

Freight trains for tomorrow



***Improving Louisville & Indiana Railroad
to handle America's freight growth***

Freight trains for tomorrow

**U.S. rail volume is projected to rise 88 percent by 2035,
To be ready, CSX plans to upgrade the Louisville & Indiana Railroad**

The U.S. Department of Transportation projects rail freight volume will nearly double by 2035. Growth is due to increases in population, the economy and international trade moving in intermodal containers.

Rail use is growing because it's the most efficient, cleanest way to move freight. Trains use only one-third as much fuel and emit one-third the emissions of trucks. Putting freight on trains reduces congestion on highways and wear and tear.

Upgrading the Louisville & Indiana will help to ensure L&I's future so we'll be there to help communities along the line expand and grow.

Rail growth is inevitable. If we don't do this now, regional growth may be impaired. And without a strong railroad, shipments will be trucked—adding to taxpayer highway costs and congestion.

Don't miss the train

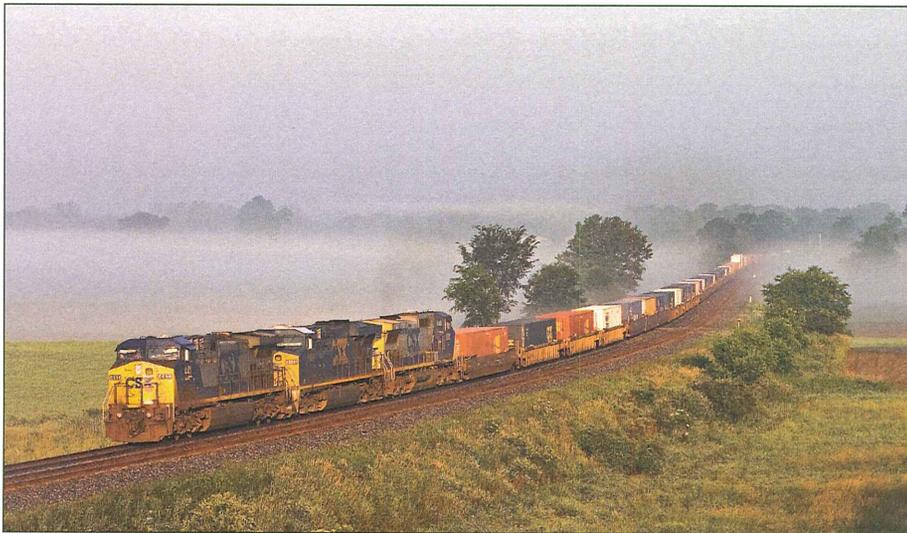


PHOTO BY MATT WELDON

CONTAINER TRAIN—A CSX container train cruises across America—filled with everything from clothing to furniture. International trade, an improving economy and population growth are expected to spur rail shipping 88 percent by 2035.

Benefits of upgrading the L&I

- *Another major Indiana rail corridor with faster track and coordinated service connections will give rail customers faster transit times through Indianapolis and Louisville.*
- *Customers on the L&I will become more competitive—able to use today's heavier and larger cars weighing 286,000 lbs. and double-stack and high-cube equipment 20-ft. 2-in. high.*
- *The Port of Indiana at Jeffersonville will have better rail access to markets north of the Ohio River including direct routing for grain and coal, western products via Chicago and potash from Canada.*
- *Midwest markets and consumers will benefit from increased capacity to handle shipments to Louisville regional markets.*
- *New intermodal service to Louisville will reach southern Indiana markets. Other new services include imports and exports via East Coast ports, coordinated service and additional markets via CSX's new Ohio intermodal terminal.*
- *Increased ability to handle automotive traffic through Louisville, benefitting the auto industry.*
- *Additional capacity for Indiana coal producers, shifting certain traffic off the Terre Haute line onto the L&I.*
- *Strengthening the L&I also strengthens Indiana. This project meets one of the state's long-term transportation goals to increase rail capacity—particularly on smaller railroads such as the L&I.*
- *L&I will continue to serve all existing and future customers, including Clark Maritime Center on the Ohio River and Camp Atterbury at Edinburgh, IN.*
- *A stronger railroad system is essential for Indiana's future.*

What's planned

Louisville & Indiana and CSX have signed a letter of intent to improve and strengthen L&I's 106-mile main line between Jeffersonville and Indianapolis. Initially, this will let CSX move more of its trains between Louisville and Cincinnati, via Seymour, IN.

More trains will mean more jobs—both construction and train operations. More business will help to ensure L&I's future so we'll be there to help our communities expand and grow.

