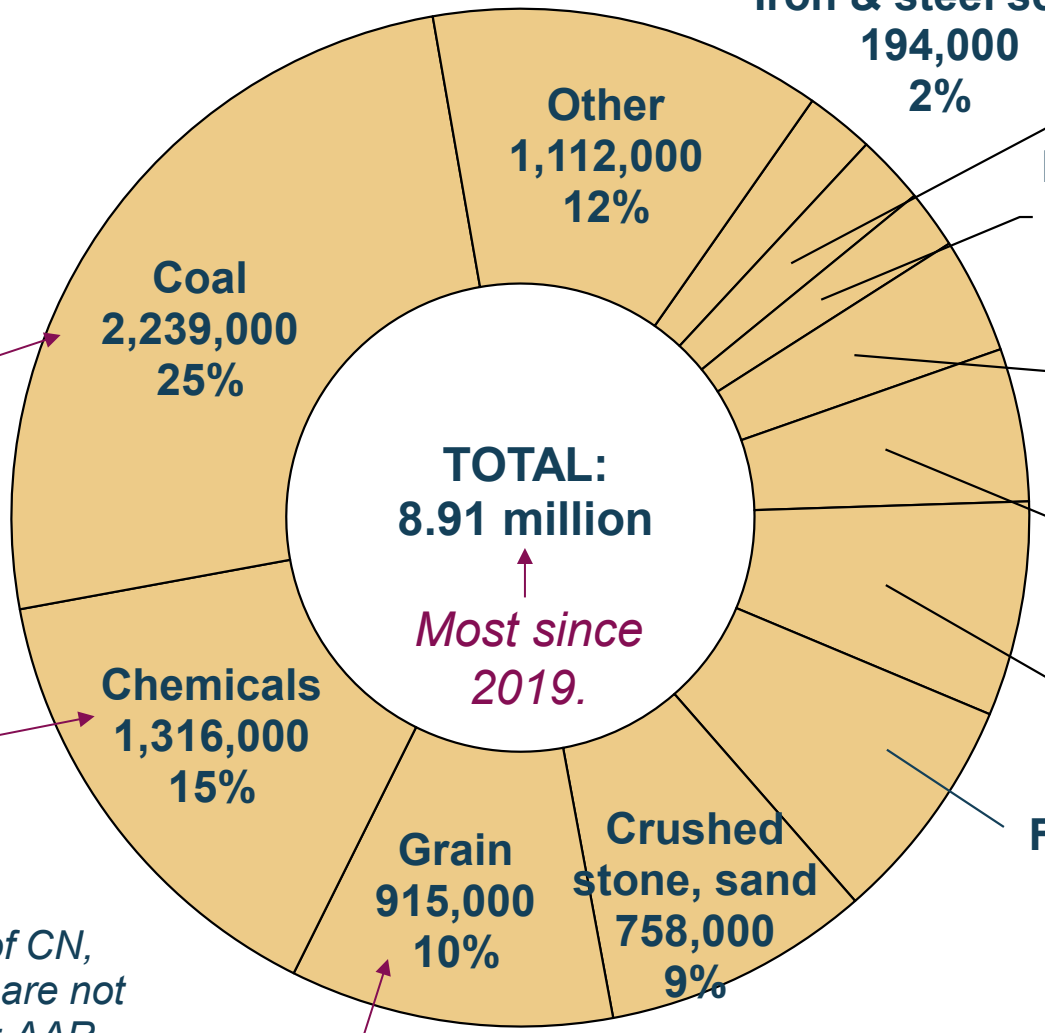
Intermodal: 448,313, 4.2%

of AAR Traffic Categories* With Year-Over-Year Gains For U.S. Railroads

Month	2024	2025	2026
Jan	6	9	12
Feb	13	6	14
Mar	11	12	12
Apr	9	13	16
May	12	13	15
Jun	11	10	14
Jul	12	15	14
Aug	14	11	15
Sep	11	8	17
Oct	11	9	
Nov	8	9	
Dec	12	7	

*Out of 20. Source: AAR

U.S. Rail Carloads in 2026 Through September (Units and Share of Total)



Most since 2008

Only 2020 and 2023 lower

Most since 2021

Most since 2019.

