

# Transporting What We Need Today

AND RESPONSIBLY CARING FOR OUR FUTURE



**CSX**  
TRANSPORTATION




## About CSX Transportation

The familiar scene of trains rolling through towns and across fields has long been part of the American landscape, inspiring the imaginations of children and adults across generations. At CSX, we value this legacy and respect our responsibility to each community that we serve. CSX Transportation serves every major population and industrial center east of the Mississippi and more ocean, river and lake ports than any other railroad.

One of eight Class I railroads, CSX is the best-connected railroad in Eastern North America, with operations in 23 states, the District of Columbia and portions of Canada. The railroad operates over 40,000 miles of track and hauls over five million car loads per year.

As a leader in the transportation industry, CSX is committed to protecting the environment and ensuring the safety and health of our employees and the communities we serve. This commitment is fundamental to our management principles and has propelled the company to the forefront of the industry.

Rail transportation is the environmentally safe choice for moving freight. By rail, a gallon of fuel moves nine times more freight than by truck. In using fuel more efficiently, the railroad industry and CSX offer a clear environmental advantage by reducing the emission of greenhouse gases. The U.S. Environmental Protection Agency has stated that locomotives are about three times cleaner than trucks.



“Safety and the protection of human health and the environment are fundamental to CSX’s management principles and good business practices.”

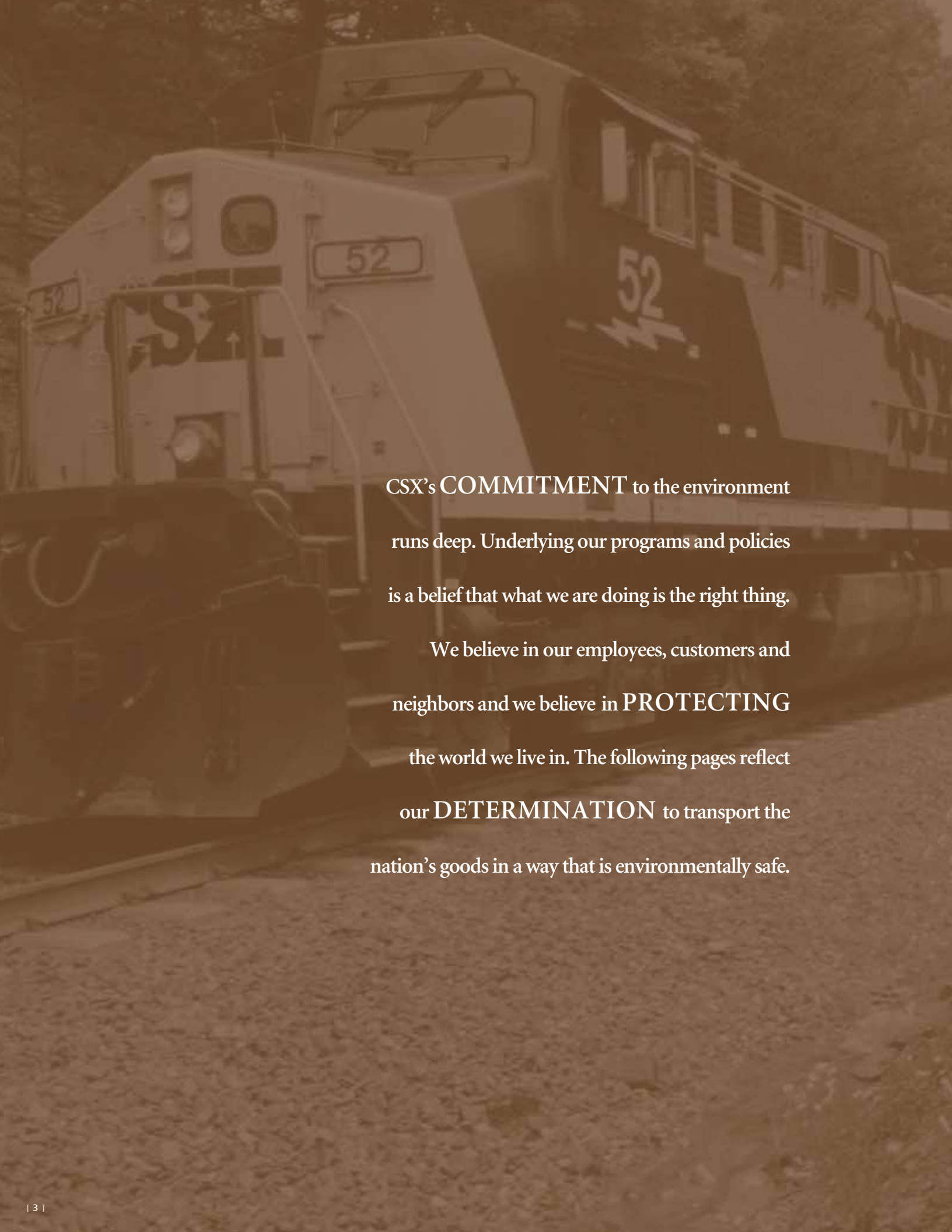
— Michael J. Ward, Chairman, President and CEO of CSX Corporation

