

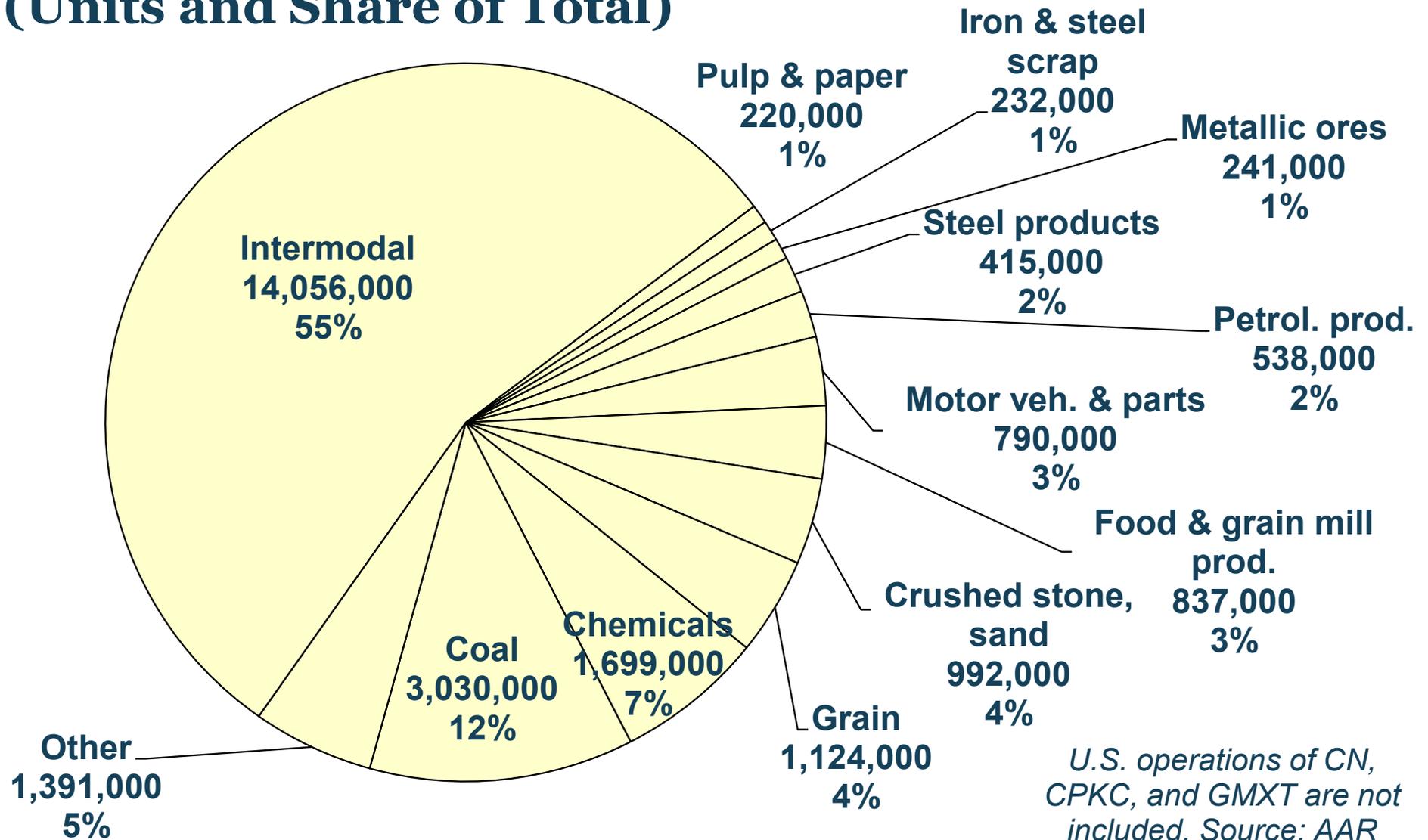


Railroad Update

Rail Energy Transportation Advisory Committee

March 4, 2026

U.S. Rail Traffic in 2025 (Units and Share of Total)

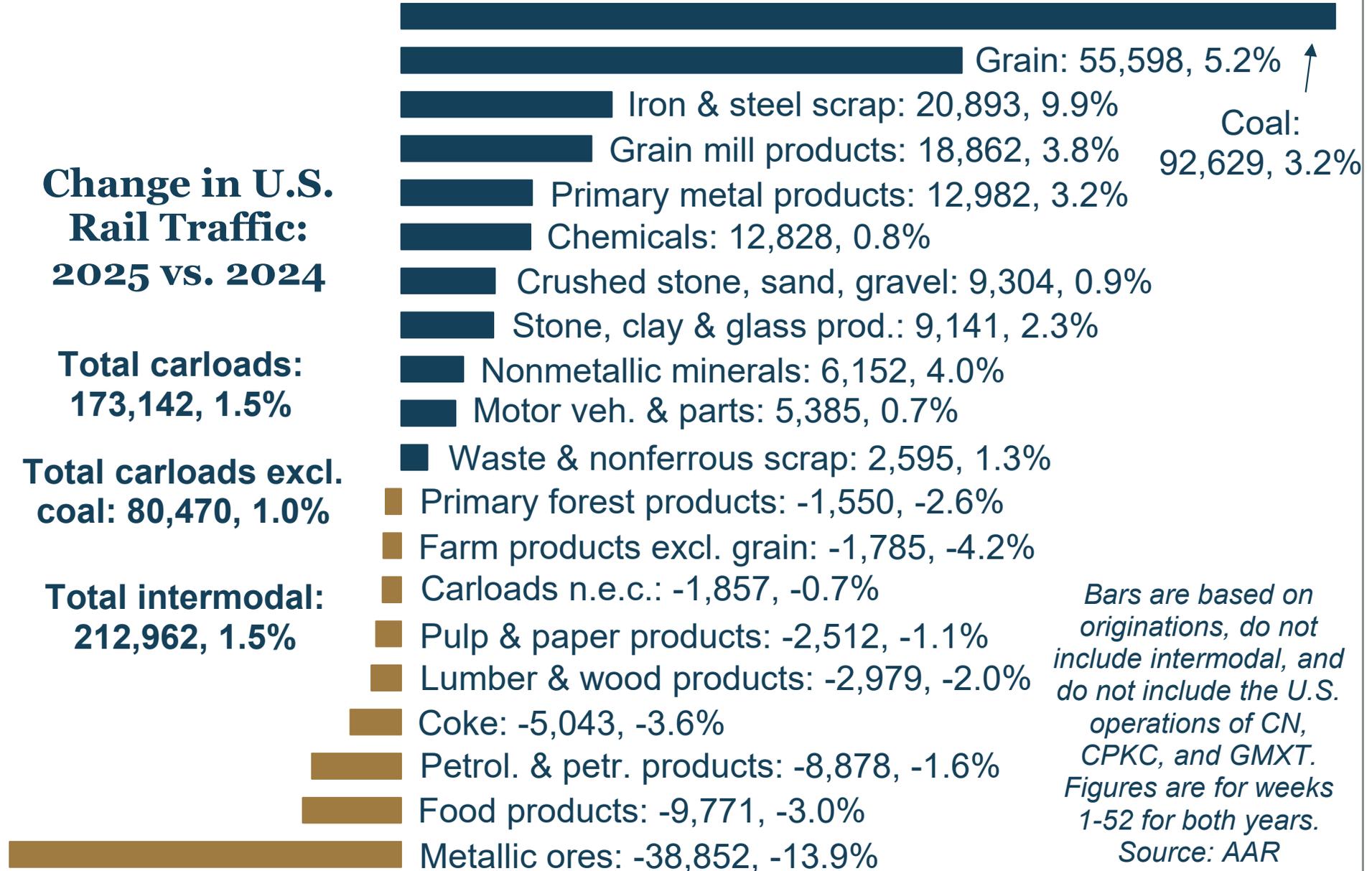


**Change in U.S.
Rail Traffic:
2025 vs. 2024**

**Total carloads:
173,142, 1.5%**

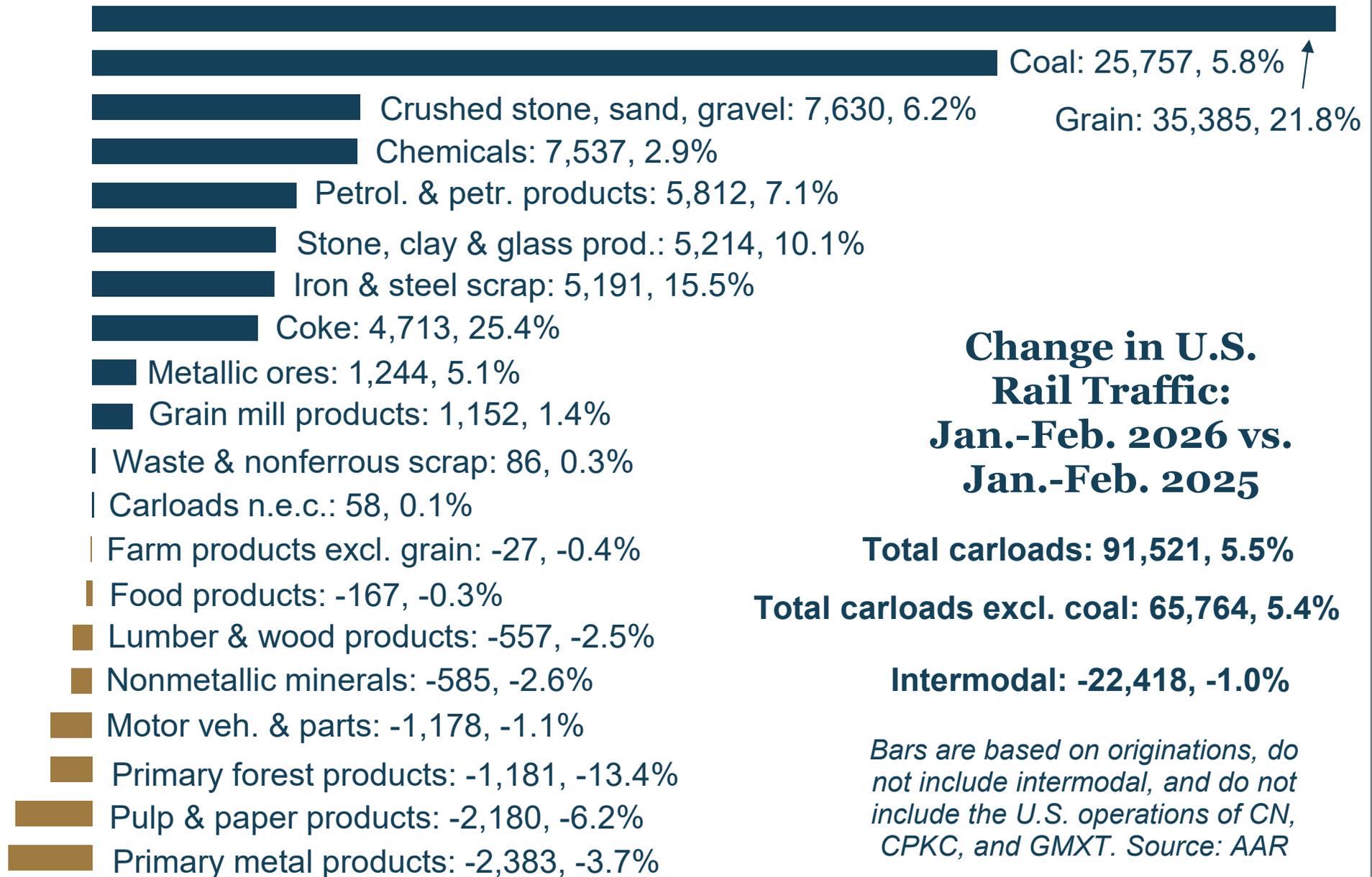
**Total carloads excl.
coal: 80,470, 1.0%**

