The Projections

- Rail tonnage will increase 88% by 2035
- The current rail system is ‘at or near capacity’
- 148 billion in infrastructure spending is required to meet tonnage increase
- Past 2 decades have not seen adequate investment – tonnage increases have been met through ‘excess capacity’
Projected Investment

Rail Investment

- Line Expansion
- Bridges, Tunnels
- Branch Line Upgrade
- Intermodal Expansion
- Carload Terminal
- Service Facilities
The Rail Environment

- 7 Class 1’s and everyone else
- The ‘system’
  - Rails (Mainlines & Branches)
  - Bridges
  - Tunnels
  - Service Facilities, Intermodal Yards, Gateway Facilities
  - Locomotives
  - Cars
  - Signal systems
- The “Bigger System”
  - Corridors
  - Supply & Demand Points
The Rail Environment

- The “Hidden System”
  - Government Regulation & Intervention
  - Policy
- The Economy
  - Global Nature
- The Sources & Sinks
- Passenger Rail
Coal Specifics

- PRB has been developed from a ‘national’ perspective
  - Assumptions of ‘unlimited’ supply
  - Development of robust infrastructure out(6 line mainline)
  - Long, heavy unit trains(stretch & define the current infrastructure)
- The “source” is the easiest infrastructure to develop
- The “in between” infrastructure is reasonable to develop
  - Bridges, tunnels, maintenance facilities
    - Clear ownership, long term assets accounted for in long range capital investment plans
- The “source” infrastructure is the most difficult to develop
“Source” Infrastructure

- Similar to the ‘last mile’ cable infrastructure issue
  - Location is usually not ‘ideal’
  - Generally short distances
  - End use customer doesn’t want to be in the railroad business
Rail Investments & Enhancements

- Rail System
  - Capacity – Corridor Approach
  - Signal & Control Systems
  - Mainline Bridges & Tunnels
  - Regional & Shortline upgrades (286,000# loads)
    - Rails, bridges, etc.

- Facilities
  - Sources & Sinks
    - Ability to handle 110+ car unit trains