**Environmental Mission Statement** Protecting the environment is the responsibility of each employee of CSX. All employees must perform their daily tasks in an environmentally safe manner. On the front line, each of us must place a priority on both protecting the environment and responsibly handling any emergency that might occur.

**CSX and the Environment** At CSX, we are proud of our environmental record and our commitment to protecting air, land and water resources. We demonstrate this commitment in many ways — from providing environmentally sound freight transportation to continually strengthening our environmental stewardship. Caring for the environment is more than just good sense. It’s good business.

**Environmental Policy** Safety and the protection of human health and the environment are fundamental to CSX’s management principles and good business practices. It is the policy of CSX to protect the environment and the health and safety of employees and the communities in which it operates. Daily decisions and actions at CSX are guided by the following environmental principles:

- Comply with applicable environmental laws and regulations
- Conduct operations safely, with care regarding environmental risks to employees, customers and the public
- Minimize waste, prevent pollution and incorporate recycling in all practices and operations
- Strive to eliminate releases that may cause harm to the environment
- Use sound environmental practices to address and redevelop environmentally impacted property
- Encourage open and candid communication with employees, customers and the public regarding the company’s environmental program and any hazard that may arise from its operations
- Train employees to be aware of and responsive to environmental responsibilities
- Strive to continually improve environmental performance



CSX's **COMMITMENT** to the environment runs deep. Underlying our programs and policies is a belief that what we are doing is the right thing.

We believe in our employees, customers and neighbors and we believe in **PROTECTING** the world we live in. The following pages reflect our **DETERMINATION** to transport the nation's goods in a way that is environmentally safe.

## CONTENTS



**People** CSX cares deeply about our employees and our neighbors. With an environmental staff of managers and team leaders, we make sure we are operating in an environmentally safe way. .... **PAGE 5**



**Water** With programs like stormwater management and wastewater treatment, CSX protects the bodies of waters we encounter. That means treating the water from our operations and making sure that rainwater leaving our properties is safe before entering streams, lakes, rivers and oceans. .... **PAGE 11**



**Air** Our award-winning Auxiliary Power Unit is just one example of the programs CSX has in place to keep our air clean and minimize the global greenhouse effect. .... **PAGE 15**



**Earth** Our commitment to the earth is best exemplified by our partnership in the Responsible Care® program, which ensures the safe transportation of hazardous materials. .... **PAGE 19**

people



# “Protecting the world’s most important resource”

CSX EMPLOYEES ARE NATIONALLY RECOGNIZED FOR ENVIRONMENTAL EXCELLENCE.

The personal health and safety of the lives touched by our company and the protection of resources for future generations are top priorities for CSX Transportation.

Management operates the company on the basic belief that CSX has a responsibility and duty to protect its employees, communities and the environment. The company’s safety-first culture promotes the empowerment of employees at all levels to be responsible and act safely. Of equal importance is CSX’s emphasis on public safety. CSX has implemented numerous programs to protect and educate communities, including safety at highway-rail intersections and emergency planning.