**Total intermodal:
212,962, 1.5%**

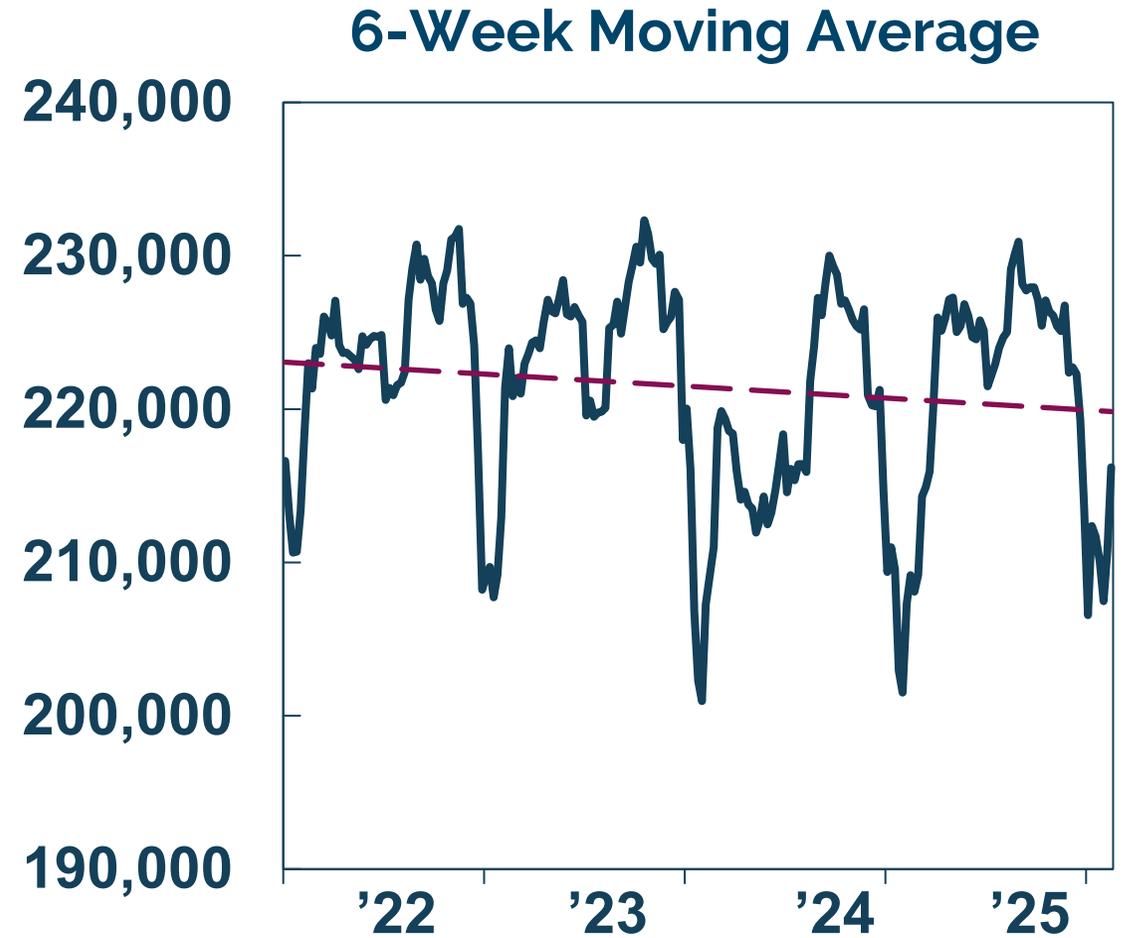
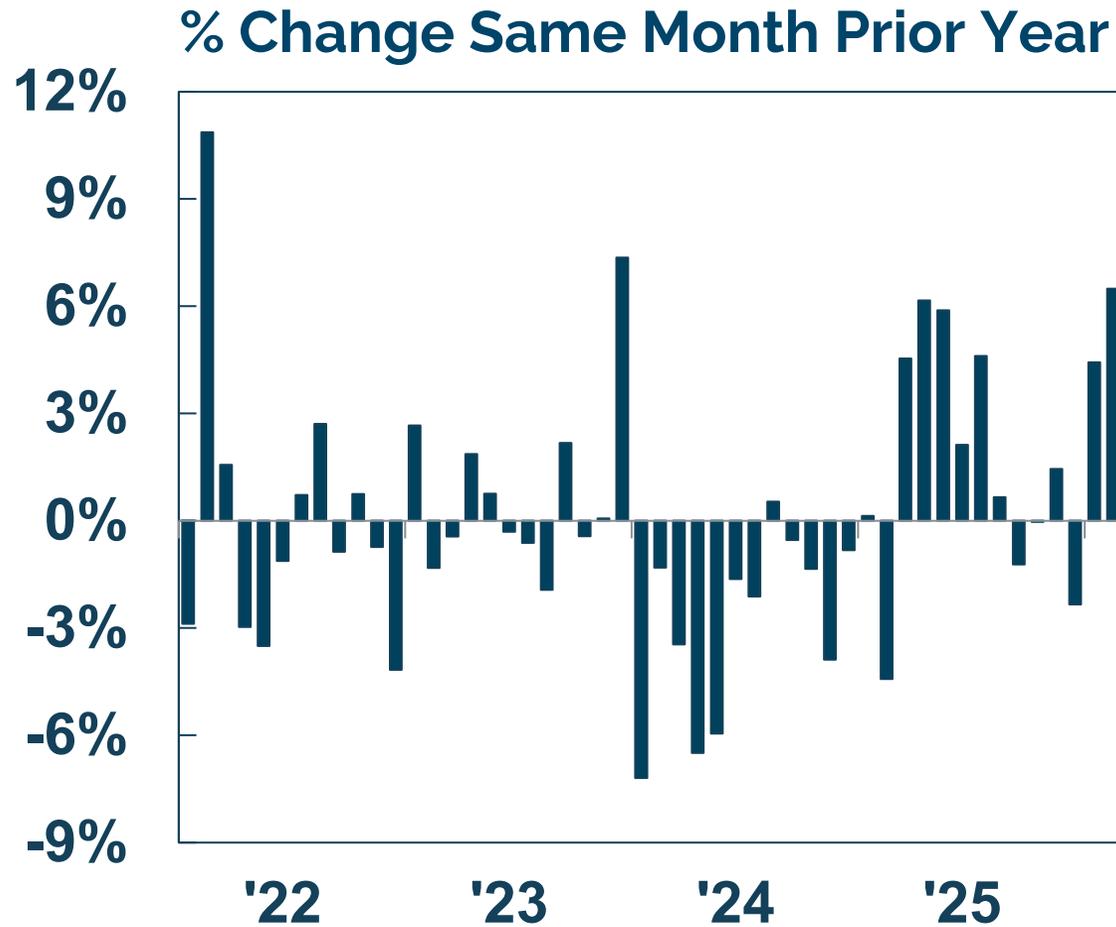


Coal:
92,629, 3.2%

Bars are based on originations, do not include intermodal, and do not include the U.S. operations of CN, CPKC, and GMXT. Figures are for weeks 1-52 for both years. Source: AAR

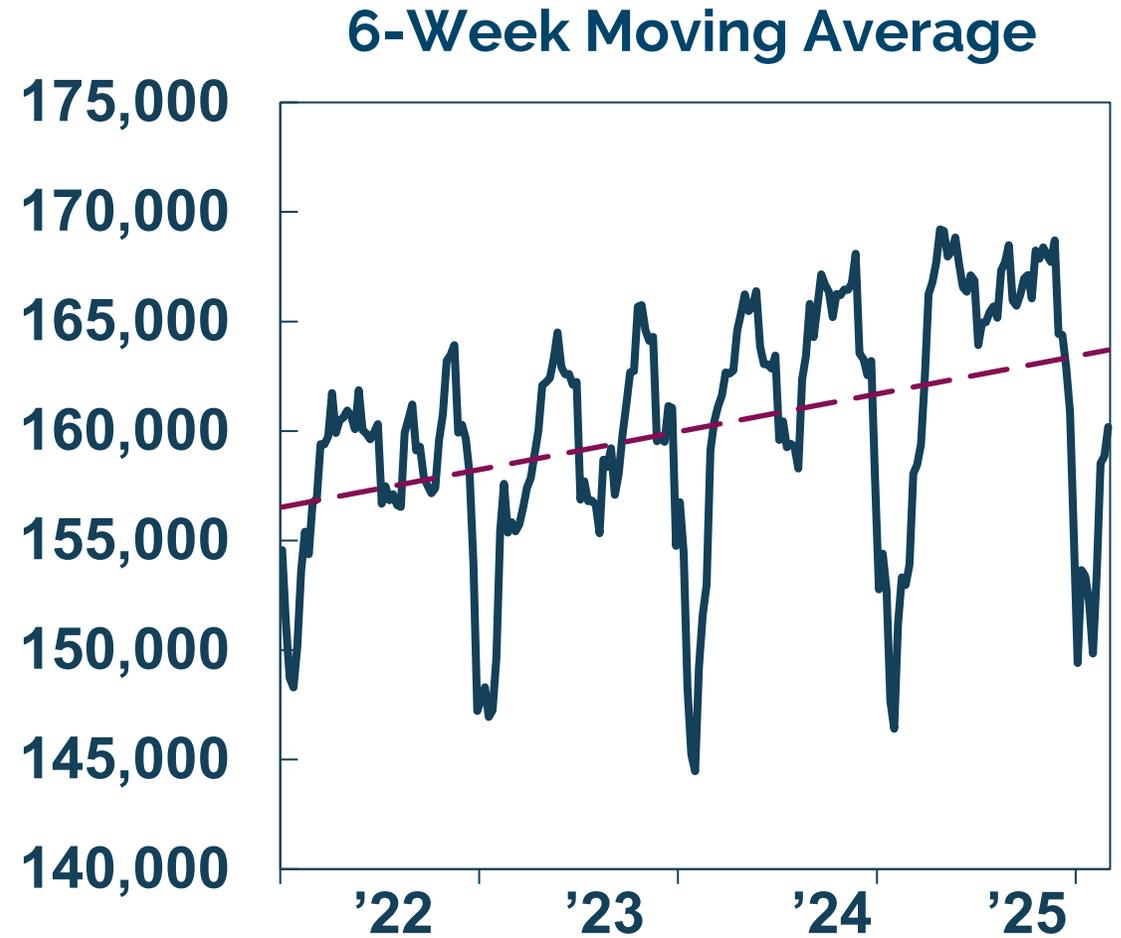
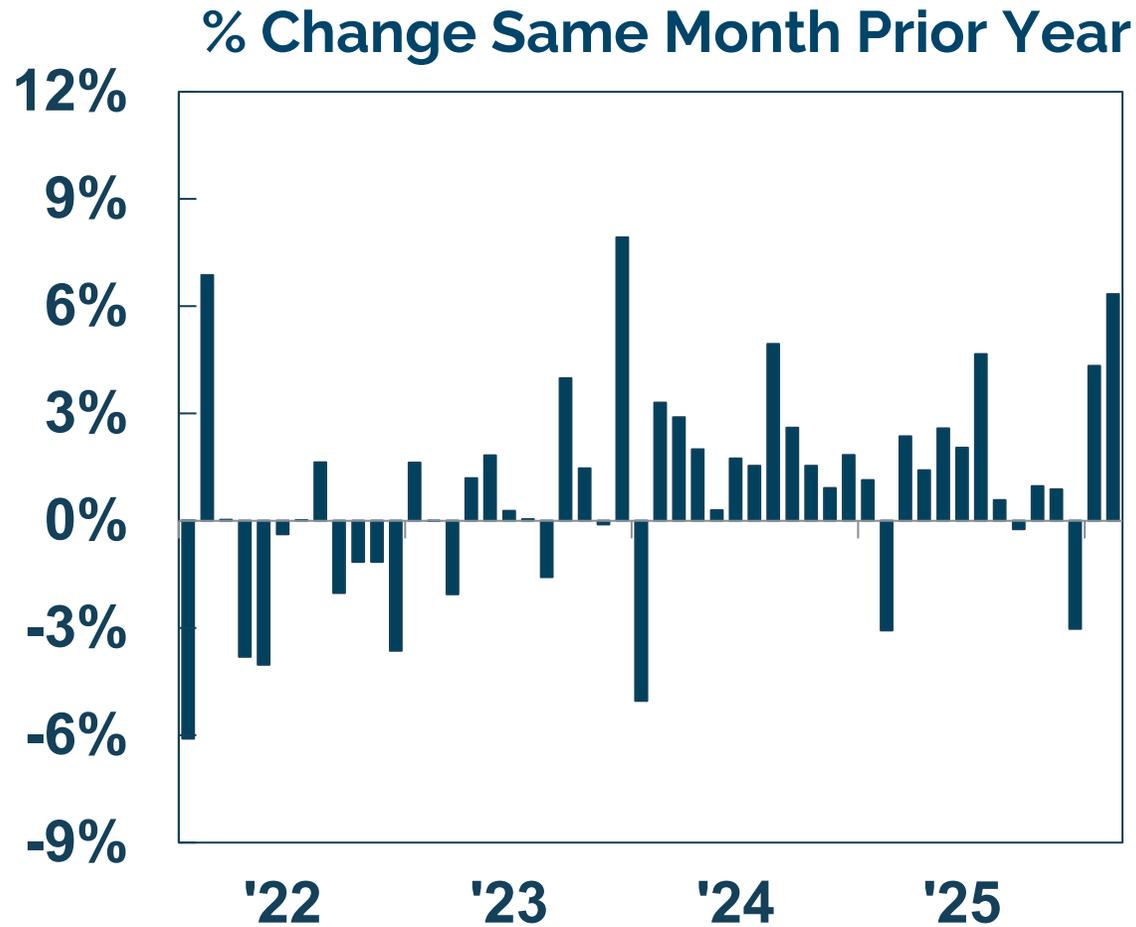