Grain mill products most ever. Food most since 2013

Most since 1995

Most ever

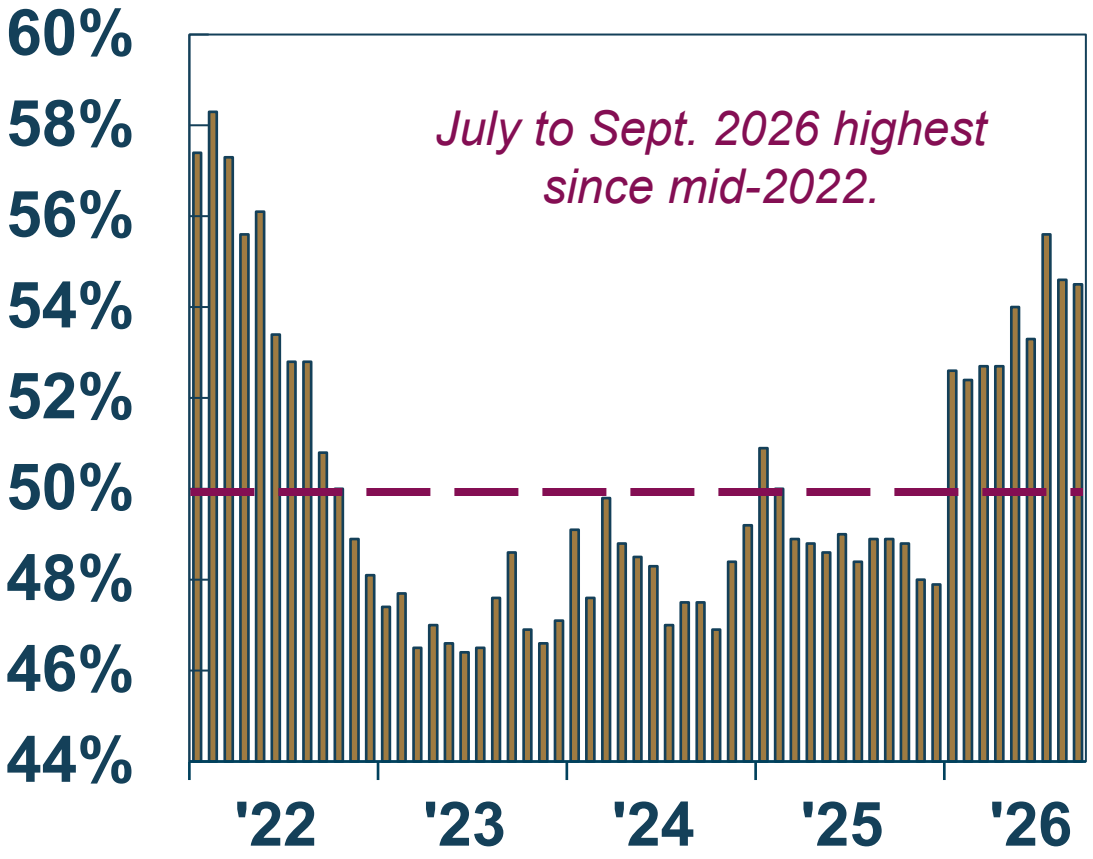
Only 2020 and 2024 lower

Intermodal: 11.08 million, most ever

U.S. operations of CN, CPKC, and GMXT are not included. Source: AAR

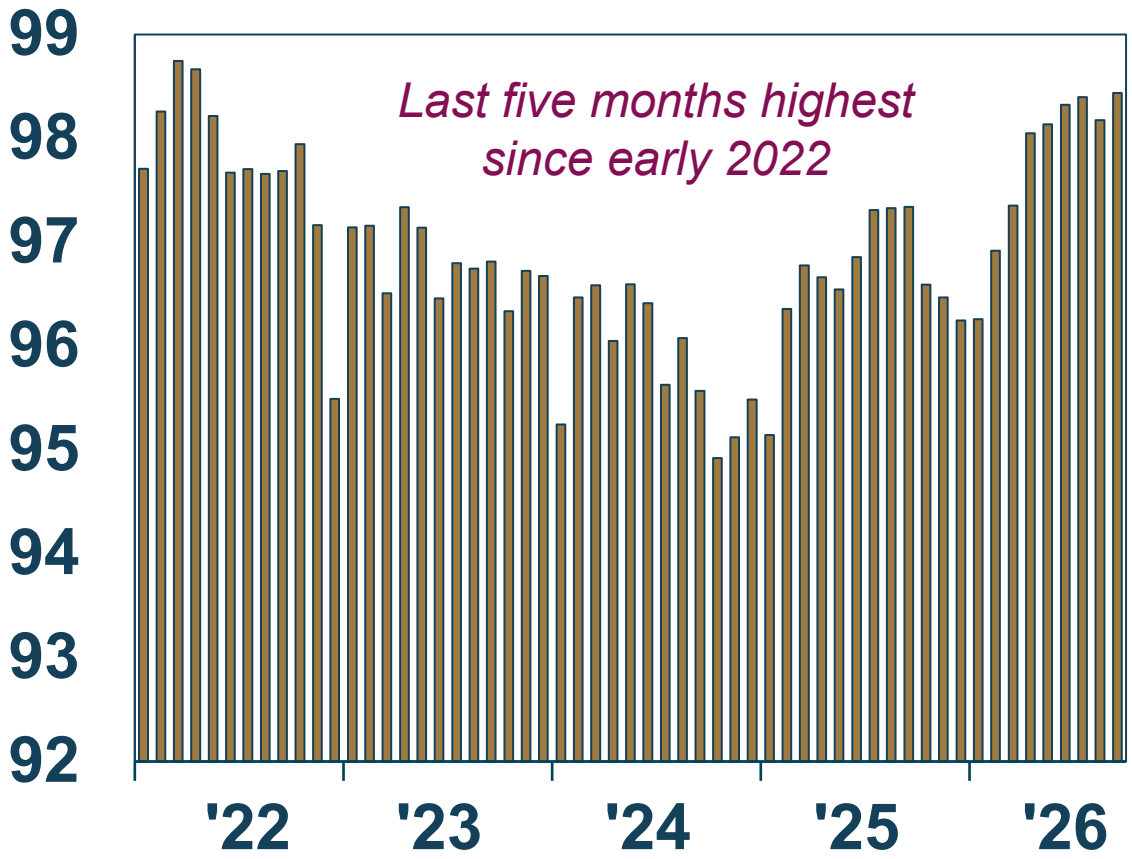
Manufacturing Continues to Grow

Manufacturing PMI® to Sept. 2026 (> 50% = expansion)



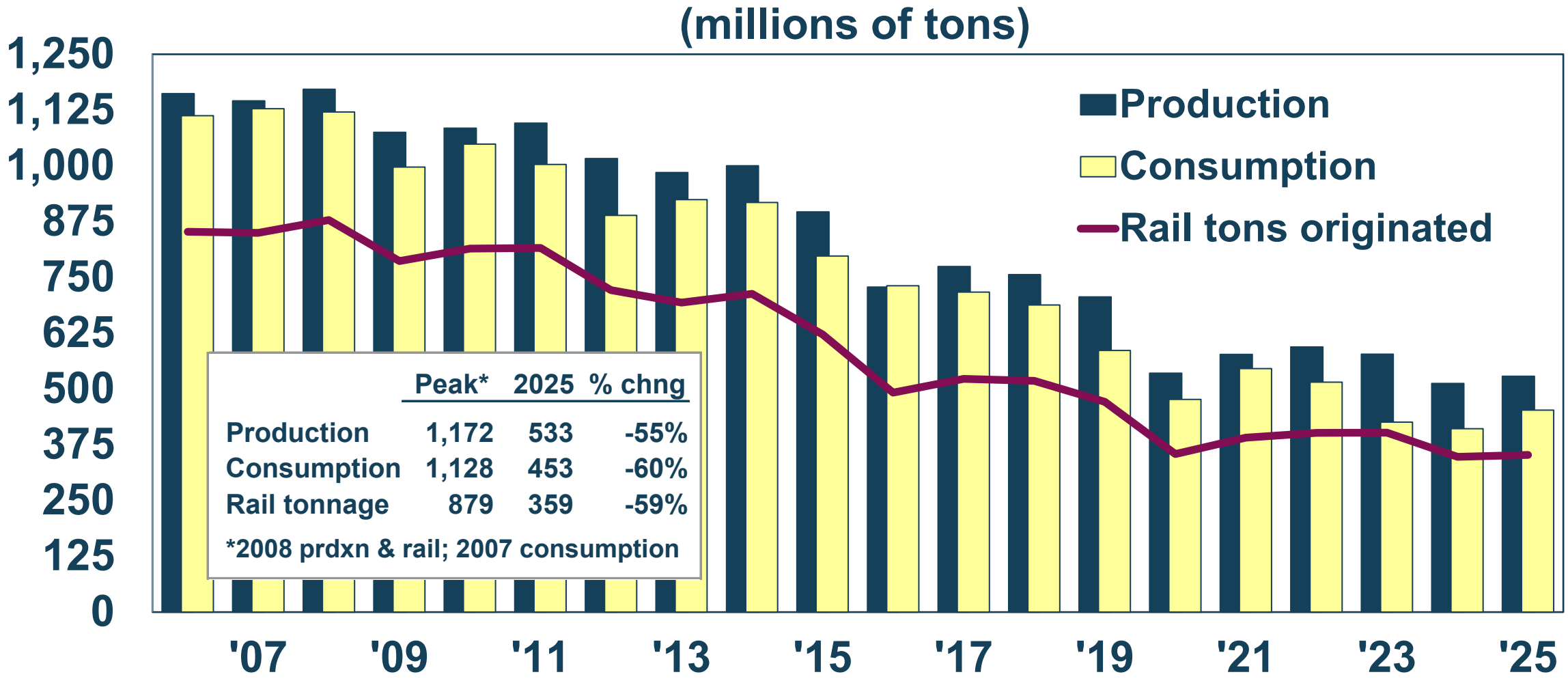
Source: Institute for Supply Management®

U.S. Manufact. Output to Sept. 2026 (2017 = 100)