## people

EACH YEAR, CSX CONDUCTS ENVIRONMENTAL TRAINING FOR OVER 15,000 EMPLOYEES.



CSX's Environmental Management Team has developed one of the most comprehensive environmental programs in the industry. Our employees are encouraged to work safely, be environmentally conscious and continually strive for improvement.

**Environmental Management System** CSX has initiated an Environmental Management System, or EMS. It defines how environmental management responsibilities are distributed throughout the organization, residing in numerous departments, functions, systems and documents. The EMS outlines policy, accountability, processes and rules for self-assessment.

**Environmental Operations** The Environmental Operations Group is responsible for hazardous and solid waste management, spill prevention and control, developing and implementing Environmental Certification Training and operating facilities in accordance with environmental regulations, such as the Clean Water Act.

**Remediation** CSX is involved in the remediation, restoration and redevelopment of property. These efforts involve soil, groundwater and air. In many cases, innovative approaches have resulted in award-winning efforts to restore impacted properties. Many of these projects have been designed and implemented by CSX's Real Property Inc.

**Engineering and Compliance** The Engineering and Compliance Group oversees:

- Capital expenditures
- Design and construction of environmental treatment systems
- Compliance with a myriad of federal, state and local environmental rules and regulations

**Hazardous Materials** The Hazardous Materials Systems Group is responsible for:

- Compliance with regulations governing the transportation of hazardous materials
- Employee training in the safe transportation of hazardous materials and emergency procedures
- Emergency response management
- Community and customer outreach to enhance communications, safety and emergency response planning

## Outstanding Environmental Achievement

Since 1996, the **John H. Chafee Environmental Award** is given each year by the Association of American Railroads to recognize the most outstanding environmental achievements by a railroad employee. Two CSX employees have won this national award:

**Mike Bethge, Locomotive Engineer**

Recognized for hazardous materials planning and response and instrumental involvement promoting environmental compliance.

**Ted Stewart, Mechanical Systems Engineer**

Recognized for co-design and implementation of the nationally acclaimed Auxiliary Power Unit along with continual efforts to promote the fuel-conserving and emission-reducing device as a model for the railroad industry.

In addition, the following CSX employees have been nominated for this award:

**Tim Bentley, Roadmaster**

**Ray Foley, Mechanical Laborer**

**Dennis Kehoe, Trainman**

**Roger Marcum, Mechanical Laborer**

**Larry McCullum, General Foreman**



“Dynamic and talented individuals who strive for excellence in their endeavors reflect the true spirit of America.”

— President George W. Bush on John H. Chafee Environmental Award winner Ted Stewart of CSX Transportation



## teamwork

OUR EMPLOYEES WORK SAFELY, ARE ENVIRONMENTALLY CONSCIOUS AND  
ARE ENCOURAGED TO CONTINUALLY STRIVE FOR IMPROVEMENT.