Total U.S. Carload Traffic: Jan. 2022 – Feb. 2026



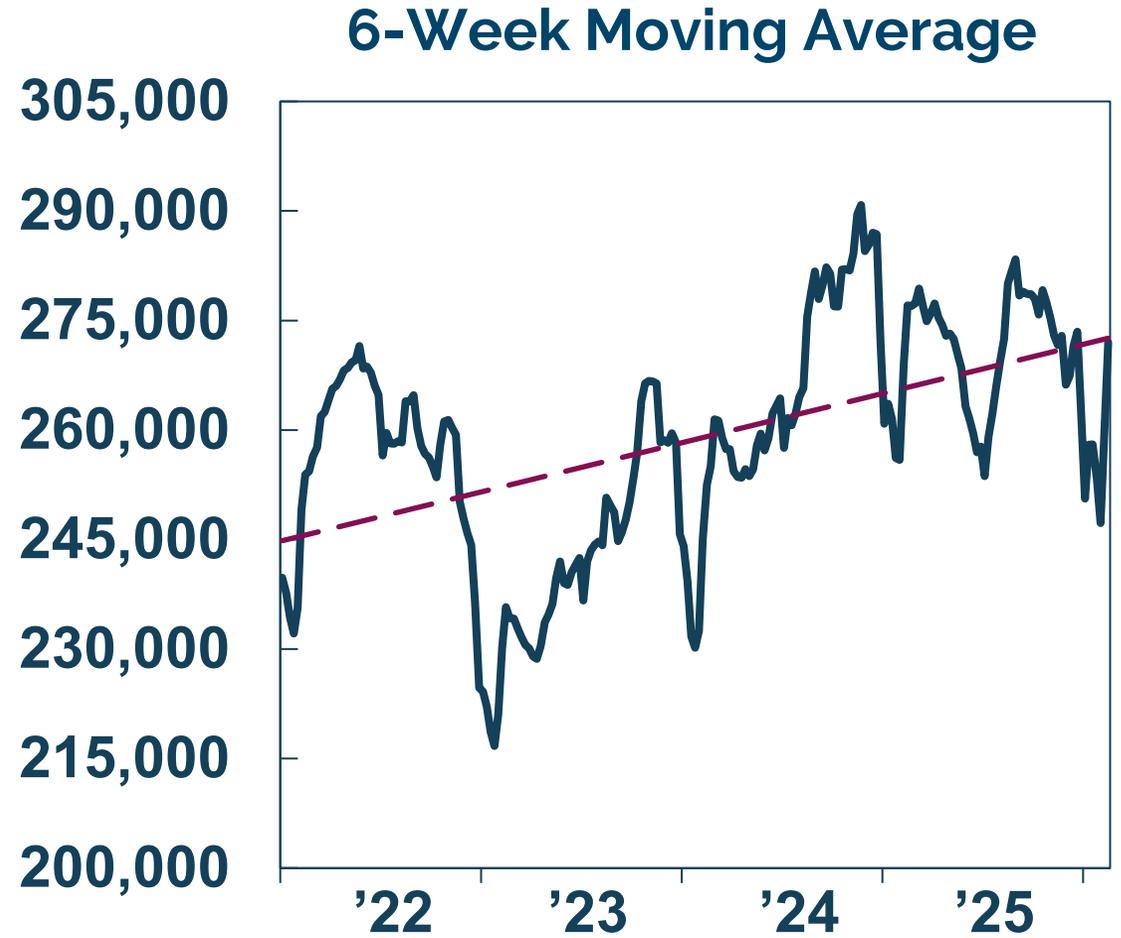
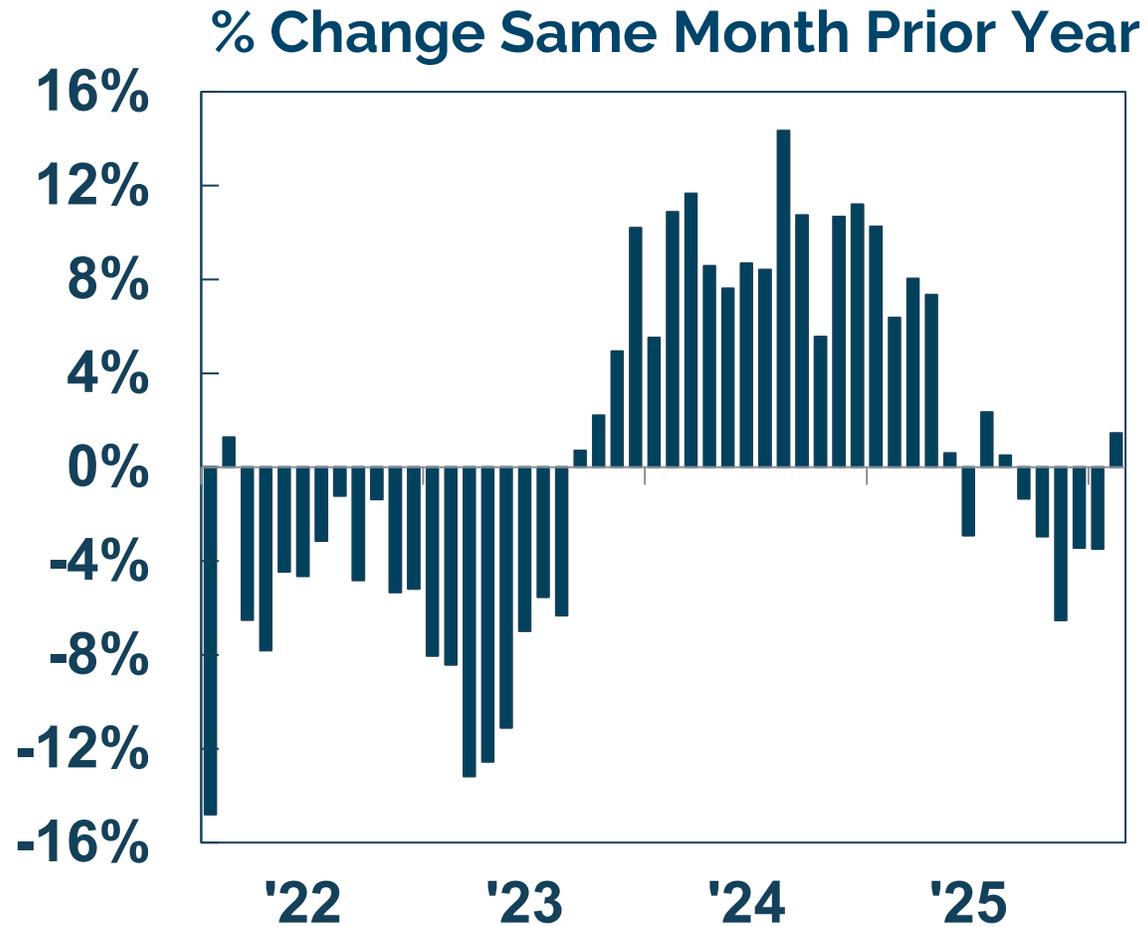
Data are based on originations, are not seasonally adjusted, and don't include the U.S. operations of CN, CPKC, and GMXT. Source: AAR

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



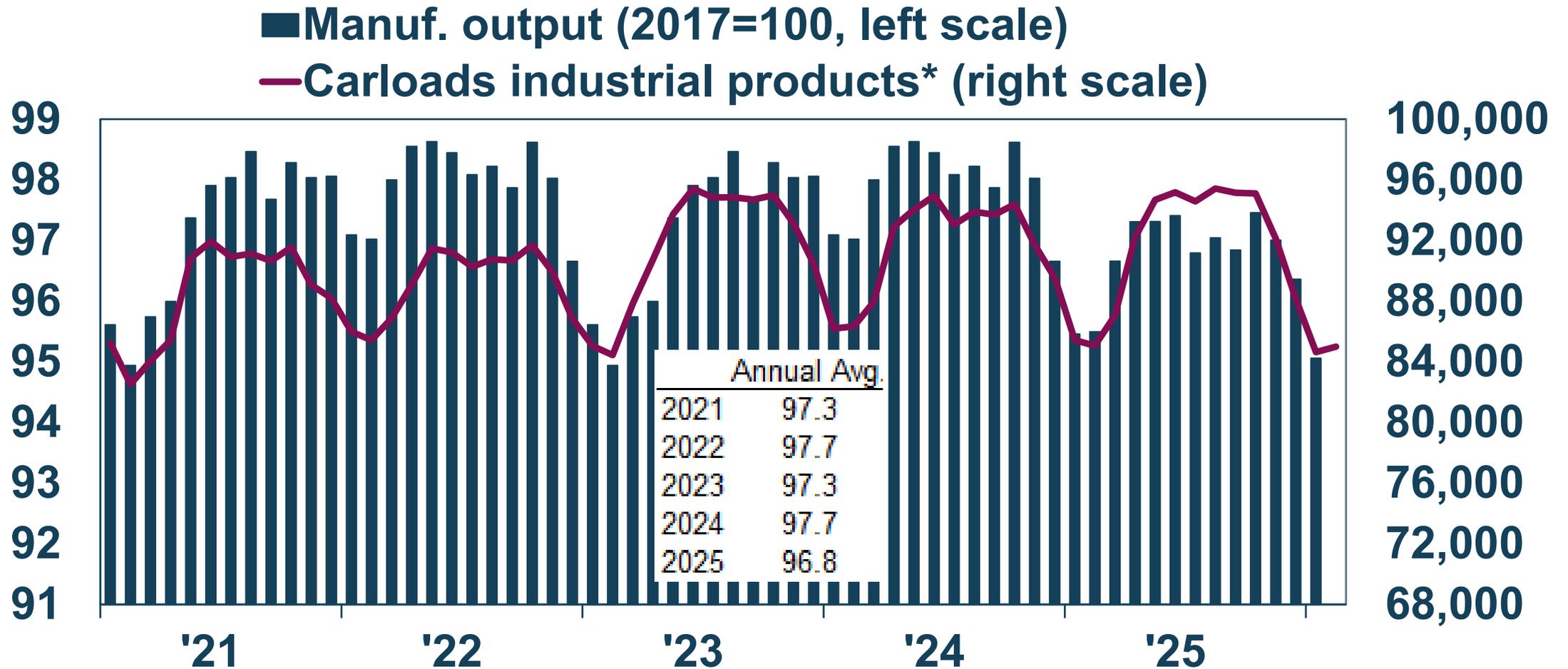
Data are based on originations, are not seasonally adjusted, and don't include the U.S. operations of CN, CPKC, and GMXT. Source: AAR

U.S. Intermodal Traffic: Jan. 2022 – Feb. 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

Manufacturing Output Has Been Flat for Several Years



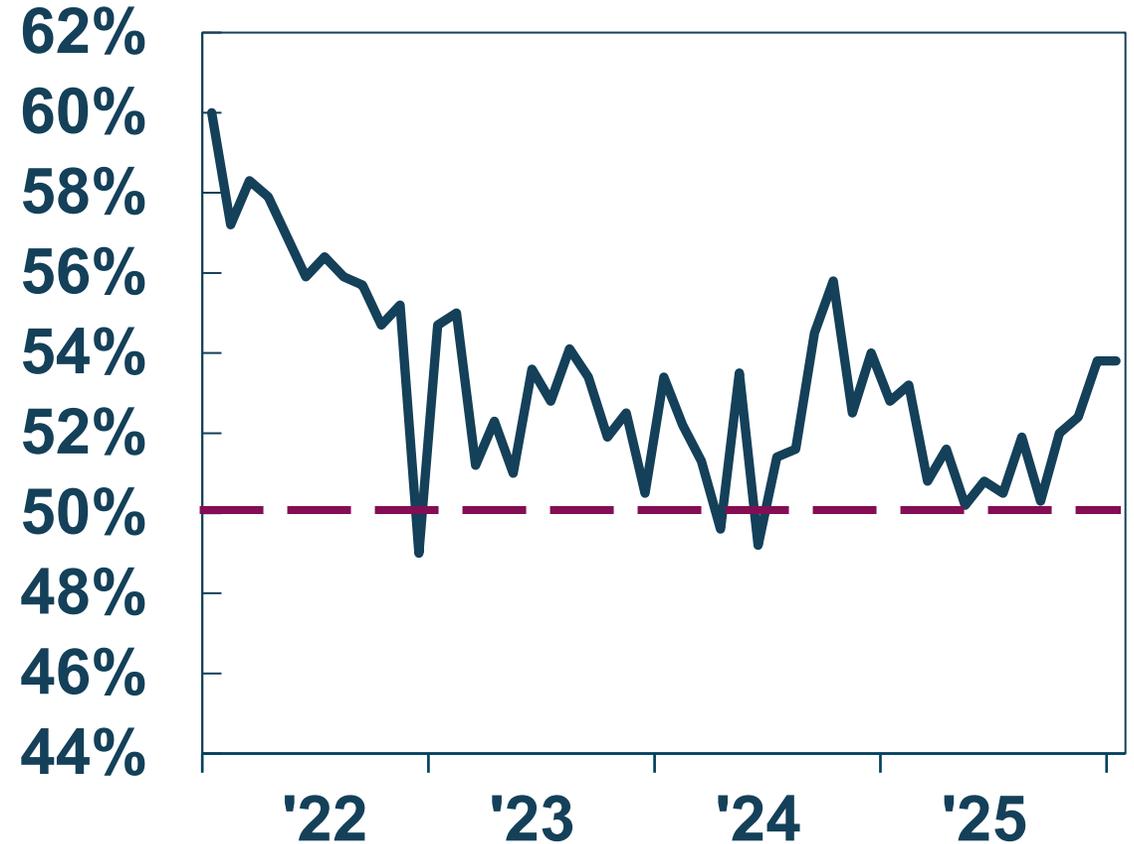
*Weekly average for aggregate of chemicals, paper, metal products, autos, metallic ores, crushed stone and sand, and stone & clay products. Source: Federal Reserve Board, AAR