Because container and automobile trains are higher and faster than regular freight, L&I's track clearances will need to be raised and bridges strengthened. Work will include:

- **Installing newer and heavier continuous-welded rail;**
- **Refreshing roadbeds with crushed rock ballast;**
- **Renewing highway grade crossings;**
- * **Adding passing sidings to increase track capacity;**
- **Upgrading bridges and replacing a bridge at Columbus, IN;**
- **Strengthening track to carry 286,000-lb. gross weight freight cars.**

This project may take up to seven years to complete. The first phase entails enlarging the bridge at Columbus. Track between Seymour and Jeffersonville will be upgraded next and the balance of the line to Indianapolis is expected to be upgraded the following years or thereafter—depending on business levels. In time, the number of daily freight trains could increase from five to 17, which means more jobs and a brighter future for Indiana.

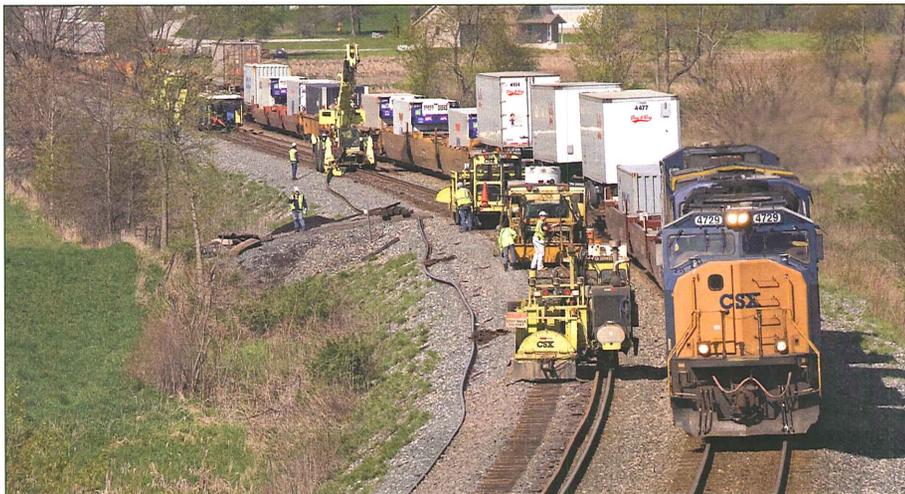
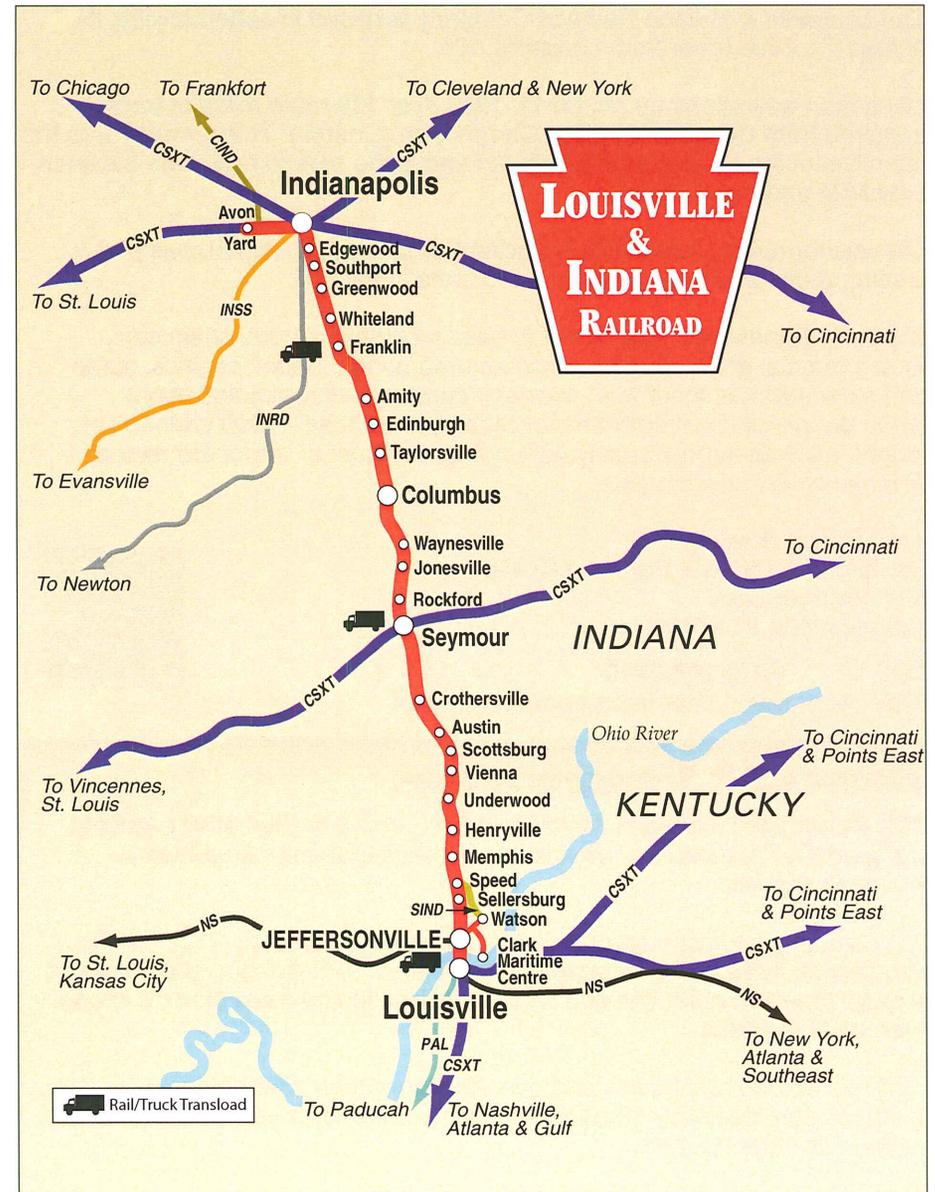