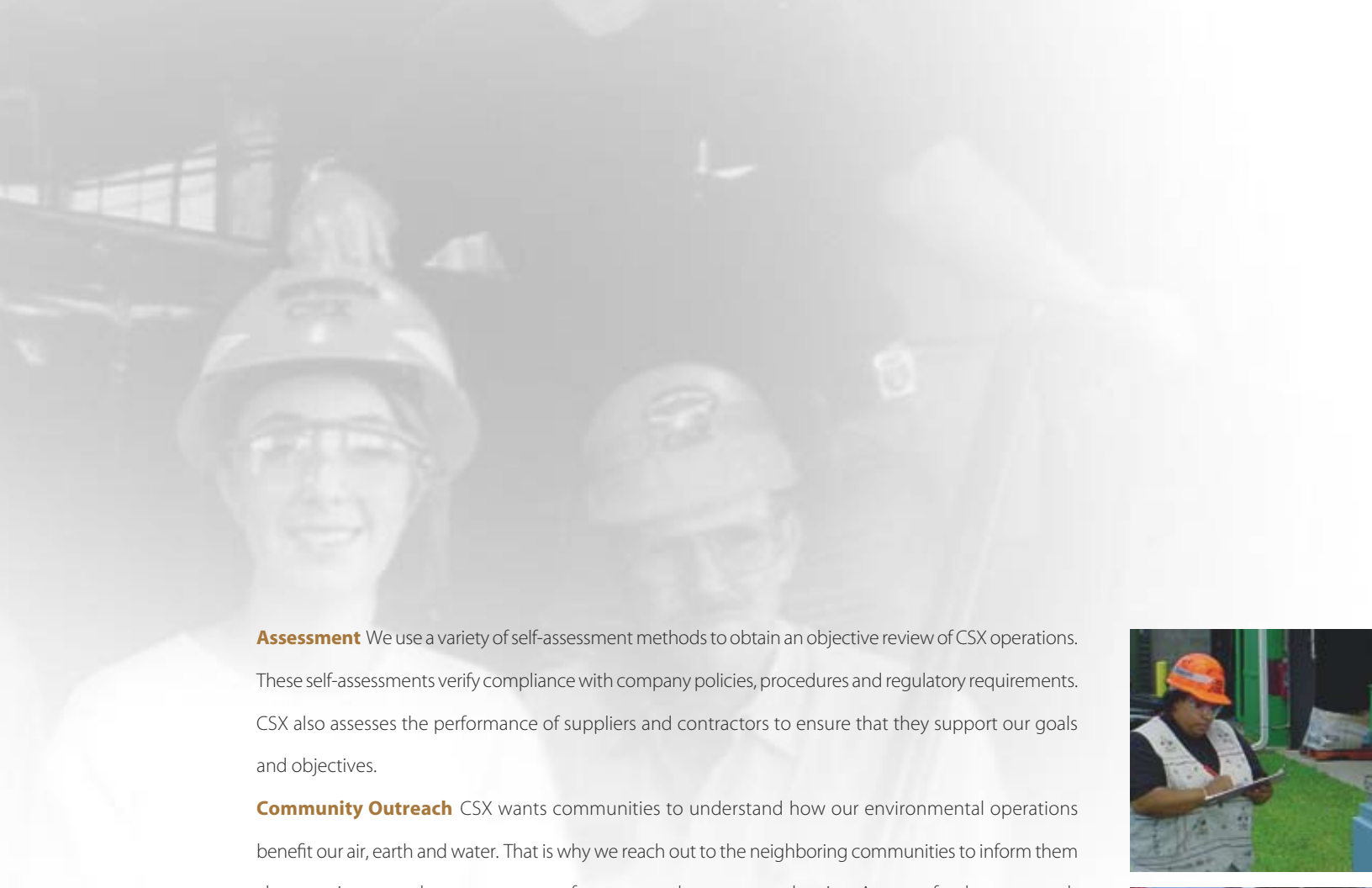


**Training** Environmentally safe operations are a top priority and are implemented through hands-on training programs. These are “how to” courses on environmental policies and procedures. They are supported by training manuals and publications that serve as reference materials and provide on-the-job checklists. In addition to hands-on training, the Environmental Certification Program covers many areas such as general environmental awareness, hazardous waste, spill prevention and stormwater management.

**Communication** In addition to employee training, CSX communicates our environmental programs in many different ways. Ongoing internal communications such as conference calls, newsletters, videos and the internet are used to keep our employees and others informed. These are designed to keep the lines of communication open among departments, contractors, customers, suppliers, employees and communities regarding environmental issues. The Environmental Hotline (800-325-8182) is available for anyone to contact CSX to request information or report a non-emergency environmental matter.



ENVIRONMENTAL HOTLINE  
800-325-8182



**Assessment** We use a variety of self-assessment methods to obtain an objective review of CSX operations. These self-assessments verify compliance with company policies, procedures and regulatory requirements. CSX also assesses the performance of suppliers and contractors to ensure that they support our goals and objectives.

**Community Outreach** CSX wants communities to understand how our environmental operations benefit our air, earth and water. That is why we reach out to the neighboring communities to inform them about environmental management, performance and emergency planning. Avenues for these outreach programs include the Web site (CSX.com), the CSX safety train partnership, Earth Day Sponsorship and the Community Awareness Planning Process. The Community Awareness Planning Process is a program that assists the public in developing and evaluating emergency response plans for hazardous materials transportation incidents. CSX has developed a planning guide to familiarize communities with:

- The layout and operation of CSX facilities in their area
- Important phone numbers and points of contact
- Rail car placarding information
- Training and emergency exercise opportunities with CSX



**THE RAIL ADVANTAGE**

Every day, rail hauls enough ...