Manufacturing vs. Services: Jan. 2022 - Feb. 2026

Manufacturing PMI®
(**< 50% = contraction**)

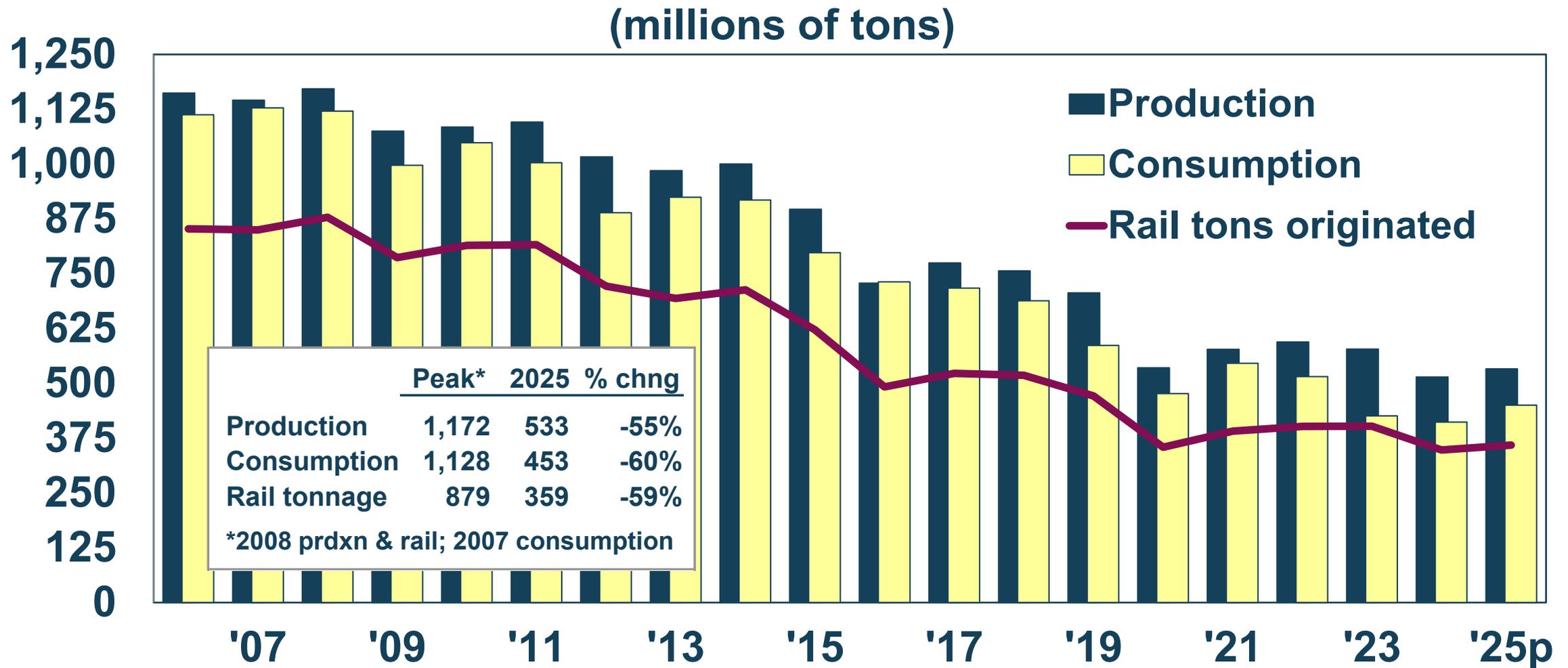


Services PMI®
(**< 50% = contraction**)



Source: Institute for Supply Management®

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



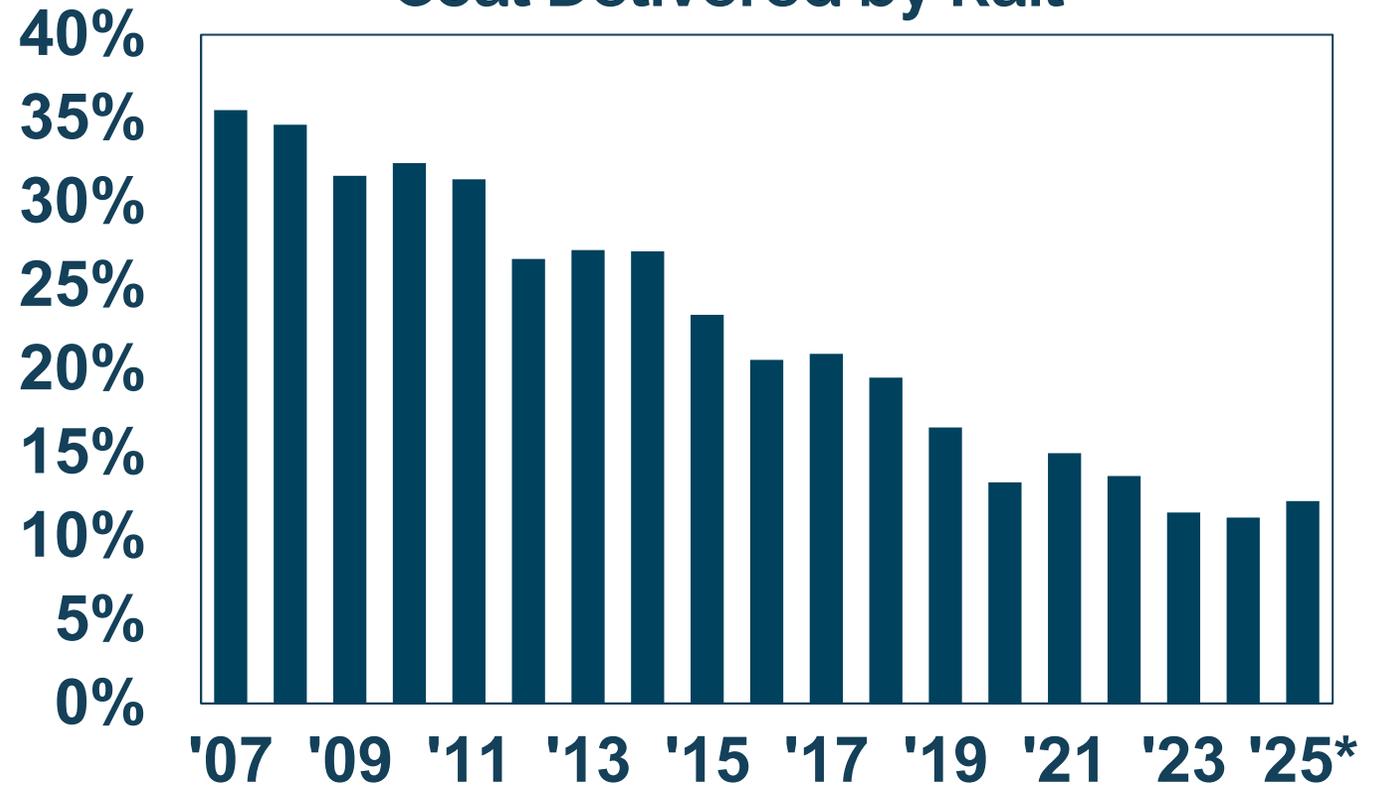
p – preliminary Source: EIA for production and consumption; AAR for rail tons originated.

Rail Coal Decline Corresponds to Decline in Electricity Generation From Coal

% U.S. Electricity Generation					
	2000	2010	2020	2024	2025*
Coal	52%	45%	19%	15%	17%
Natural gas	16%	24%	41%	43%	41%
Nuclear	20%	20%	20%	18%	18%
Renewables	2%	4%	12%	17%	19%
Hydro	7%	6%	7%	6%	5%

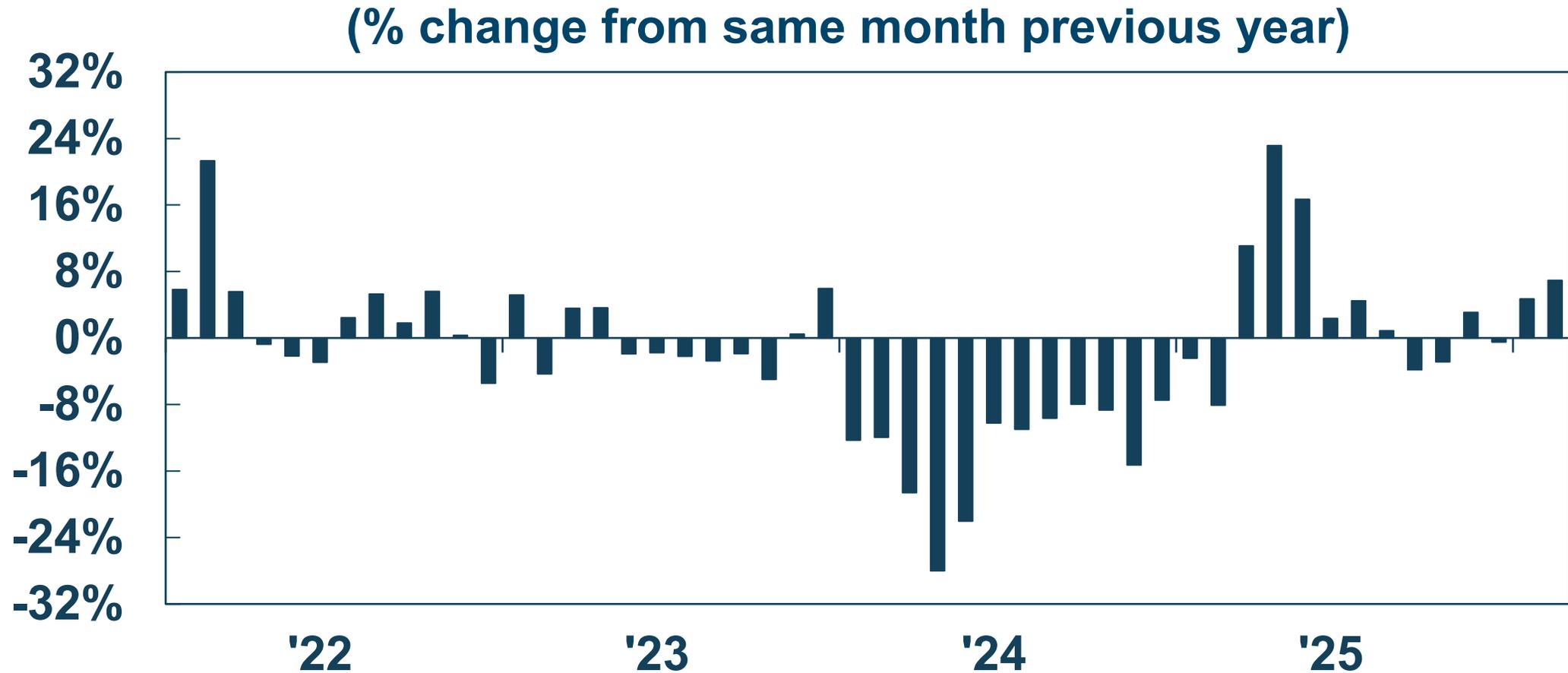
*Jan-Nov Source: EIA

Share of U.S. Electricity Generated by Coal Delivered by Rail



* Preliminary Figures are AAR estimates based on EIA data.

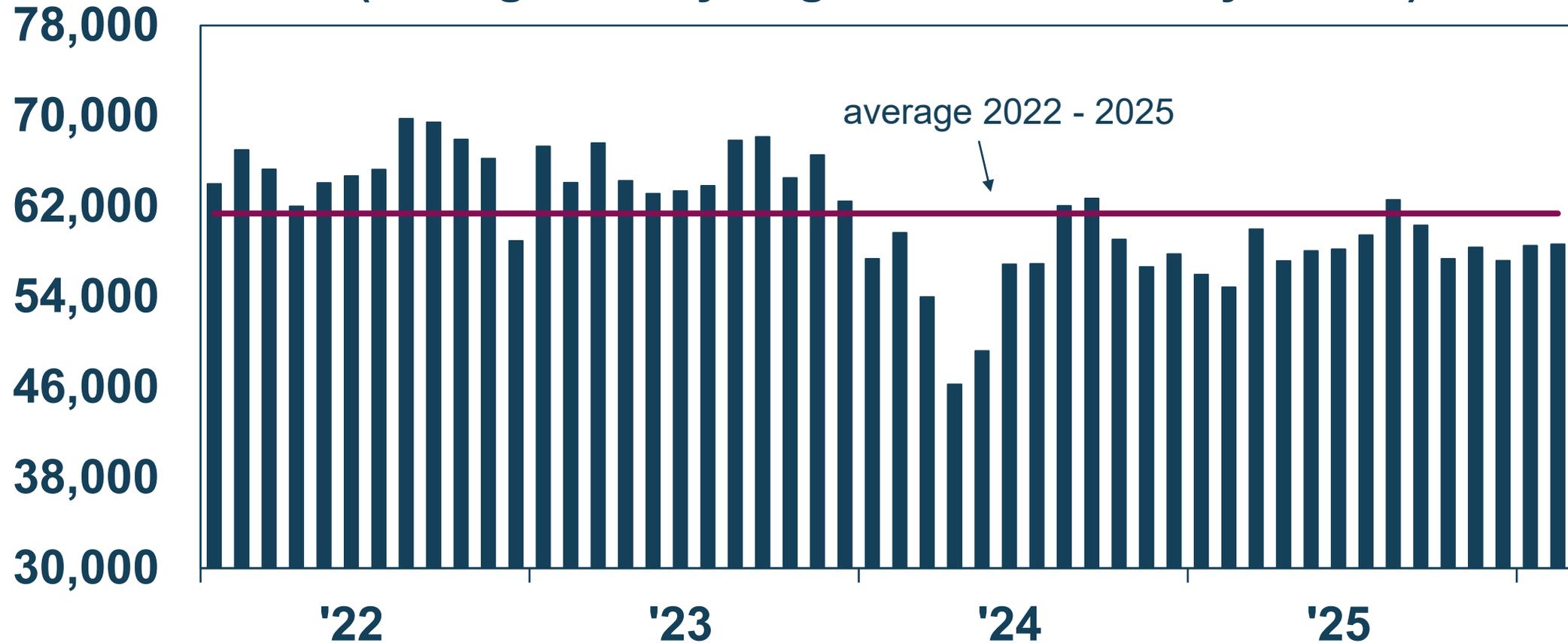
U.S. Rail Carloads of Coal: Jan. 2022 – Feb. 2026