PHOTO BY BRIAN NICODEMUS

NEW RAIL—Heavier rail welded into quarter-mile strings is installed on a CSX main line, improving safety and track capacity. L&I's main line will be upgraded to handle today's heavier, 286,000-lb. gross weight freight cars.



UPGRADING LOUISVILLE & INDIANA—will give CSX, one of America's six largest railroads, more capacity to handle rail shipments to and from Cincinnati and other principal terminals. CSX trains currently operate over the L&I between Jeffersonville and Seymour. More trains will mean more good-paying jobs in Indiana.

About Louisville & Indiana Railroad

The Louisville & Indiana Railroad Company is based in Jeffersonville, IN, across the Ohio River from Louisville, KY.

L&I began operations on March 12, 1994 over 106 route miles of track acquired from Consolidated Rail Corporation (Conrail). This formerly was the main line of the Pennsylvania Railroad and is the most direct route between Louisville and Indianapolis.

L&I was formed by Anacostia & Pacific Company, Inc. (APCI), one of the leading regional railroad development firms in the U.S.

Louisville & Indiana's diverse traffic base includes cement, chemicals, food products, grain, lumber, manufactured goods, paper, plastics, scrap and steel. L&I has more than 40 major customers that employ about 8,400 people and currently ship or receive more than 17,500 carloads of freight. L&I has approximately 40 employees, most of whom are based in Jeffersonville and Columbus.

John Secor, President
Louisville & Indiana Railroad Company
500 Willinger Lane
Jeffersonville, IN 47130

Tel: (812) 288-0940
Web site: www.anacostia.com/lirc/lir.html



About CSX Transportation

CSX Corporation, based in Jacksonville, FL, is one of the nation's leading transportation companies, providing rail, intermodal and rail-to-truck transload services.

The company's transportation network spans approximately 21,000 miles, with service to 23 eastern states and the District of Columbia, and connects to more than 240 short line and regional railroads and more than 70 ocean, river, and lake ports.

CSX has 34,000 employees and operates more than 1,200 trains daily. The company spends nearly 18 percent of its revenue each year to maintain and improve its infrastructure.

Bryan Glover, Supervisor Public Affairs and Safety
CSX Transportation
114 Bluegrass Parkway
Louisville, KY 40299
Tel: (502) 815-1835
Web site: www.csx.com

GROWING UP TOGETHER

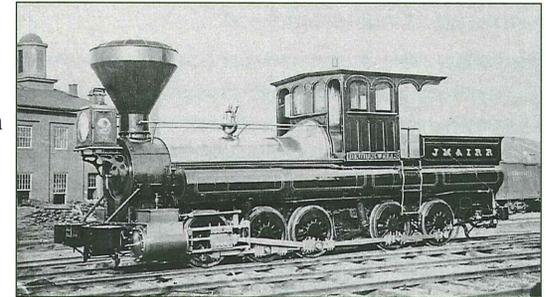
Louisville & Indiana's oldest predecessor was the Madison & Indianapolis Railroad, which began operation in 1838. The M&I was Indiana's first steam railroad and reached its destination city in 1847. Meanwhile, the Jeffersonville Railroad, which ran its first train in 1850, reached Columbus in 1852. The two roads merged in 1866 to form the Jeffersonville, Madison & Indianapolis Railroad. The JM&I became part of the Pennsylvania Railroad system in 1890, when it was acquired by the Pittsburgh, Cincinnati, Chicago and St. Louis Railway Company—fondly known as the Panhandle.

