

View From D.C.: Rail is an economic leader

Ian Jefferies, AAR CEO AAR Quality Auditors & Industry Conference February 8, 2023



Here's what you should take away.

- 1. Employee relations and growth is a focus.
- 2. Our investments remain high, driving growth and enhancing our value propositions.
- 3. We are improving predictability and reliability.
- 4. Policymakers remain active, considering bad policies.
- 5. We should be optimistic about MxV and our industry broadly.





The recent bargaining was challenging, but we are hiring and future-focused.

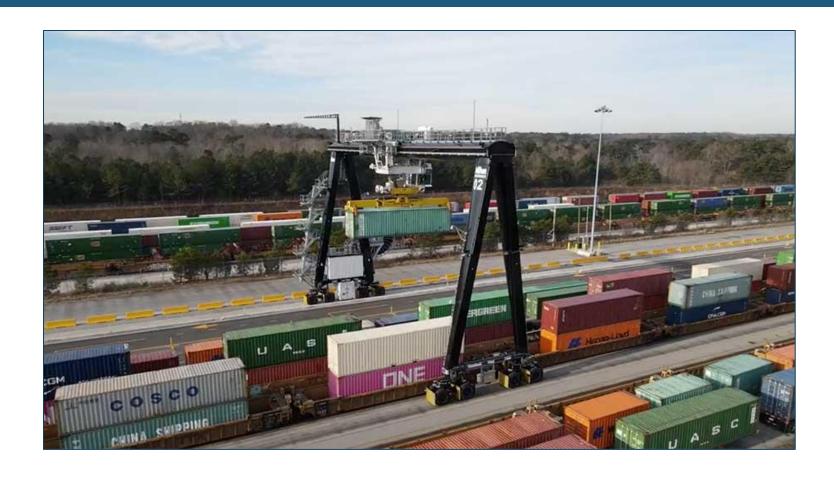
- Our employees deserve our gratitude.
- The round was unique but yielded historic terms.
- Quality-of-life matters remain front and center.
- Railroads continue to grow their workforce.





Investments remain high and focused on the future.

- \$20B+ invested on capital expenditures and maintenance expenses in 2022.
- Railroads have strategic growth plans.







Steadily improving service will lead to growth and reduce regulatory risk.

- Service challenges remain but service is improving.
- Progress hinges on three key factors:
 - 1. Appropriately staffed railroads.
 - 2. Quality infrastructure and capacity.
 - Customer engagement and visibility





Railroads confront several policy challenges and a few opportunities.

- The STB remains historically active.
- Switching still looms, and if imposed widely, would bring clear harm.
- FRA remains sullied by politics while it disregards data.
- Crew size rule ignores bargaining, feasibility and long-term implications while paying outsized attention to anecdotes.
- Congress should expand waiver and pilot program availability at the FRA to safeguard against political influence.





MxV and railroads are well positioned.

- MxV continues to grow and thrive.
- SERTC is a hidden gem.
- We are aligned on a bipartisan basis on many topline policy goals, particularly for the current administration.
- Our value propositions only bode well.



Questions?