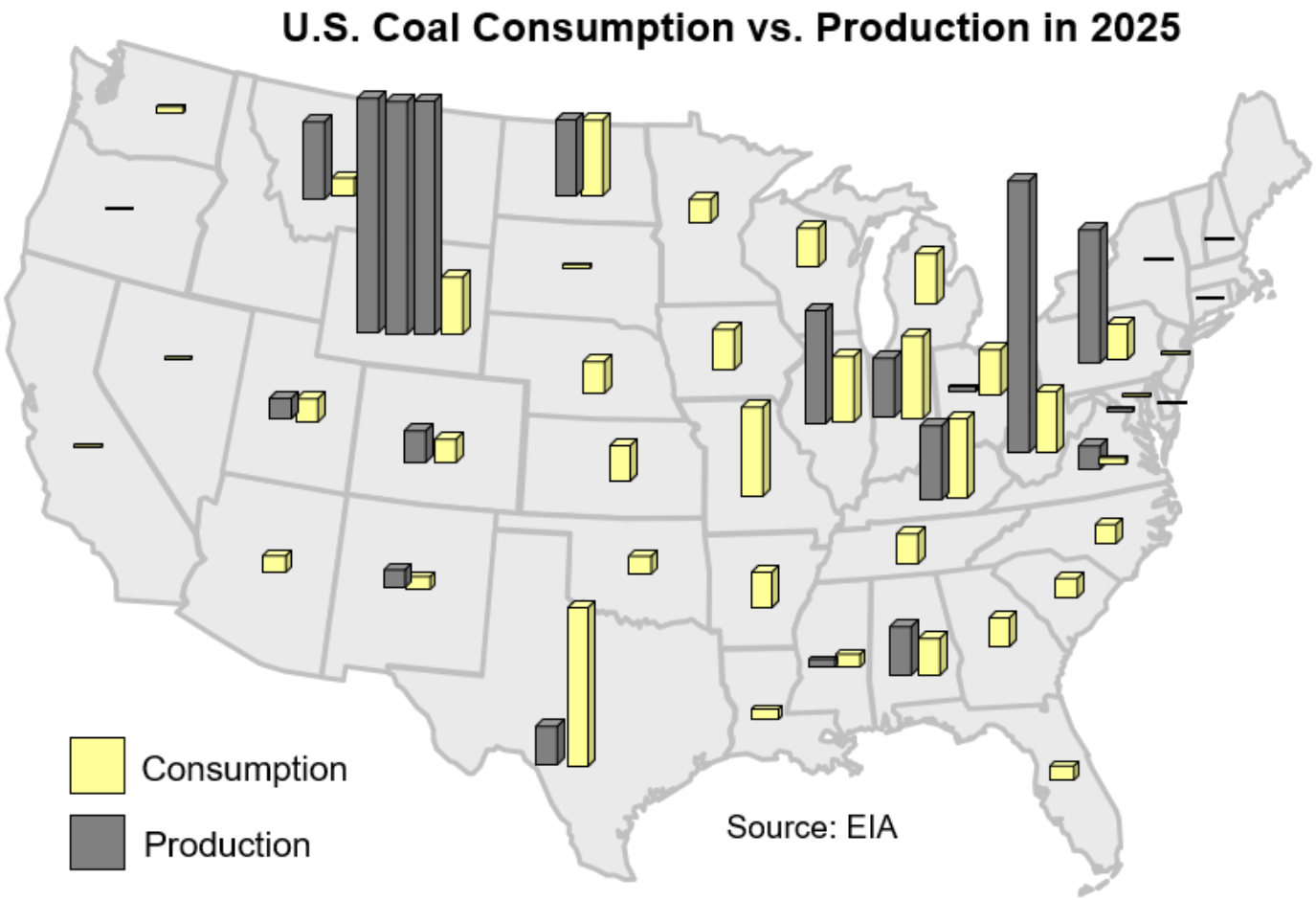
Source: Federal Reserve

U.S. Production, Consumption, and Rail Originations of Coal



Source: EIA for production and consumption; AAR for rail tons originated.

A Robust Rail Network is Needed to Connect Production With Consumption



Carloads Originated	
WY	1,649,000
West Virginia	428,800
Pennsylvania	278,400
Illinois	175,100
Montana	142,600
Kentucky	100,100
Indiana	90,400
Virginia	90,000
Alabama	84,300
Colorado	37,400
Others	48,700
U.S. Total	3,124,800

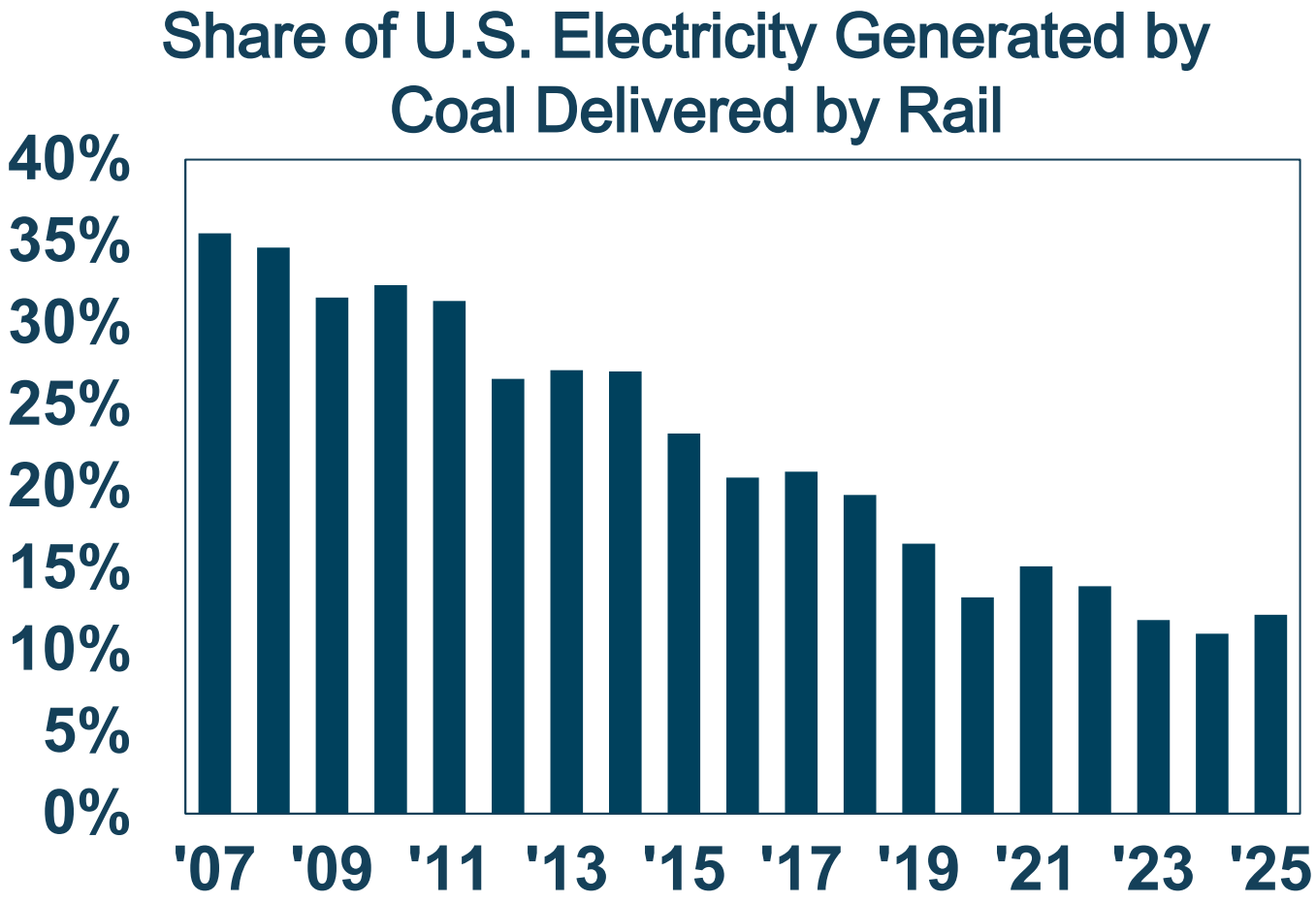
Carloads Terminated	
Virginia	301,700
Texas	281,100
Missouri	254,400
Maryland	246,400
Alabama	177,300
Indiana	153,500
Illinois	136,900
Wisconsin	124,600
Kentucky	116,300
Arkansas	98,000
Others	1,145,500
U.S. Total	3,035,700

Rail Coal Decline Corresponds to Decline in Electricity Generation From Coal

% U.S. Electricity Generation

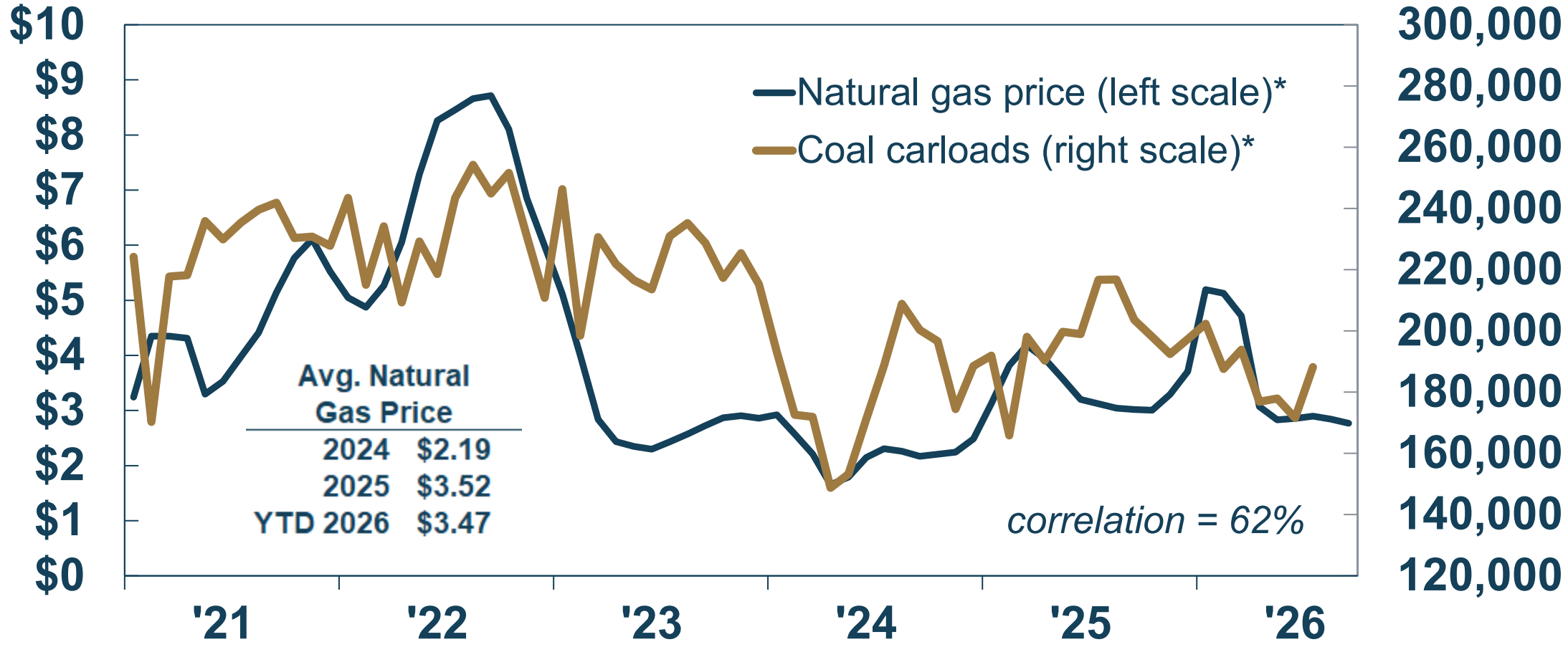
	2000	2010	2020	2025
Coal	**52%**	**45%**	**19%**	**17%**
Natural gas	16%	24%	41%	41%
Nuclear	20%	20%	20%	18%
Renewables	2%	4%	12%	19%
Hydro	7%	6%	7%	5%