- wheat to provide a fresh loaf of bread to every person in the U.S.
- lumber to build 4,000 houses
- concrete to build 45 miles of highway

*Source: American Association of Railroads*

water



## “Preserving nature’s gift”

CSX RETURNS BILLIONS OF GALLONS OF CLEAN WATER TO THE ENVIRONMENT EVERY YEAR.

CSX serves more than 70 ocean, river and lake ports and operates among thousands of bodies of water. As an environmentally responsible company, we vigilantly pursue compliance with regulations and cooperation with government, industry and community organizations to protect our water resources. CSX has implemented both corporate and facility-specific measures to protect local waterways. Employees receive training and facility response plans to deal with situations that may occur.





**CSX SAFELY OPERATES NEARLY 200 WASTEWATER TREATMENT FACILITIES,  
WINNING NUMEROUS AWARDS FOR OUR PERFORMANCE.**



**Wastewater Treatment** Rail operations generate wastewater from maintenance and service of locomotives and rail cars. The wastewater is treated using state-of-the-art facilities. With nearly 200 wastewater facilities, CSX is considered an industry leader and has received recognition by state agencies and industry organizations.

**Stormwater** Stormwater that may come into contact with industrial activities is managed throughout the 23-state system. Field compliance teams composed of employees from many departments (environmental specialists, trainmasters, shop foremen) implement stormwater plans to ensure stormwater quality.

**Groundwater** CSX protects groundwater through proper storage, use and transportation of chemicals and the use of absorbent mats where appropriate.

#### THE RAIL ADVANTAGE

Rail hauls a substantial portion of the nation's goods, including ...



Source: American Association of Railroads and the USDOT



## Environmental Excellence



### **Award-Winning Facilities**

CSX has received notable awards for the top performance of our water treatment facilities from both regulatory agencies and industry organizations.

These facilities include:

Newport News, Va.

Richmond, Va.

Corbin, Ky.

Charleston, S.C.

### **Exceptional Training**

CSX has received national recognition for our environmental training programs, including three awards given by the video education industry: the Aegis, Cindy and TELE awards. These awards are given for effective communication and clarity of message, which the Environmental Operations Group continually strives to accomplish.



air

## “Going above and beyond”

CSX IS A CHARTER MEMBER OF EPA'S SMARTWAY TRANSPORT PROGRAM TO REDUCE GREENHOUSE GASES.

CSX continues to “think outside the box” to find ways to reduce greenhouse gases and lessen pollution. Continual progress in fuel efficiency and innovations like the Auxiliary Power Unit are why a gallon of fuel will move freight by rail almost twice as far today as the same gallon of fuel would have 20 years ago.

Less fuel burned means cleaner air.

CSX cares about the air we all breathe.

With cleaner locomotives and aggressive programs at our facilities, we are making a real difference.





CLEAN AIR...RAILROADS ARE PART OF THE SOLUTION.



Self-contained sand silo



Low-emissions vehicle



Electrostatic locomotive painting

**Processes** CSX is involved in many processes such as painting, cleaning and handling materials.

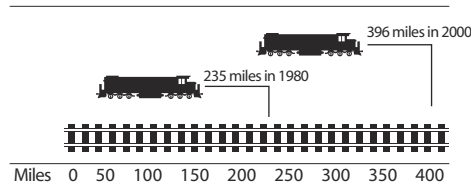
To minimize impacts to the air from these processes, CSX has instituted these programs:

- Product substitution for CFC-containing and other chemical spray cans
- Water-based paint for locomotives and cars
- Self-contained sanding systems for locomotives
- Clean Air Act management teams for regulatory compliance

**Asbestos and Lead-Based Paint** CSX inspects its facilities for the presence of asbestos and lead-based paint. CSX maintains centrally managed databases to provide real-time information on the condition and location of the materials. Employees are trained in the proper methods of working around asbestos and lead-based paint and programs are in place to minimize accidental disturbances.