In 1870, an L&I predecessor opened the Ohio River bridge, which was replaced in 1920 with the present double-track steel structure.

The Pennsylvania Railroad, itself a combination of some 800 railroads, had a proud history that included the first steel rails and rolling stock, air brakes and two-way train radio.

Pennsy's Indianapolis Division was especially busy during World War II, carrying troops and military equipment from Camp Atterbury, named for Hoosier William Wallace Atterbury and PRR president from 1925-1935.

The Pennsylvania and New York Central railroads merged in 1968 to form Penn Central, which went bankrupt in 1970. Its successor became Conrail in 1976, selling its Indianapolis-Louisville main line to the Louisville & Indiana in 1994.



REUBEN WELLS—A Jeffersonville, Madison & Indianapolis steam locomotive built in Jeffersonville in 1868—was powerful enough to climb the 5.9 percent grade at Madison—for years the steepest adhesion rail line in America.



ACTION AT COLUMBUS—A fearless female operator holds up train orders for the engineer as the giant locomotive speeds by.

PHOTOS COURTESY JEFFERSON COUNTY HISTORICAL SOCIETY RESEARCH LIBRARY

Freight trains for tomorrow

**Public input and
review by the
U.S. Surface
Transportation
Board**

For more information, contact

John Secor, President
Louisville & Indiana Railroad Company
500 Willinger Lane
Jeffersonville, IN 47130

Tel: (812) 288-0940

Web site: www.anacostia.com/lirc/lir.html

Bryan Glover
Supervisor Public Affairs and Safety
CSX Transportation
11492 Bluegrass Parkway
Louisville, IN 40399

Tel: (502) 815-1835
Web site: www.csx.com

***Don't miss
the train***



Freight trains for tomorrow

PUBLIC REVIEW PROCESS

The proposed CSX-Louisville & Indiana project to upgrade L&I's main line between Louisville, KY and Indianapolis requires federal approval by the Surface Transportation Board. The STB has jurisdiction over railroad rate and service issues and restructuring transactions such as L&I's project with CSX.

CSX and L&I must file an application with the STB and CSX Transportation has retained a consultant, HDR, Inc., to prepare construction and operating plans. HDR will also prepare a preliminary draft environmental assessment, which is done under the direction and control of STB's Office of Environmental Analysis.

HDR will circulate a questionnaire seeking comments from various federal, state, regional and local agencies as well as interested members of the public. Organizations to be contacted include the U.S. Army Corps of Engineers, Environmental Protection Agency, U.S. Fish & Wildlife Service, U.S. Dept. of Agriculture, the Coast Guard and Amtrak. Indiana departments such as Transportation, Natural Resources, Heritage Council and Homeland Security will also receive a questionnaire. Their input will be incorporated in STB's Environmental Assessment. The preliminary environmental assessment issued by the STB will offer the public 30 days for comments, which may be incorporated into the final environmental document.

The public review process and a final decision are expected to be completed by the end of 2011. The STB will make its decision based on competitive and environmental factors.

For more information

More information about the Surface Transportation Board and Office of Environmental Analysis can be obtained from the STB's Web site: <http://www.stb.dot.gov> or contacting STB's Office of Public Assistance, Governmental Affairs, and Compliance; 395 E Street, SW; Washington, DC 20423; (202) 245-0238.

More trains, more jobs



PHOTO BY PETE RUESCH

- **Strengthening the L&I also strengthens Indiana, benefitting customers.**
- **CSX will be able to expand its capacity to meet future growth.**
- **Trains are the most efficient, cleanest way to move freight—using one-third as much fuel as trucks, and one-third the emissions.**
- **Trains reduce traffic congestion, wear and tear on highways—cutting tax dollars for repairs.**
- **Upgrading the L&I will provide a faster, more direct route for heavier cars of Indiana steel destined to the Ohio River port at Jeffersonville.**
- **The project won't require public funds to improve Indiana's transportation infrastructure.**
- **A strong railroad attracts industries looking to relocate in the state.**