Source: EIA



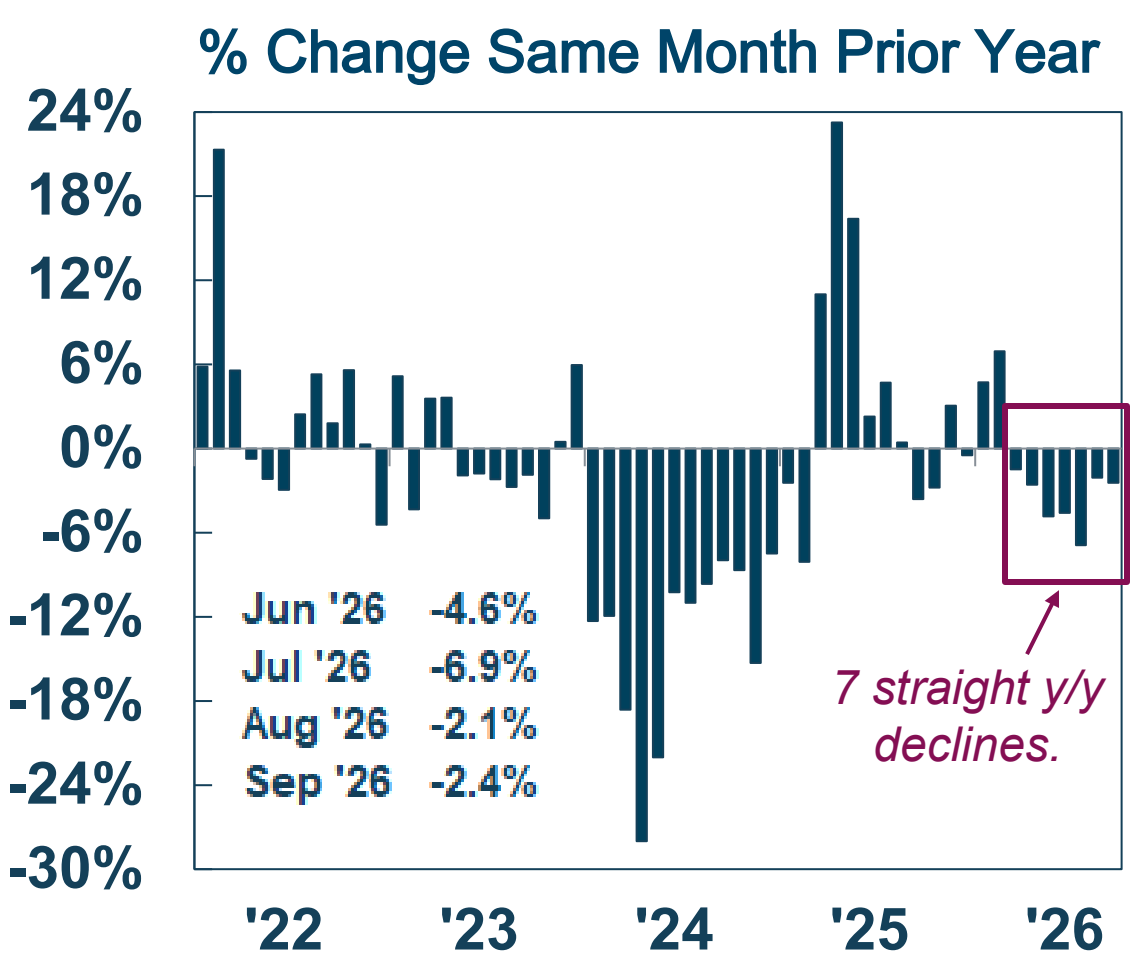
Figures are AAR estimates based on EIA data.

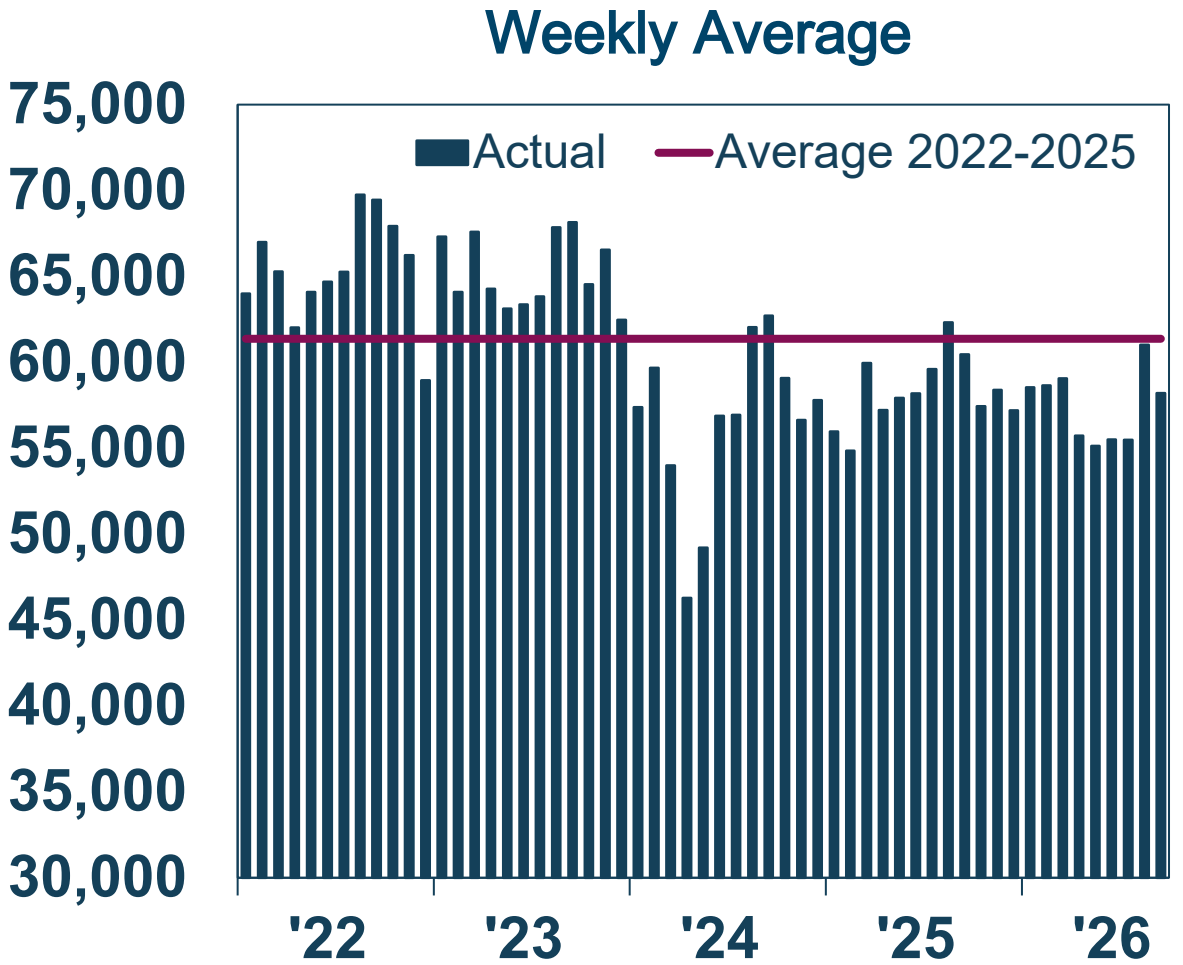
Natural Gas Prices vs. Carloads of Coal for Domestic Use: Jan. 2021 – July 2026*