**Clean Fuel Fleet Program** CSX purchases low-emission vehicles to comply with the EPA's Clean Fuel Fleet Program. CSX maintains the fleet to protect urban air quality. These actions are especially significant in cities like Chicago, which have been designated by the EPA as non-attainment areas.

THE RAIL ADVANTAGE



Today, a gallon of diesel fuel moves a ton of freight 161 miles farther than it did 20 years ago.

Source: American Association of Railroads

**THE APU REDUCES CARBON DIOXIDE (CO<sub>2</sub>) EMISSIONS BY 85% DURING IDLING.**

**Global Greenhouse Effect** Greenhouse gases are atmospheric gases responsible for producing the greenhouse effect. Without the naturally occurring greenhouse effect, the average temperature of the earth would be about 100 degrees colder than it is today. Although greenhouse gases occur naturally, human activities impact the balance of their atmospheric concentrations. Combustion of fossil fuels is the largest source of greenhouse gas emissions, of which 82 percent is CO<sub>2</sub>. Dramatic improvements in railroad fuel efficiency have resulted in significant reductions in CO<sub>2</sub> emissions.

**CSX and the Auxiliary Power Unit (APU)** Nearly all locomotives use a large diesel engine that drives a generator to produce electricity. Electricity powers the traction motors connected to the wheels and the locomotives' other operations. CSX has designed, patented and made available to the rail industry the APU system that provides power during idling conditions, allowing the main engine to be shut down. This saves fuel and significantly reduces exhaust emissions. The innovative technology was recognized by the U.S. EPA with a Clean Air Excellence Award. CSX's goal is to install 800 APUs each year over the next several years. Projected fuel savings from our 3,600 locomotives are expected to be 25 to 30 million gallons per year.

**Smartway Transport Program** CSX is a charter member of EPA's Smartway Transport Program. This program's goal is to reduce greenhouse gas emissions and fuel consumption from ground freight carriers such as trucks and locomotives. One of the program's primary objectives is reducing emissions during idling, which the APU program notably achieves.



Auxiliary Power Unit

earth



## “Doing the right thing”

CSX CAREFULLY MANAGES AND SAFELY DISPENSES 1.2 MILLION GALLONS OF FUEL EVERY DAY.

We continue to set goals for ongoing improvement throughout the CSX system.

We owe it to our employees, stakeholders, customers and communities to be good stewards of the environment. Recognizing the importance of conserving raw materials and landfill space, CSX strives to reduce waste streams and find innovative ways to recycle and reuse materials. While these efforts are foremost environmentally beneficial, they also generate significant revenue and savings for the company.





**RECOGNIZING THE IMPORTANCE OF CONSERVING RAW MATERIALS,  
CSX HAS ACHIEVED EXCELLENT SUCCESS IN REDUCING WASTE STREAMS  
AND FINDING INNOVATIVE WAYS TO RECYCLE AND REUSE MATERIALS.**



Storage



Inspection



Handling

**Solid Waste** Railroads, like most industries, generate solid waste. CSX has implemented a waste-minimization program to reduce solid waste. Much of the waste, such as used cross ties, scrap metal and used oil, is recycled.

**Hazardous Waste** Our system to manage and reduce hazardous waste works because of centralized management, organized programs and disciplined employees. Through product selection and personnel training, CSX has significantly reduced the hazardous waste generated, resulting in cost savings. The waste generated is managed in accordance with the Resource Conservation and Recovery Act.

**Fuel Management** CSX dispenses more than one million gallons of diesel fuel each day. The company trains employees to properly manage and maximize fuel delivery. CSX also uses track pans, track mats, automatic shutoff valves and spill containment dikes to minimize the risk to the environment.

**Timber Management** CSX Real Property Inc. manages timberland throughout our operating system. We promote regeneration of timberland through replanting and preserve rail safety through responsible harvesting along operating corridors.



**Recycling Is Good Business** Railroads use a variety of materials ranging from steel to batteries. We have made waste reduction a priority at CSX, including innovative recycling and reductions in the volume of disposable materials. These efforts benefit the environment and result in savings to CSX.