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. Rail Carloads of Coal: Jan. 2022 - Feb. 2026

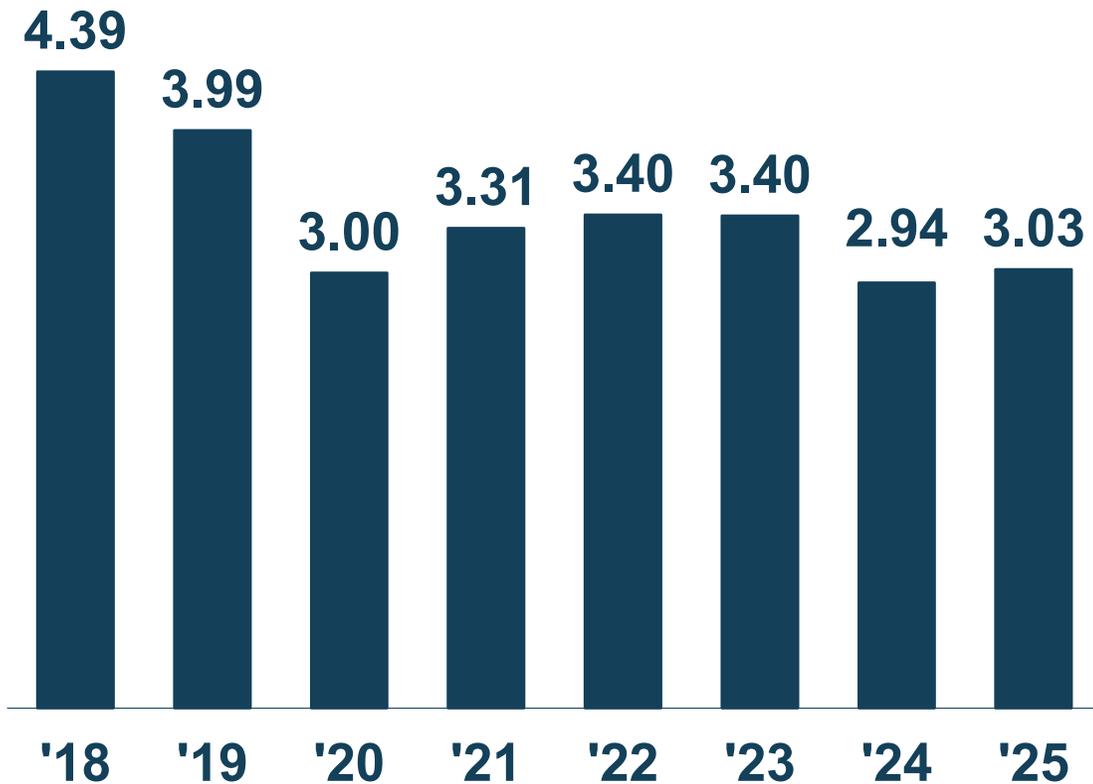
(average weekly originated carloads by month)



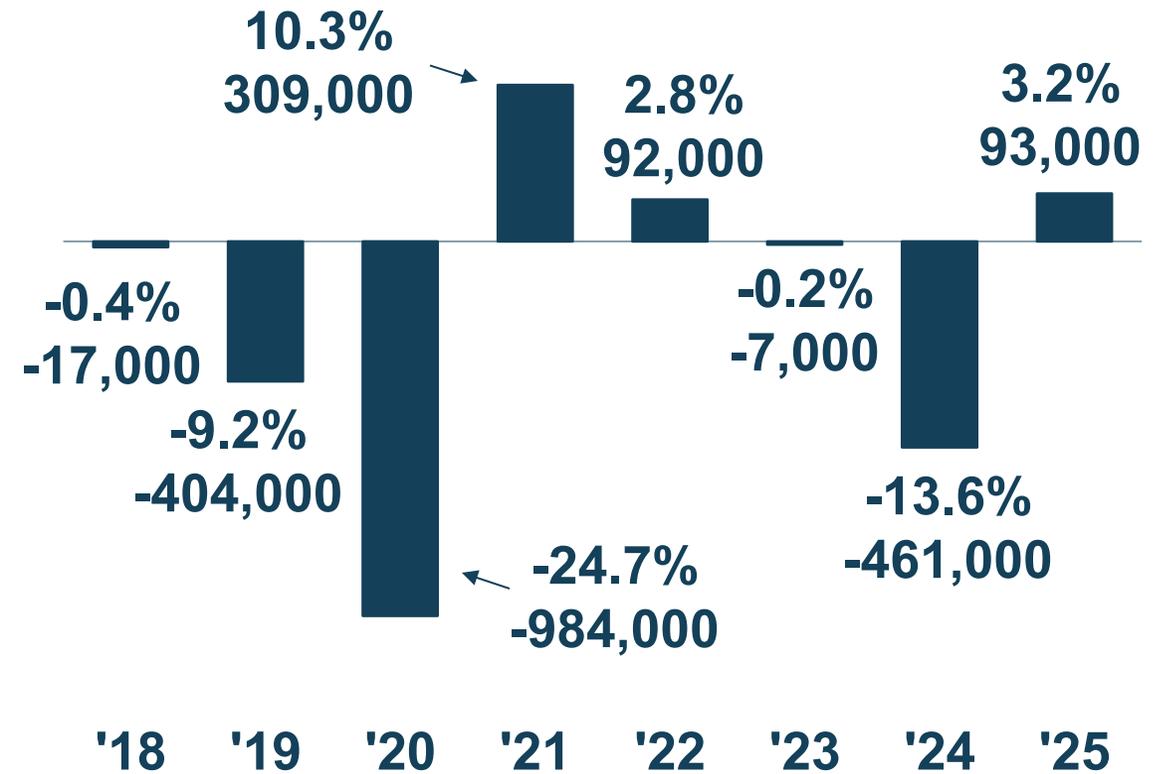
Data do not include intermodal, are not seasonally adjusted, and do not include the U.S. operations of CN, CPKC, and GMXT. Source: AAR Weekly Railroad Traffic report

U.S. Rail Carloads of Coal

(millions of originated carloads)



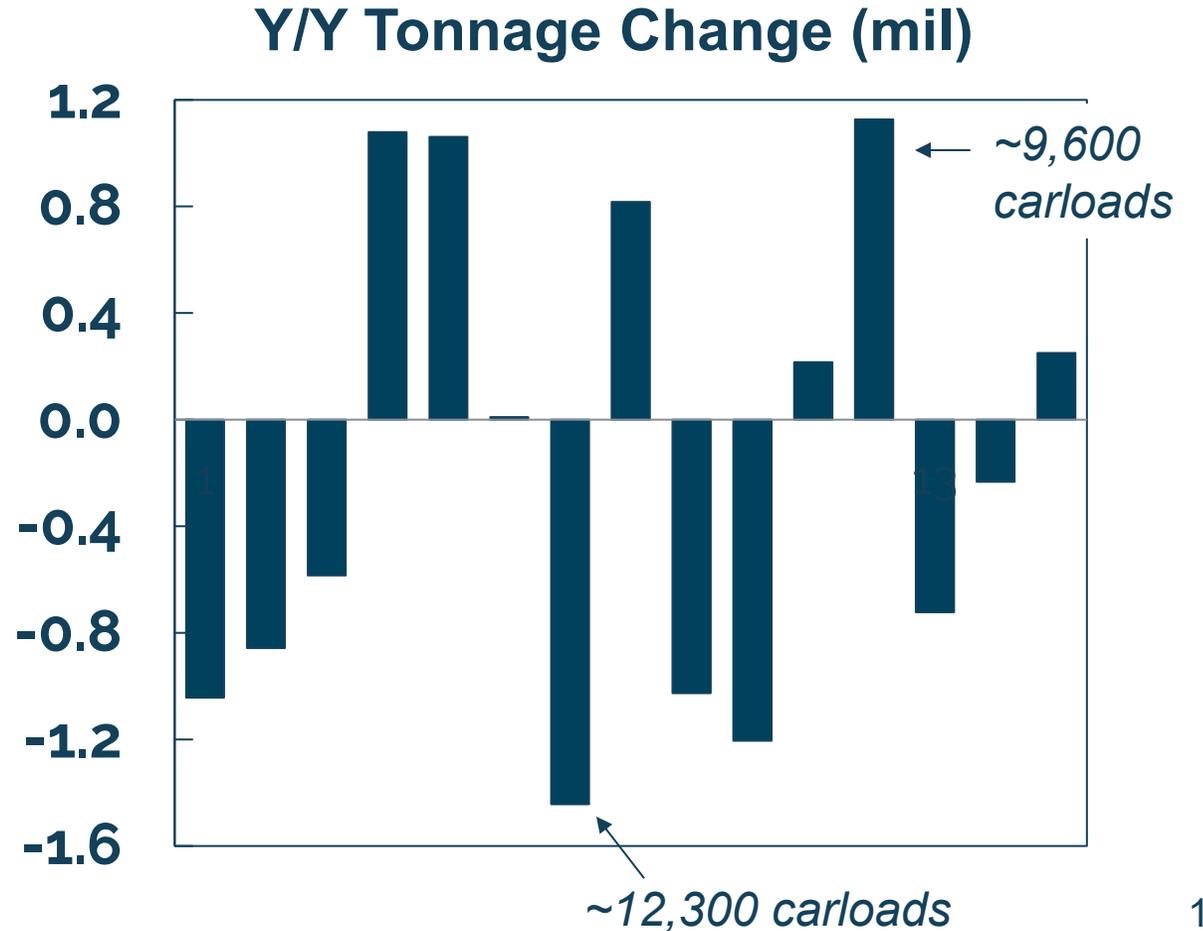
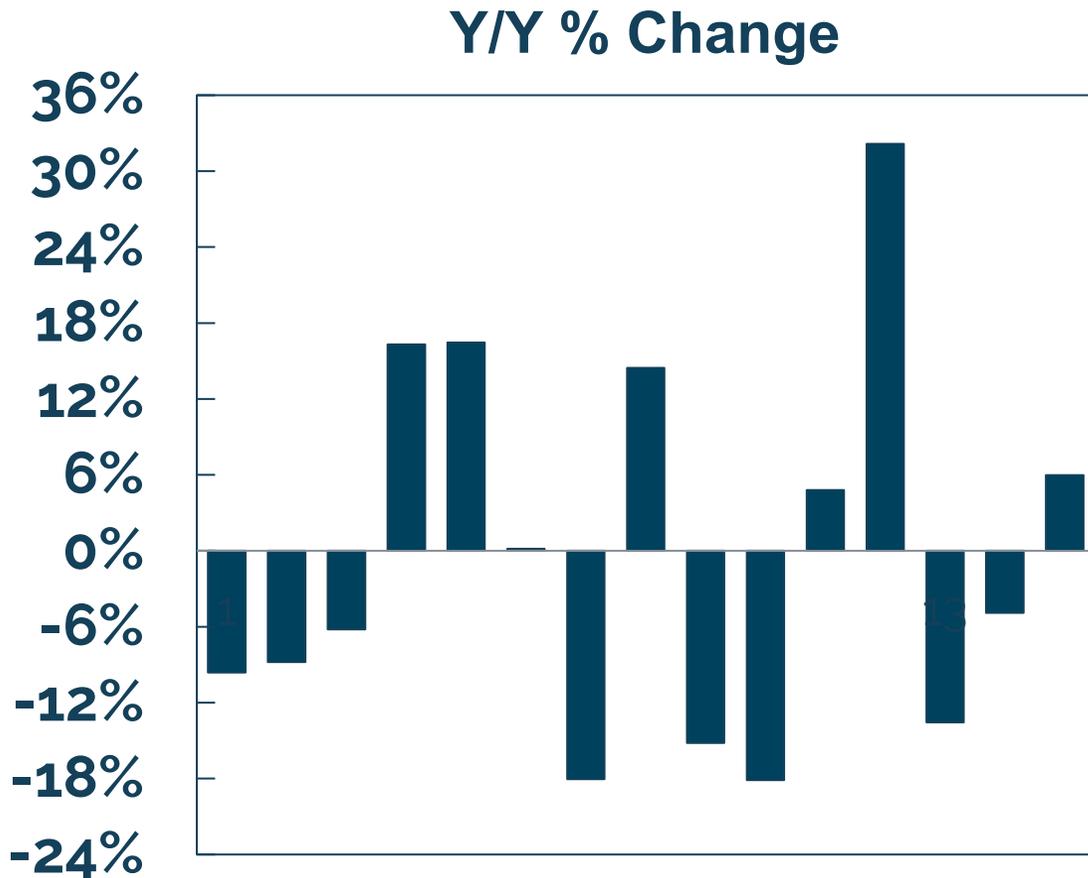
(% change from previous year)