*Natural gas price is Henry Hub spot price ($ per million BTU) in 2025 $. Coal carloads for domestic use are total coal carloads minus an estimate of carloads associated with coal exports. All figures are 3-month averages. Coal exports are only available through July 2026. Source: EIA, AAR

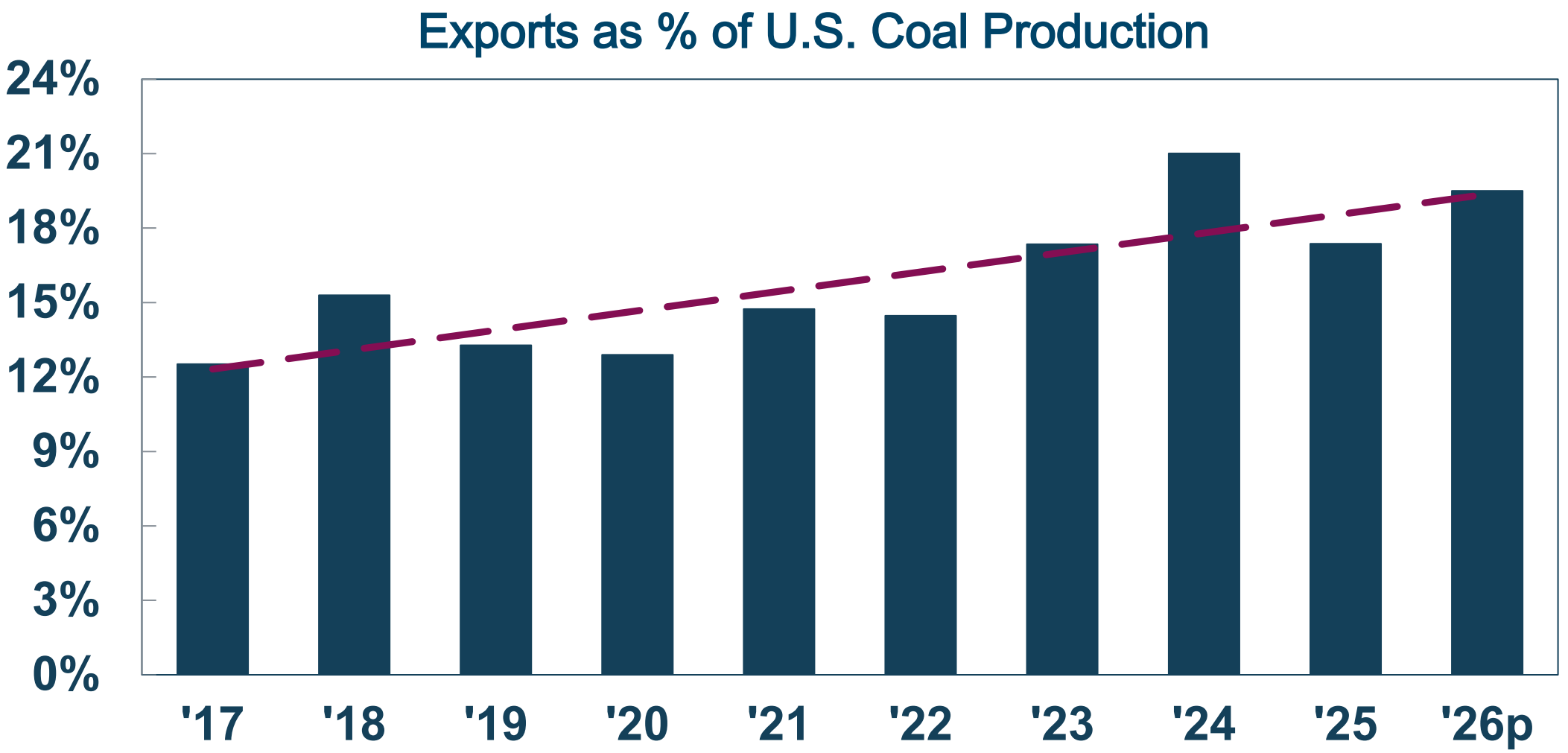
U.S. Carloads of Coal: Jan. 2022 – Sept. 2026





Data are based on originations, are not seasonally adjusted, and don't include the U.S. operations of CN, CPKC, and GMXT. Source: AAR

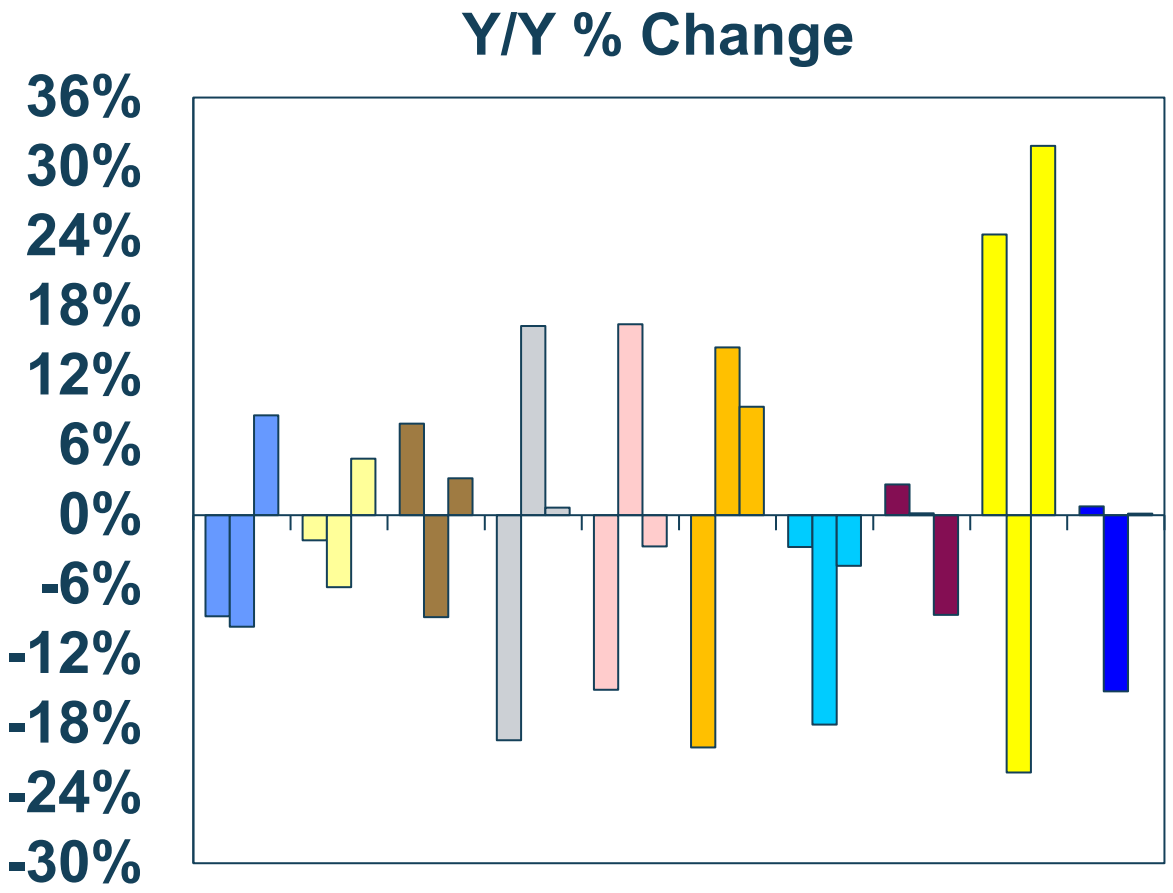
U.S. Coal Exports Have Become More Important