**REDUCE, RECYCLE AND REUSE**

**Steel** Steel in old locomotives, rail cars, rails and other equipment is collected and sold to recyclers.

**Batteries** CSX reclaims about 500,000 pounds of signal and other rechargeable batteries each year. We also recondition or recycle our locomotive engine batteries.

**Oil** Throughout our system, we recycle used oil from locomotive crankcases and other equipment. In a typical year, more than two million gallons of oil is recycled through approved suppliers.

**Cross Ties** We have pioneered an innovative method for reusing cross ties. Most of them are chipped for fuel and the remaining ones are reused as landscaping timbers.

**Paper and Aluminum** Programs are in place to recycle waste paper and aluminum. In our Jacksonville, Fla., headquarters alone, our employees recycle several tons of office paper and aluminum each month.



Steel



Batteries

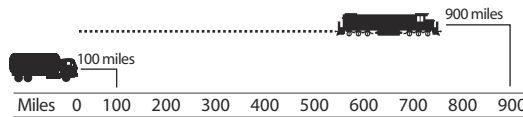


Oil



Fuel filters

**THE RAIL ADVANTAGE**



The same amount of fuel will move a ton of freight nine times farther by rail than by truck

Source: American Association of Railroads

## hazardous materials

CSX RECEIVED THE EPA'S REGION III PARTNERSHIP AWARD  
FOR CHEMICAL EMERGENCY PREPAREDNESS AND PREVENTION.



CSX provides emergency planning assistance and training to local fire, police and emergency response personnel in communities served by our railroad.

Our nation depends heavily on the safe movement of raw materials by rail to supply manufacturers with commodities vital to our society. The **CSX Hazardous Material (HAZMAT) Systems Group** accomplishes the safe transportation of these commodities through a prevention-based philosophy and constantly evolving curriculum designed to instruct railroad employees, shippers and public safety personnel in how to manage hazardous materials, prepare cars for safe transit and ensure the public's safety in the unlikely event of an incident. The HAZMAT Group has developed and implemented industry-leading initiatives in five primary areas:

- Regulatory Compliance Quality**
- Training and Education**
- Community and Customer Outreach**
- Emergency Management**
- Security**



To report any suspicious activities on or near CSX property, call the CSX Police Communications Center

800-232-0144

### Regulatory Compliance Quality

CSX assesses compliance with Department of Transportation (DOT) regulations and company policy through quantifiable procedures:

**Yard and Facility Inspections** Each year, CSX audits over 100 company facilities to determine compliance with DOT regulations and CSX policies.

**Tank Car Inspections** CSX routinely inspects tank cars for proper securement, stenciling and placarding.

**Train Inspections** CSX routinely inspects trains for compliance with position-in-train documentation and train placement restrictions.

**HAZMAT Confident Campaigns** This program is a comprehensive multi-day review of major rail terminals that evaluates all aspects of hazardous material transportation. The core of this procedure is the interview process that measures employee comprehension of HAZMAT rules and policies.

**Efficiency Testing** Train crews are regularly observed in the normal course of duties to ensure compliance with HAZMAT operating rules and policies.

### Training and Education

CSX understands that training and education play an integral role in the safe transportation of hazardous materials. CSX improves the knowledge and comprehension of its employees and local emergency responders through thorough training programs:

#### Local Emergency Response Training

Each year, CSX trains over 5,000 emergency responders, free of charge, in the basics of rail operations and safe response tactics.

**Company Training** Operating personnel are required to undergo testing to demonstrate proficiency in HAZMAT operating rules and policies.

### Community and Customer Outreach

As a key element in our commitment to safely transport hazardous materials, CSX develops working partnerships with communities where we operate and with the chemical shippers that entrust us with their product.

**Product Stewardship** CSX meets with chemical shippers to learn more about the production process and characteristics of their commodities and to share the commitment of CSX to safely transport their products.

**Community Presentations** CSX, through Local Emergency Planning Committees and civic groups, makes presentations that explain rail operations and the processes in place to ensure the safe transportation of hazardous materials.