Data do not include intermodal and do not include the U.S. operations of CN, CPKC, and GMXT. Source: AAR Weekly Railroad Traffic report

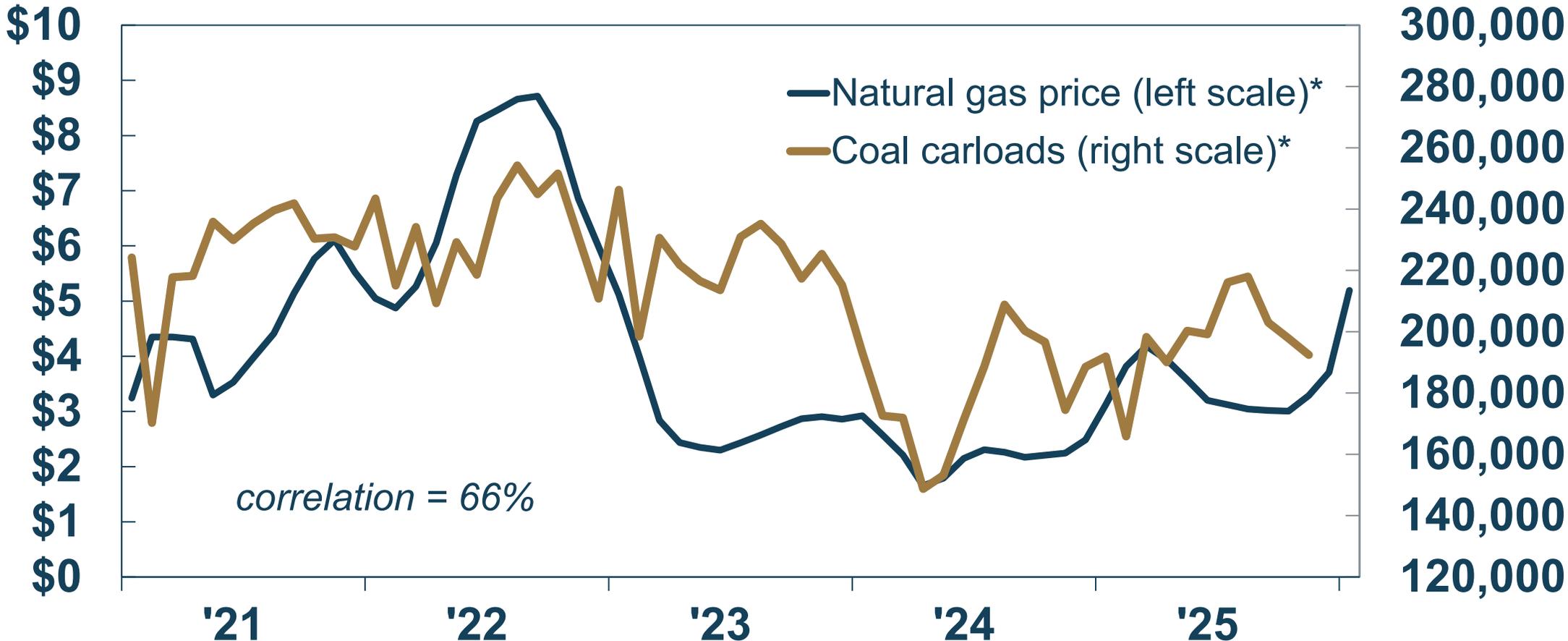
Significant Short-Term and Long-Term Uncertainty

% Change in Coal Deliveries 2023-2024 For Top-15 Coal Receivers



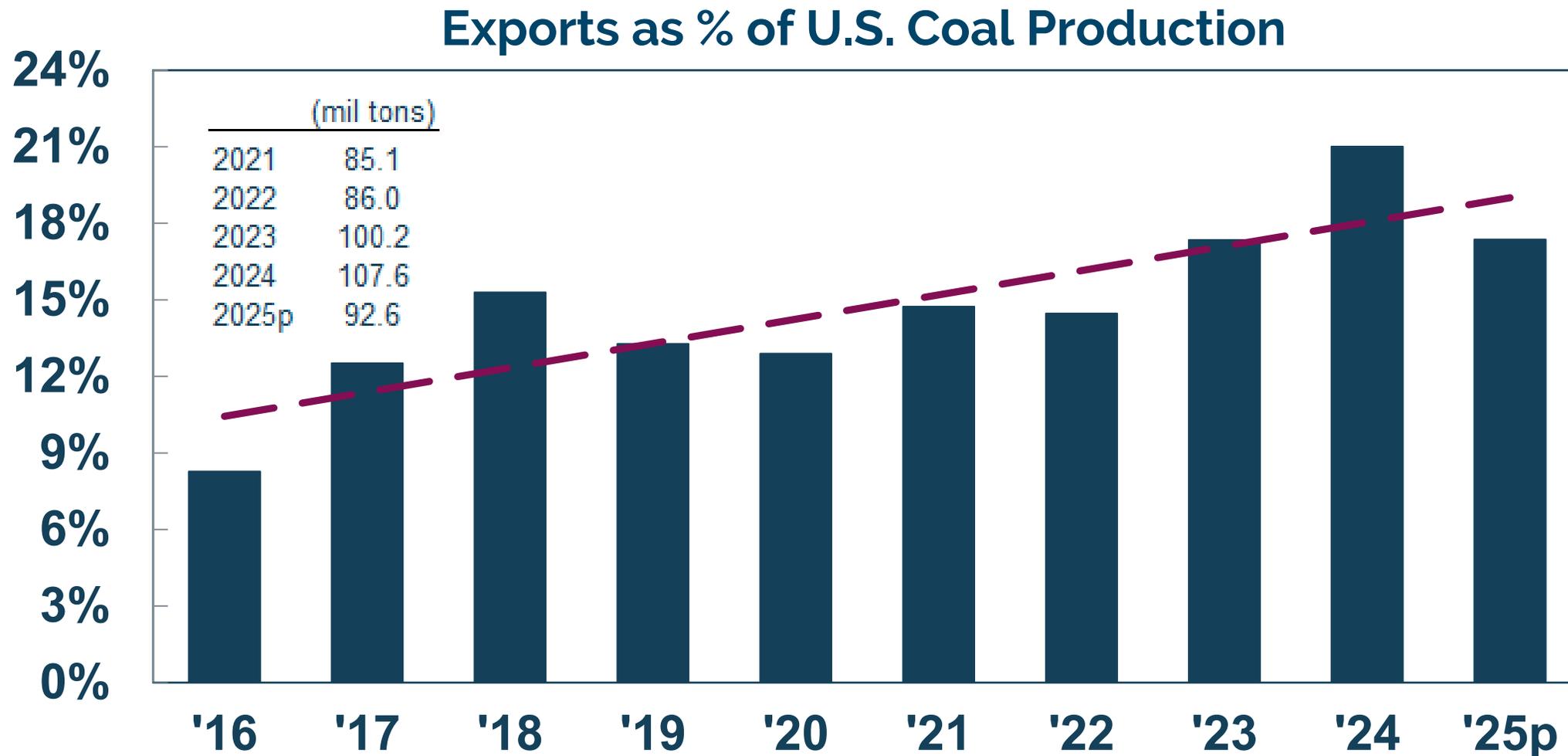
Source: Energy Information Administration

Natural Gas Prices vs. Carloads of Coal for Domestic Use: Jan. 2021 – Jan. 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 Nov. 2025. Source: EIA, AAR