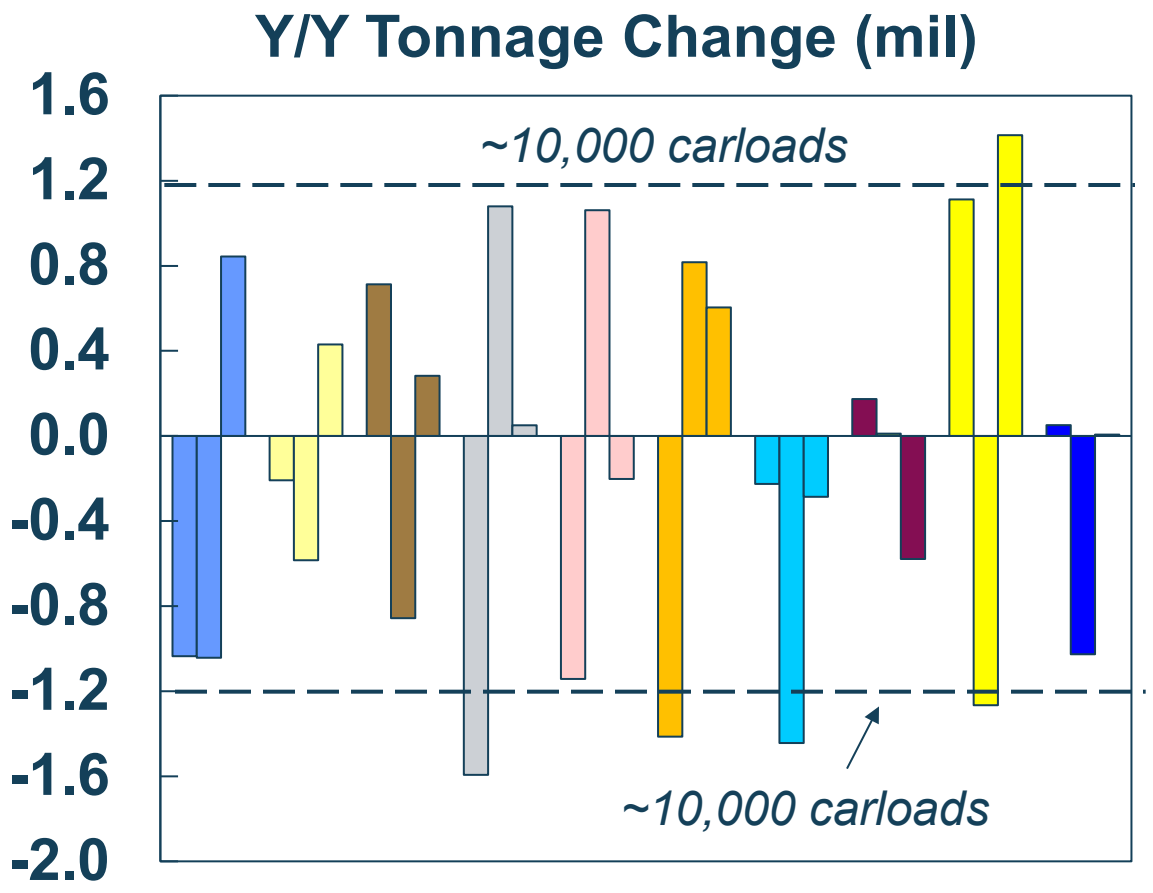


p – Jan-July Source: Energy Information Administration

Significant Short-Term Fluctuations at the Power Plant Level

Change in Coal Deliveries 2023-2025 For Top-10 Coal Receivers





Source: Energy Information Administration

Coal Capacity Planned to Be Retired by Dec. 2030

COAL GENERATING CAPACITY (GWH)

	Retiring by 2030	Not Retiring	Total	Retiring % of Existing
Mid-Atlantic	2.3	23.9	26.2	9%
Midwest	15.7	36.9	52.6	30%
South	5.7	35.0	40.6	14%
Southwest	6.0	28.2	34.2	18%
West	0.6	12.1	12.7	5%
Total	30.3	136.0	166.3	18%

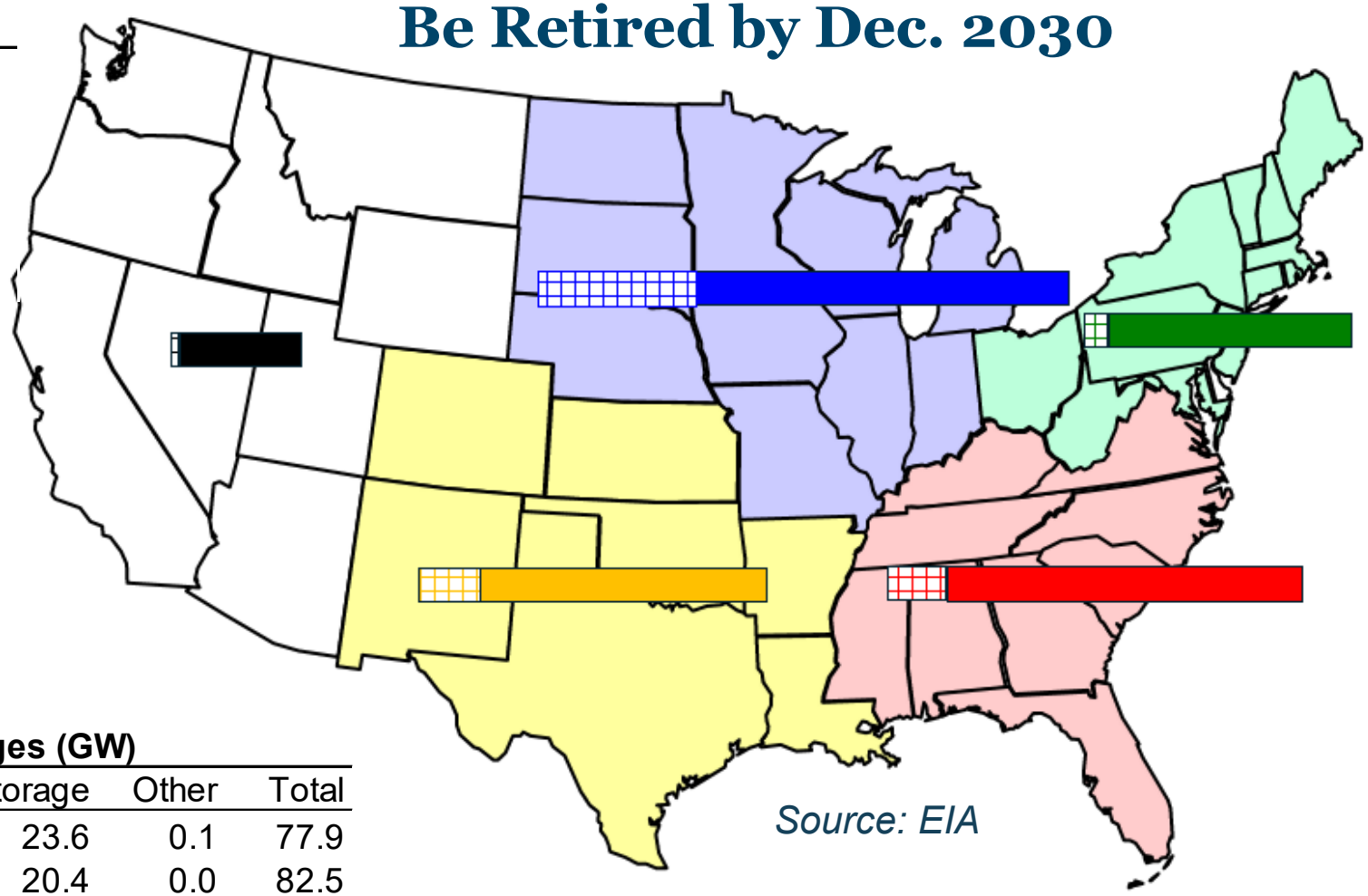
Estim. Coal Plant Retirements (GW)

	Nat'l Coal Council	Wolfe	EIA
2026	4.2	3.4	4.1
2027	2	1.3	6.1
2028	6.9	6.5	13.4
2029	13.3	28.0	3.3
2030	5.1	4.3	3.5
TOTAL	31.5	43.6	30.3

Net Electric Power Capacity Changes (GW)

Year	Coal	Gas	Nuclear	Solar	Wind	Storage	Other	Total
2026	-3.4	8.0	0.8	38.5	10.2	23.6	0.1	77.9
2027	-1.3	12.9	0.8	38.7	10.9	20.4	0.0	82.5
2028	-6.5	35.2	0.3	37.0	4.6	24.9	0.2	95.8
2029	-28.0	42.4	0.8	28.3	6.0	16.6	-0.5	65.6
2030	-4.3	31.2	1.5	18.9	3.7	10.8	0.6	62.4
TOTAL	-43.6	129.7	4.2	161.5	35.5	96.4	0.5	384.2

Source: Wolfe Research (Sept 2026)



Bars in chart represent total coal-fired electricity capacity. Lined sections represent capacity scheduled to be retired by 2030; solid sections represent capacity scheduled to continue to operate past 2030.