**Emergency Management** We protect public health, the environment and property by maximizing mitigation resources and recovery efforts to lessen the impact of HAZMAT incidents. The CSX HAZMAT Systems Group uses the following tools to enhance its ability to plan for and respond to emergencies:

**HAZMAT Sentinel Program** Select CSX employees have received advanced training in tank car mechanics, incident management, protective equipment and release control and confinement.

### Transportation Emergency Response Plans (TERPS)

Managers in our rail terminals are equipped with detailed plans to aid in the proper handling of an incident at their terminals.

**Crisis Management Exercises** CSX has developed an interactive, multimedia incident simulation to assist local emergency responders and railroad employees in managing incidents.

**Community Awareness Emergency Planning Guide** CSX developed this guide to serve as a supplement to a community's emergency operations plan. The plan has been distributed to all LEPs on the CSX rail network.

**Security** CSX has worked closely with local, state and federal authorities to identify critical infrastructure and develop plans to protect and/or harden these to thwart attempts to use them in terrorist acts.

#### Railroad Security Task Force

This industry-wide task force has developed a comprehensive risk analysis of infrastructure and assets.

**Employee Security Awareness** The industry raised employee awareness to ensure that the 200,000 railroad employees are the eyes and ears for rail security.





CSX SAFELY TRANSPORTS OVER 445,000 RAIL CARS CONTAINING HAZARDOUS CHEMICALS EACH YEAR.



In 1988, the American Chemistry Council launched Responsible Care® to respond to public concerns about the manufacture and use of chemicals. Through Responsible Care®, member companies are committed to support a continuing effort to improve the industry's responsible management of chemicals. CSX's membership in Responsible Care® requires that we:

- Continually improve our health, safety and environmental performance
- Listen and respond to public concerns
- Assist other Responsible Care® members to achieve optimum performance
- Report our goals and progress to our community

Responsible Care® is composed of several facets: guiding principles, comprehensive management systems, dialogue with the public, certified measures of performance, performance goals, independent third-party management systems certification, mutual assistance, partnership program and obligation of membership.

**Why is CSX a partner in Responsible Care®?** CSX believes that our employees, customers, stakeholders and communities benefit from our safe transportation, storage, handling and disposal of hazardous materials. In addition, it is much more expensive to respond to a chemical release or spill than to prevent the release through active policies, practices and procedures. CSX chooses to be involved in Responsible Care® because the program supports our corporate mission to be the choice for environmentally safe transportation.



## Chemical Safety Excellence Award

Safety isn't just a matter of luck. It's a matter of hard work and careful planning. As a leader in the movement to improve chemical shipping safety, CSX is proud to work with shippers whose innovative safety programs and practices are reducing Non Accident Releases (NARs) and increasing quality.

That is why CSX sponsors the annual Chemical Safety Excellence Award, a tribute to the industry's most outstanding and proactive approaches to the safe transportation of chemicals. We select winners based on preventive actions, post-incident investigation and remediation and frequency of NAR.



We have created this publication to help you understand why rail is the safest, most environmentally sound way to transport goods. We want you to also know the many ways CSX works hard to achieve sustainability in everything we do: to provide our employees with a safe work environment, to protect the public, to give our stakeholders and customers maximum value and to preserve the earth, air and water we all share.

CSX TRANSPORTATION INC.  
ENVIRONMENTAL AND HAZARDOUS MATERIAL SYSTEMS DEPARTMENT  
500 WATER STREET, J-275, JACKSONVILLE, FL 32202



As a global transportation leader, CSX is committed to protecting the environment and ensuring the safety and health of our employees and the public.

We back our commitment with detailed programs that promote best practices in environmental stewardship.

We continue to set goals for ongoing improvement throughout CSX. We owe it to our employees, our shareholders, our customers and future generations to be good stewards of the environment. It's the right thing to do.

[www.csx.com](http://www.csx.com)

CSX POLICE COMMUNICATIONS CENTER  
*(railroad emergencies only,  
including suspicious activities)*

800-232-0144

ENVIRONMENTAL HOTLINE  
*(non-emergency environmental information)*

800-325-8182



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