U.S. Coal Exports Have Become More Important

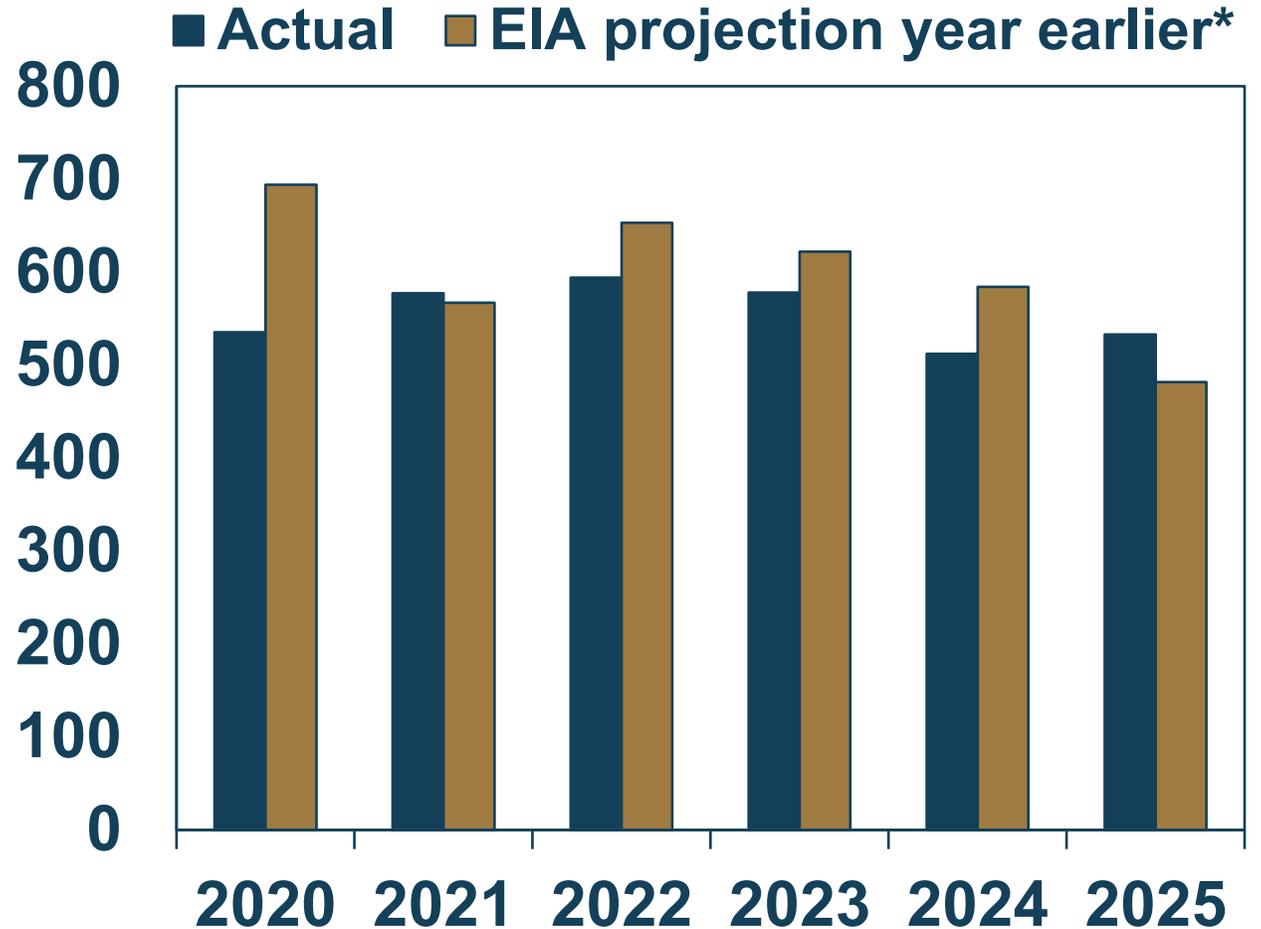


p - Jan-Nov annualized *Source: Energy Information Administration*

U.S. Coal Production: Actual vs. EIA Forecast

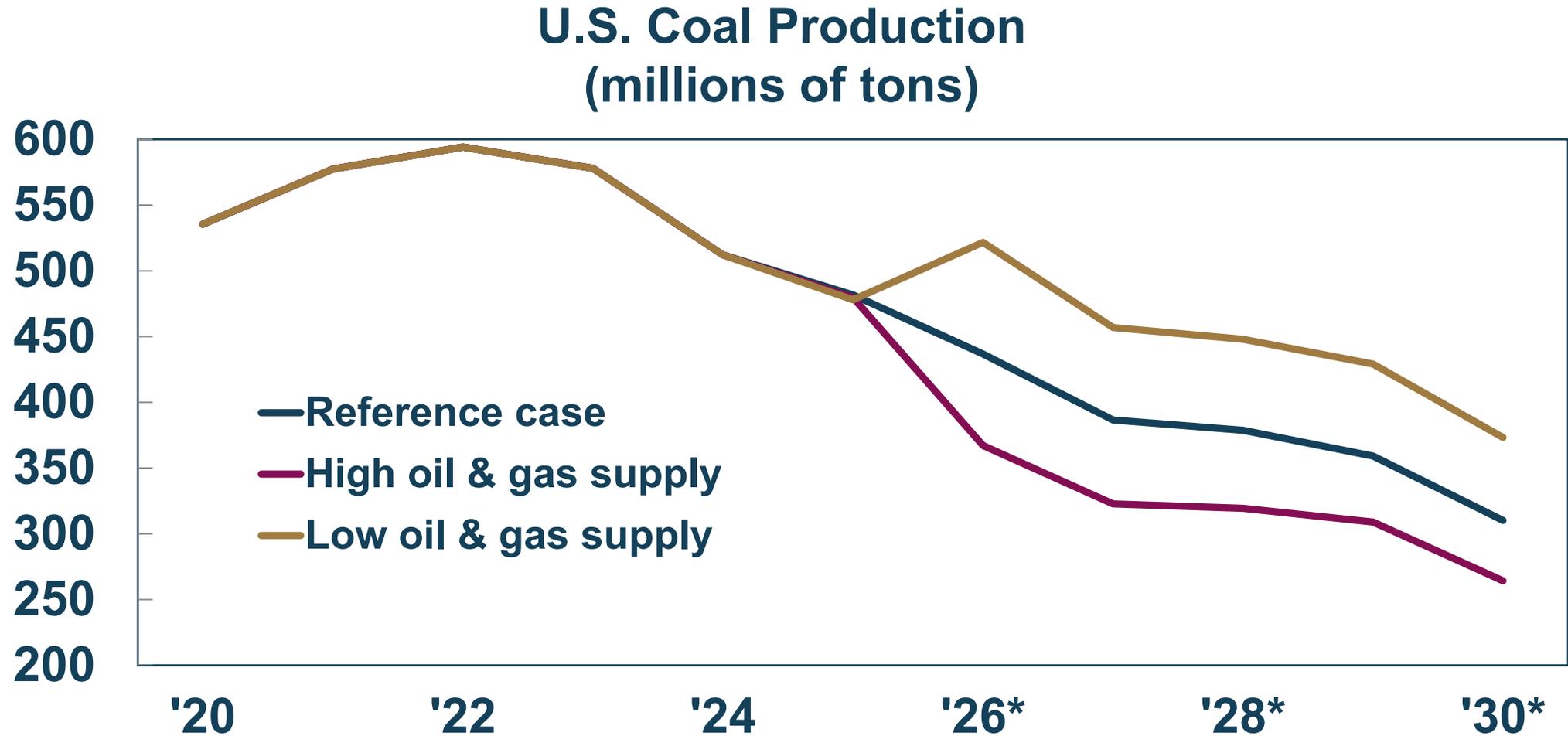
	U.S. Coal Production (million tons)				Approx. Rail Carloads
	Actual	EIA Forecast*	Difference		
			%	Amount	
2020	535	694	-23%	-159	-946,259
2021	577	567	2%	10	62,248
2022	594	653	-9%	-59	-351,164
2023	578	622	-7%	-44	-262,849
2024	512	584	-12%	-72	-428,904
2025p	533	482	11%	51	306,043

*In prior year's *Annual Energy Outlook* p - preliminary



*reference case in EIA's *Annual Energy Outlook*
Source: Energy Information Administration

Significant Short-Term and Long-Term Uncertainty



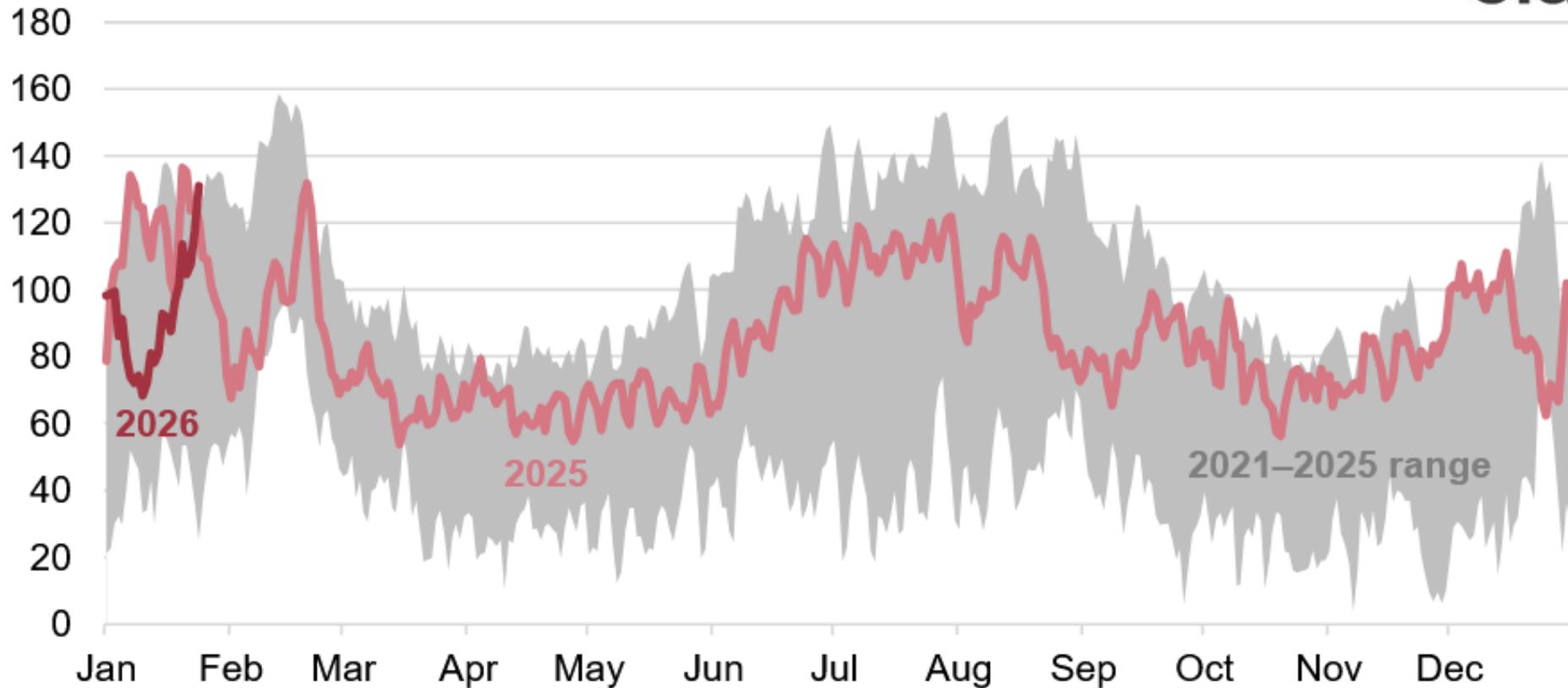
*EIA projection Source: EIA Annual Energy Outlook released April 15, 2025.

JAN 28, 2026

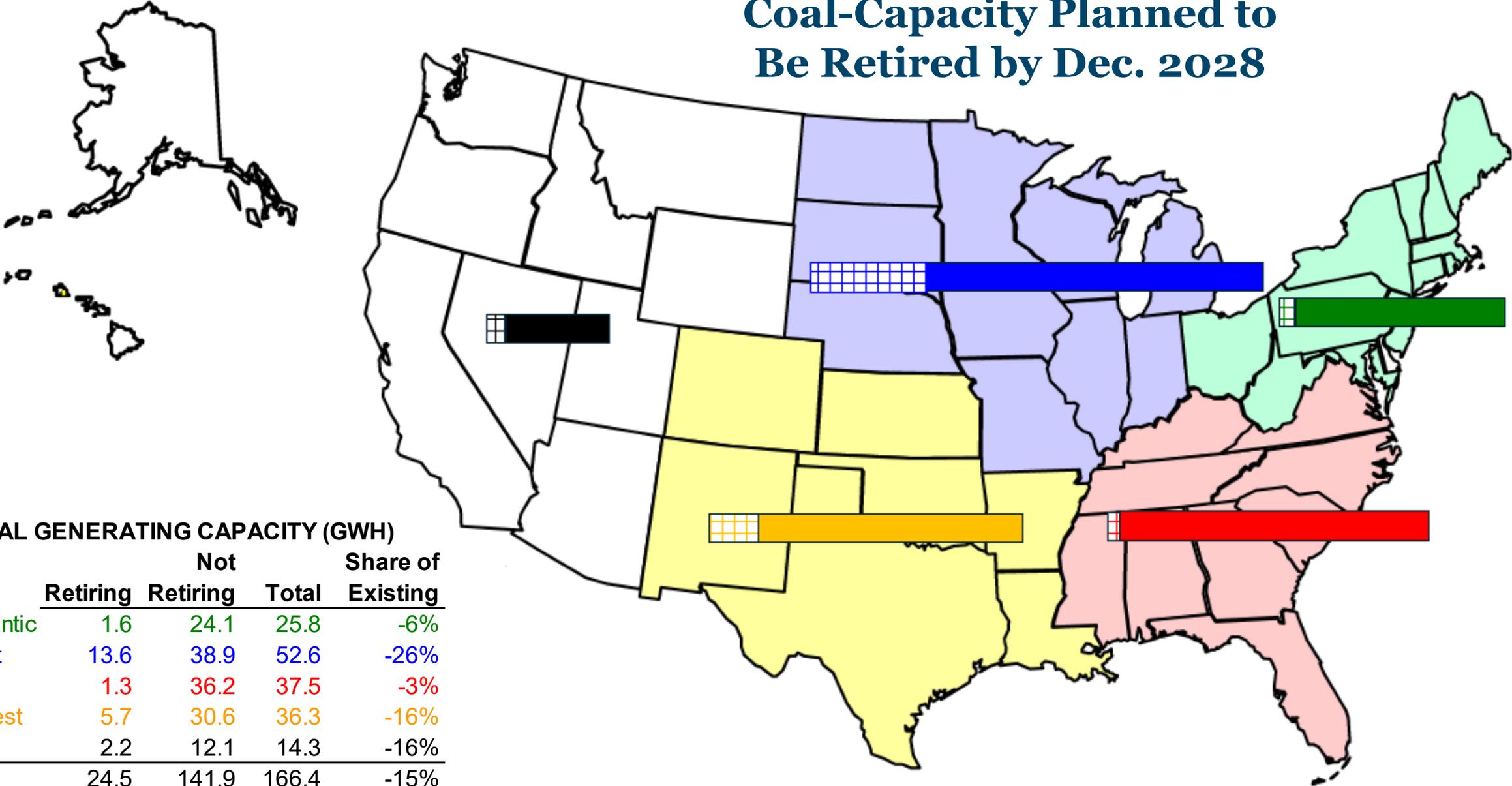
Coal-fired generation rose to meet demand during Winter Storm Fern

Average daily coal generation for the Lower 48 states, 2021–2026

gigawatthours



Coal-Capacity Planned to Be Retired by Dec. 2028



COAL GENERATING CAPACITY (GWH)

	Retiring	Not Retiring	Total	Share of Existing
Mid-Atlantic	1.6	24.1	25.8	-6%
Midwest	13.6	38.9	52.6	-26%
South	1.3	36.2	37.5	-3%
Southwest	5.7	30.6	36.3	-16%
West	2.2	12.1	14.3	-16%
Total	24.5	141.9	166.4	-15%

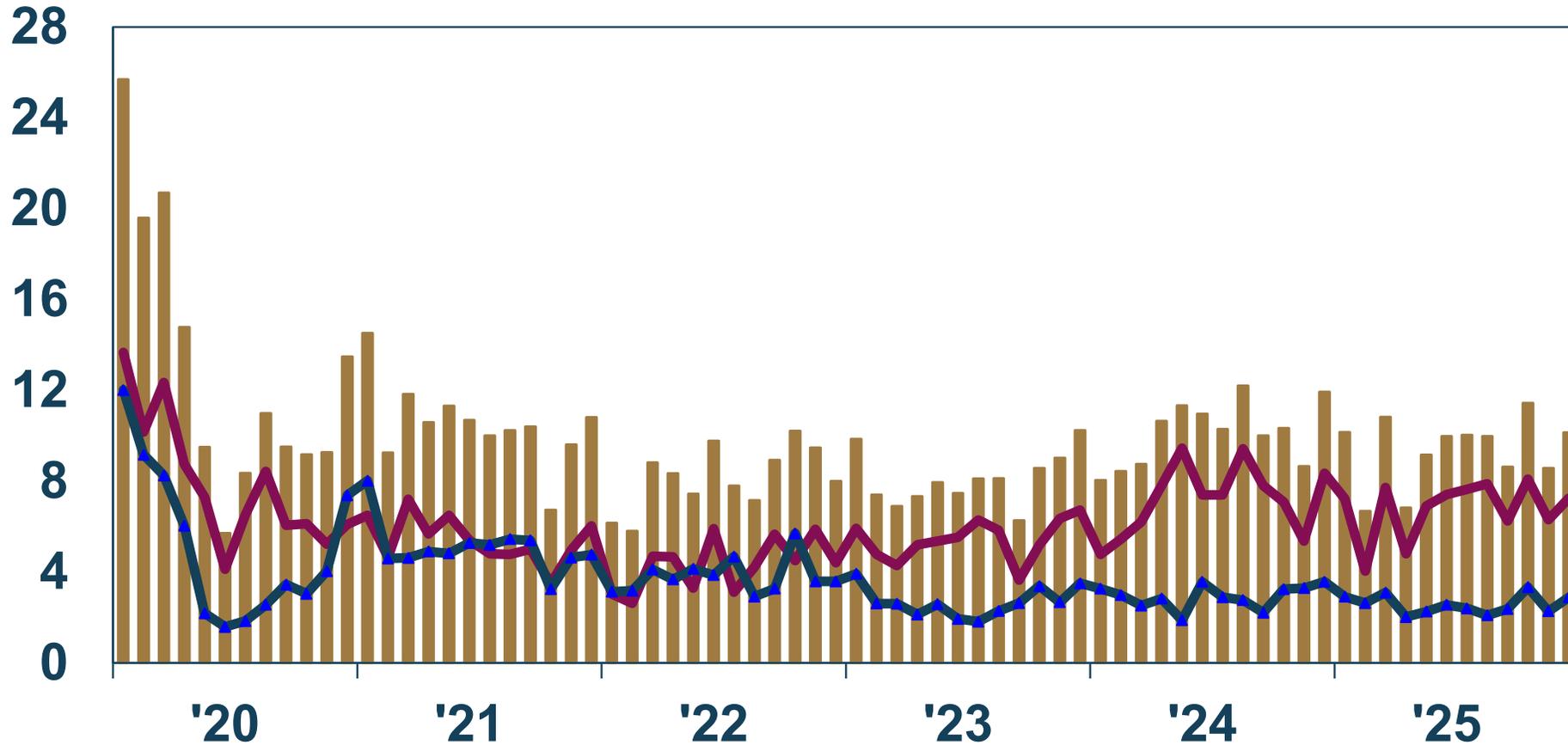
U.S. Rail Carloads of Crude Oil by Quarter Through Q3 2025