Several Possible Scenarios for Coal

- ✓ Bullish: Slower coal plant retirements, higher capacity factors, strong steel demand for met coal, higher coal exports
- ✓ Bearish: Accelerating power plant closures, lower capacity factors, weak export markets, increased foreign competition.
- ✓ Base case: Continued domestic decline partly offset by stable exports.



Data Centers Could Mean More Demand for Electricity From Coal…or Less

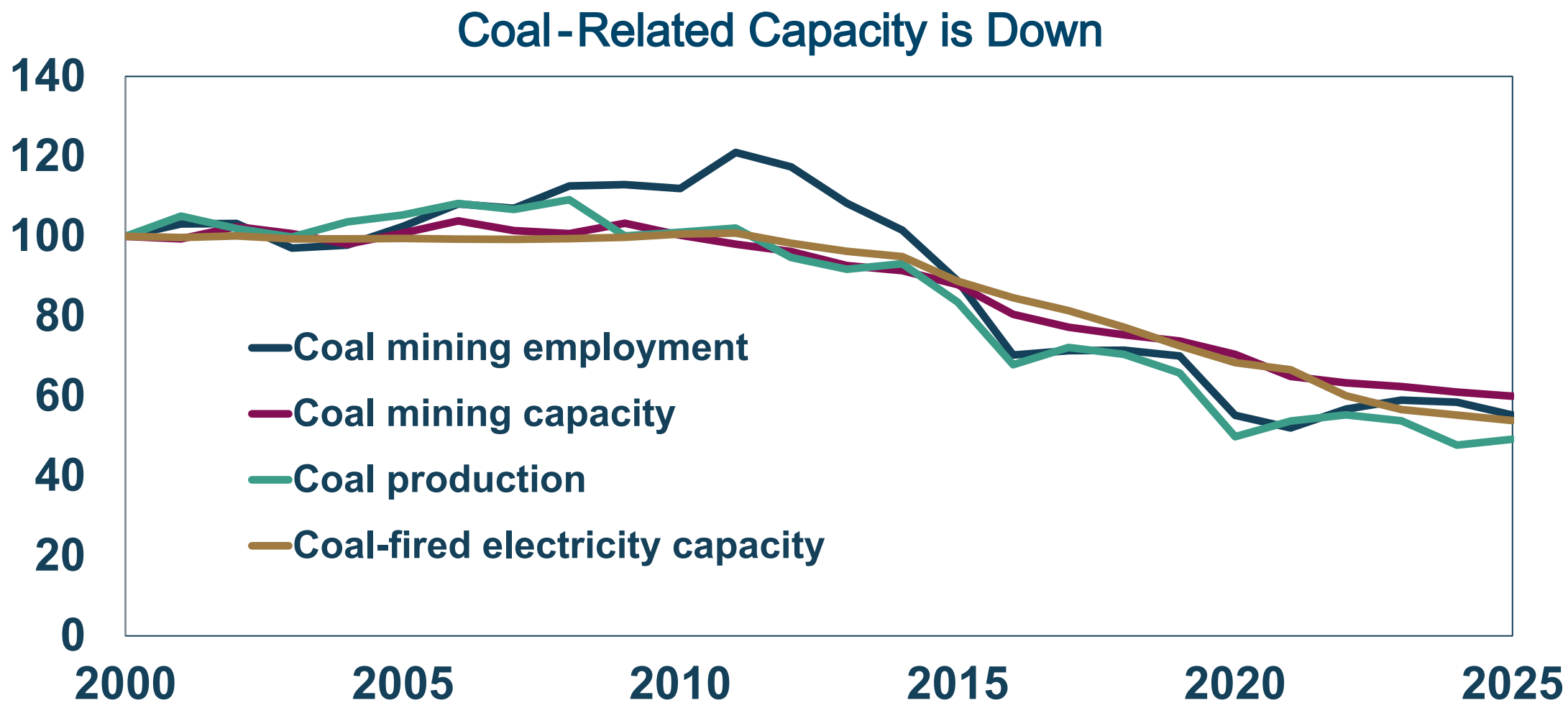
Major questions remain:

- How many proposed facilities will actually be built? Where?
- Will projected power demand materialize?
- Will new non-coal capacity additions absorb new demand? How much "behind the meter" power will there be?
- How will technology, regulation, and public opposition affect outcomes?

Potential demand is not the same as proven demand. Railroads need reasonable certainty demand will last.