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

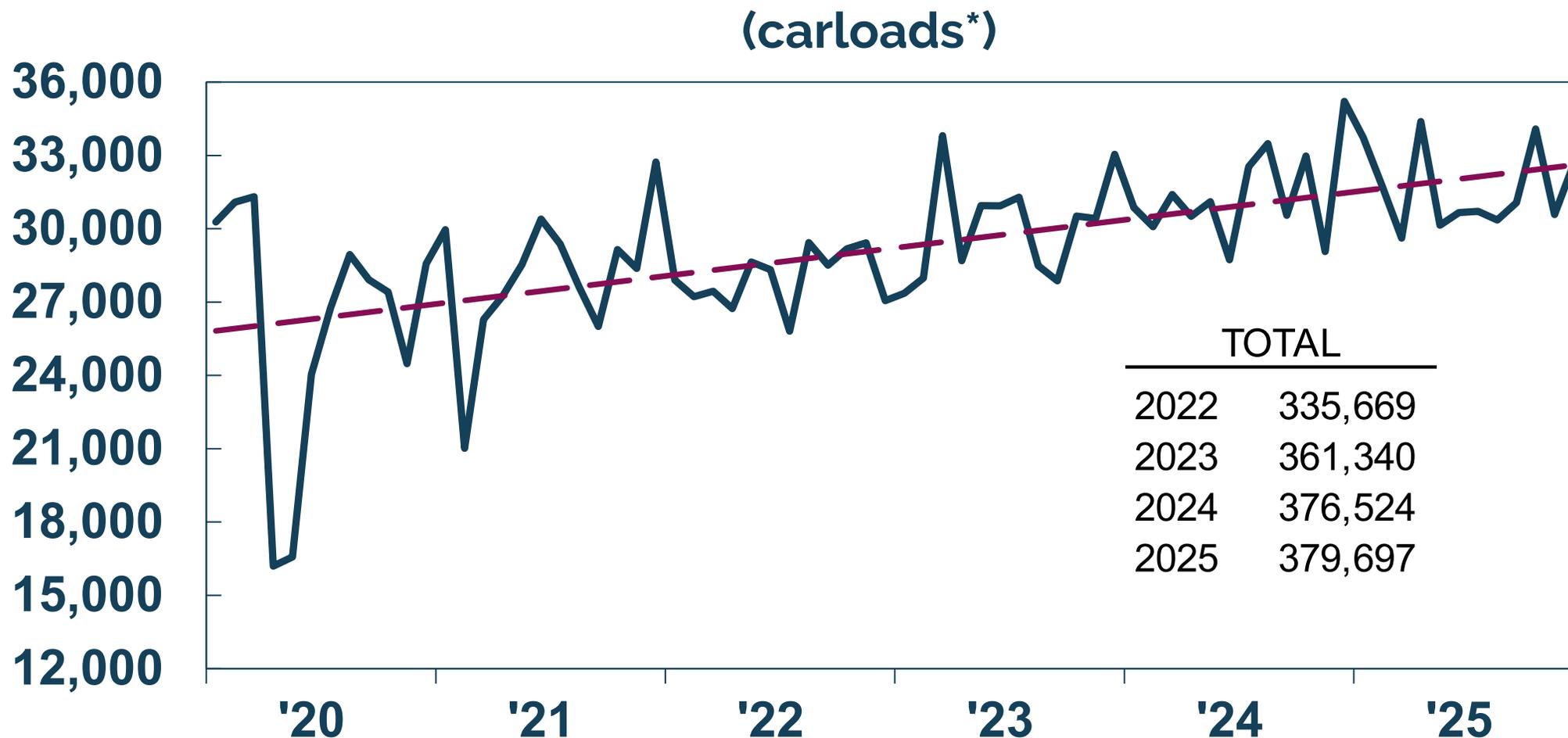
U.S. Crude Oil by Rail: Jan. 2020 - Dec. 2025 (million barrels)

■ Total — U.S. to U.S. — Canada to U.S.



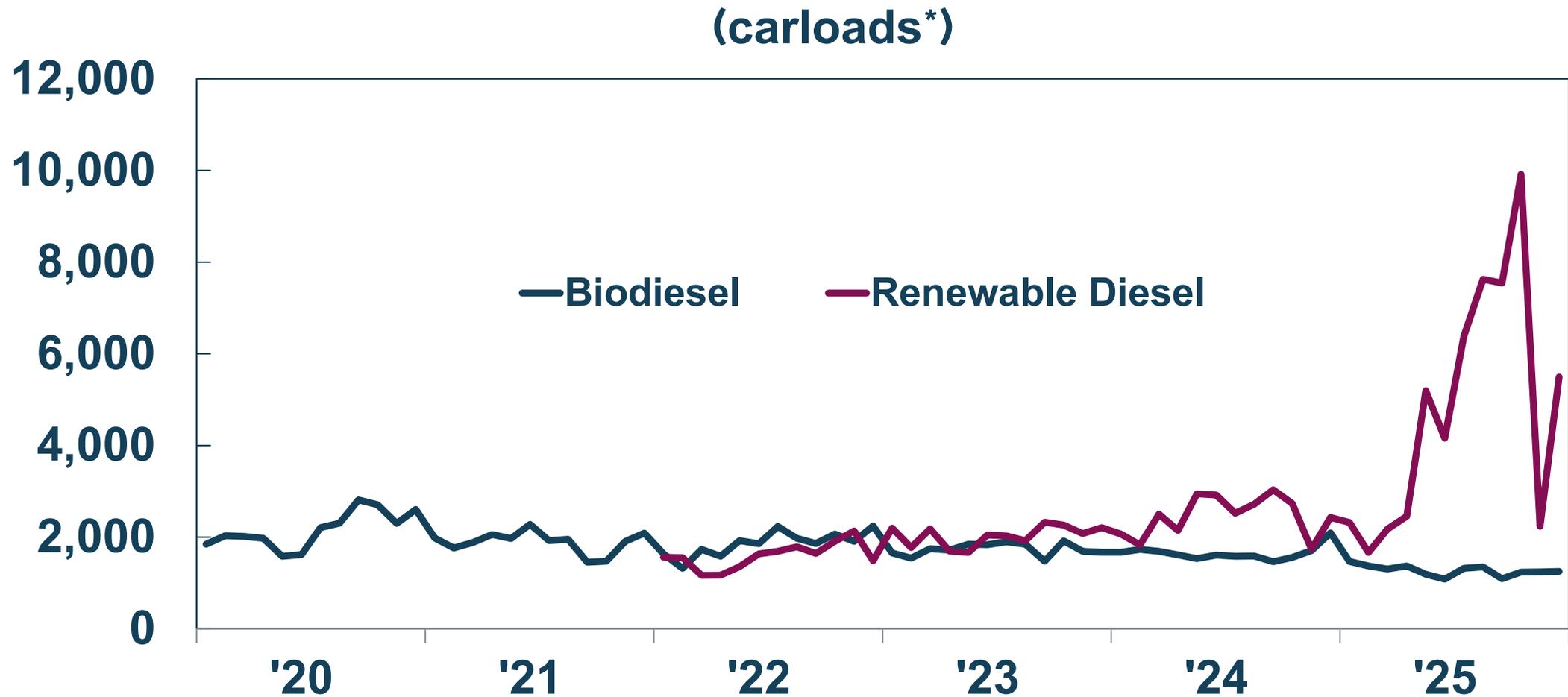
Data are from a different source than the rail carload figures sourced from the AAR's Freight Commodity Statistics. Source: Energy Information Administration

Monthly U.S. Ethanol Shipments by Rail: Jan. 2020 – Dec. 2025



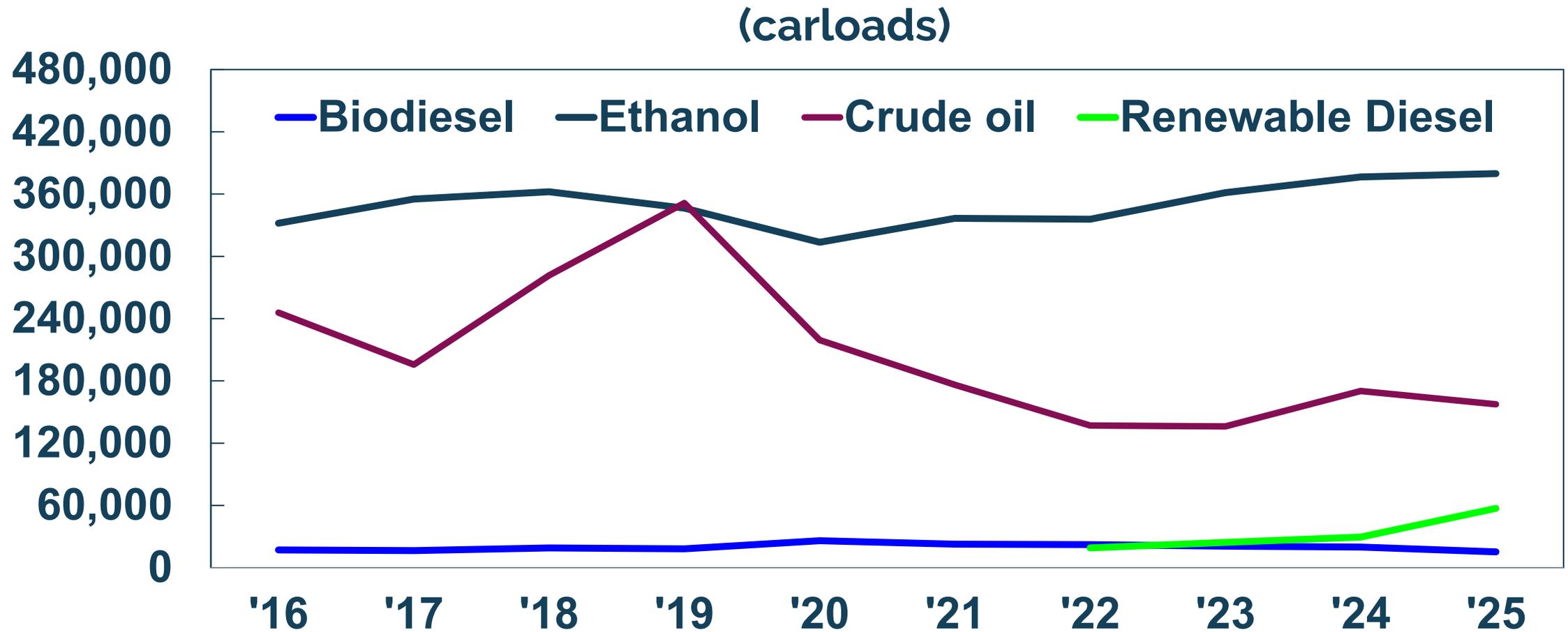
*Assumes 715 barrels (30,030 gallons) per carload. Source: EIA

U.S. Biodiesel and Renewable Diesel Shipments by Rail: Jan. 2020 – Dec. 2025



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

U.S. Shipments of Energy Products by Rail



**Assumes 715 barrels (30,030 gallons) per carload. Figures in these charts might differ from figures from different rail traffic sources. Source: EIA*

Four Steps to Upgrade Rail Capacity*

Step	Approximate Time To Deploy
Identify & implement process changes	Few weeks up to a year or more
Develop & deploy improved information technology	6 months to many years
Add "flexible" assets	6 months to 3 years
Add "iron in the ground"	3-10 years



**These steps are not sequential but are interrelated.*