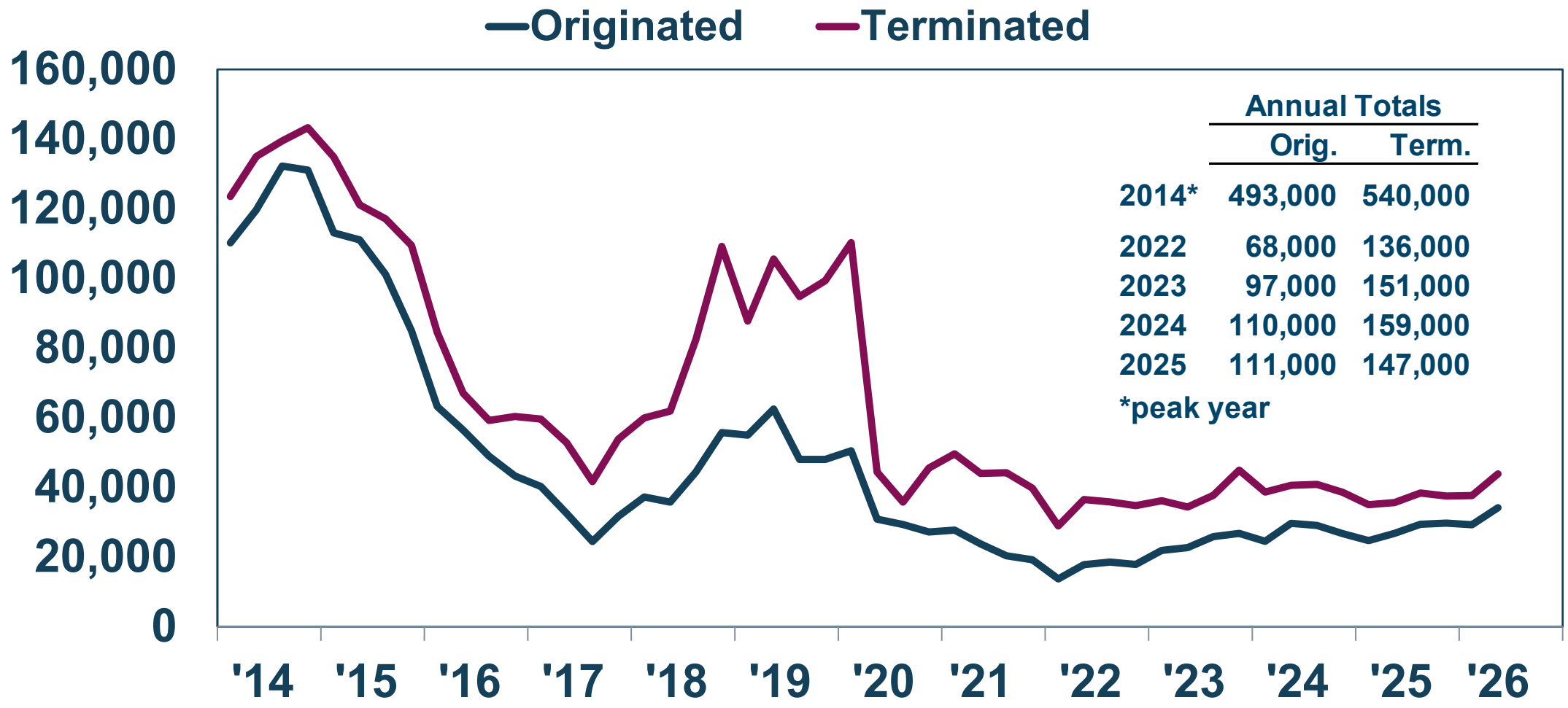


Coal Supply Chain Participants Can't Turn on a Dime



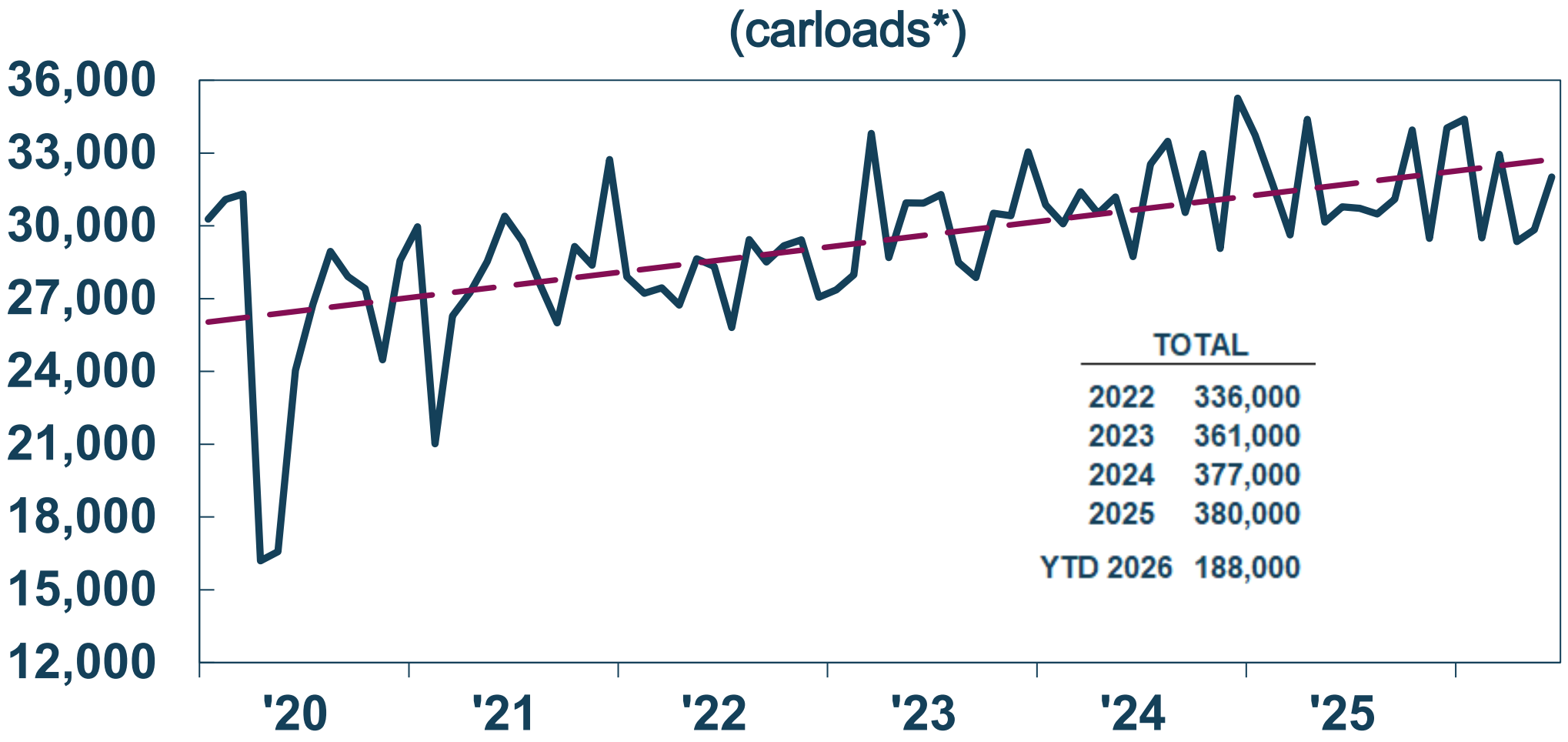
Source: EIA, BLS, Federal Reserve

Quarterly U.S. Rail Carloads of Crude Oil Through Q2 2026



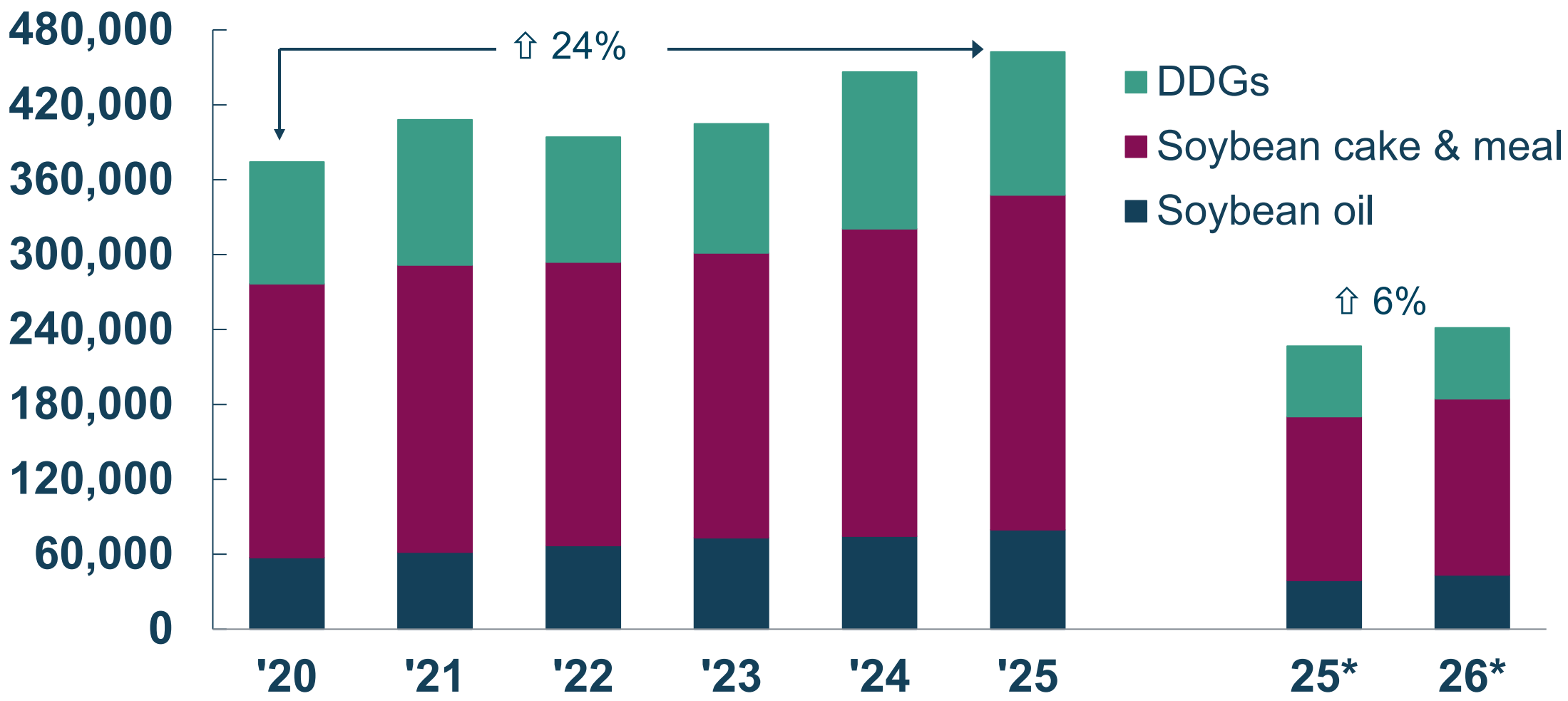
Data are for Class I railroads. Source: AAR Freight Commodity Statistics

Monthly U.S. Ethanol Shipments by Rail: Jan. 2020 – June 2026



**Assumes 715 barrels (30,030 gallons) per carload. Source: EIA*

Rail Carloads of Biofuel-Related Products



*First half. Figures are for Class I railroads. Source: AAR Freight Commodity Statistics compiled from STB data

Resiliency and Reliability

- Massive private investments in infrastructure, equipment, and network capacity.
- Cutting-edge technologies: wayside detector networks, automated track inspection, PTC, AI-assisted dispatching, digital twins, trip optimizers, smart yards & terminals, automated inspection portals, crew optimization, real-time shipment visibility, weather intelligence, etc.
- Operational discipline and network planning that improve fluidity, accelerate recovery from disruptions, and strengthen supply chains.
- In-place agreements to share track during emergencies or natural disasters.



