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CSX Files Expanded Application with Surface Transportation Board to Acquire Pan Am Railways

JACKSONVILLE, Fla. – July 2, 2021 - CSX Corp. (NASDAQ: CSX) today announced that it submitted an amended and supplemented application to the Surface Transportation Board (STB) as part of the previously announced agreement to acquire New England's Pan Am Railway's Inc. (Pan Am). The amended application provides all of the additional details of the proposed transaction requested by the STB in their May 26, 2021 ruling.

James M. Foote, president and chief executive officer of CSX said: "CSX is pleased to submit an expanded application for the acquisition of Pan Am Railways, which explains the tremendous benefits of the proposed transaction for stakeholders in New England and beyond.

"The proposed transaction is an "end-to-end" acquisition that will integrate the New England rail network owned by Pan Am into CSX's national rail network, creating seamless single-line service. This will provide substantial benefits to shippers with low-cost, environmentally-friendly rail service with truck-like reliability.

"Adding Pan Am to our network will extend the reach of our service to a wider customer base over an expanded territory, creating new efficiencies and market prospects for customers to capitalize on a robust pipeline of growth opportunities to move freight to, from and within New England."

David A. Fink, president of Pan Am Railways said: "Pan Am remains excited about this merger with CSX, a North American leader in rail-based freight transportation. We have continued to receive support from our customers about the transaction as they know that CSX's investment in the region will benefit not only New England shippers but also those who will have new access to their goods and products through the direct connection into CSX's national rail network."

The combination of CSX and Pan Am provides benefits to many stakeholders in New England, as evidenced by the over 80 letters of support that shippers, elected officials and business organizations have submitted to the STB. CSX has also worked to reach agreements with other rail operators and organizations in the region to ensure that the transaction results in enhanced competition and a strengthened rail network in the Northeast.

The proposed transaction would result in significant investments in the region's rail infrastructure. Over the next five years, CSX would invest to upgrade and modernize the Pan Am system, which will make the New England rail network more efficient and safer for operations, communities and passenger rail.

New England will also benefit from CSX's track record as leader in environmental performance. CSX will operate Pan Am with a smaller, more reliable and more fuel-efficient fleet, significantly reducing fuel consumption and improving rail's environmental footprint in the region.

CSX's operating model will benefit passenger and commuter carriers in New England as well as shippers as the company commits to maintaining or improving existing passenger service that operates on Pan Am. CSX has a long-standing history of working cooperatively with Amtrak and other passenger rail partners as evidenced by the significant improvement in contractual on-time performance with Amtrak since CSX has implemented its new operating model.

Headquartered in North Billerica, Massachusetts, Pan Am owns and operates a highly integrated, nearly 1,200-mile rail network and has a partial interest in the more than 600-mile Pan Am Southern system. Pan Am's network across New England has access to multiple ports and large-scale commodity producers. The transaction will expand CSX's reach in Connecticut, New York and Massachusetts while adding Vermont, New Hampshire and Maine to its existing 23-state network.

Terms of the transaction were not disclosed. The transaction is subject to regulatory review and approval by the Surface Transportation Board.

Goldman Sachs & Co. LLC is acting as financial advisor and Davis Polk & Wardwell LLP is acting as legal advisor to CSX in connection with the transaction.

Information on the transaction, along with supporters across the region, can be found at www.nefreightrail.com.

About CSX

CSX, based in Jacksonville, Florida, is a premier transportation company. It provides rail, intermodal and rail-to-truck transload services and solutions to customers across a broad array of markets, including energy, industrial, construction, agricultural and consumer products. For nearly 200 years, CSX has played a critical role in the nation's economic expansion and industrial development. Its network connects every major metropolitan area in the eastern United States, where nearly two-thirds of the nation's population resides. It also links more than 230 short-line railroads and more than 70 ocean, river and lake ports with major population centers and farming towns alike. More information about CSX Corp. and its subsidiaries is available at www.csx.com. Like us on Facebook (<http://facebook.com/OfficialCSX>) and follow us on Twitter (<http://twitter.com/CSX>).

Forward-looking Statements

This information and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, margins, volumes, rates, cost-savings, expenses, taxes, liquidity, capital expenditures, dividends, share repurchases or other financial items, statements of management's plans, strategies and objectives for future operations, and management's expectations as to future performance and operations and the time by which objectives will be achieved, statements concerning proposed new services, and statements regarding future economic, industry or market conditions or performance. Forward-looking statements are typically identified by words or phrases such as "will," "should," "believe," "expect," "anticipate," "project," "estimate," "preliminary" and similar expressions. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. If the company updates any forward-looking statement, no inference should be drawn that the company will make additional updates with respect to that statement or any other forward-looking statements.

Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by any forward-looking statements include, among others; (i) the company's success in implementing its financial and operational initiatives; (ii) changes in domestic or international economic, political or business conditions, including those affecting the transportation industry (such as the impact of industry competition, conditions, performance and consolidation); (iii) legislative or regulatory changes; (iv) the inherent business risks associated with safety and security; (v) the outcome of claims and litigation involving or affecting the company; (vi) natural events such as severe weather conditions or pandemic health crises; and (vii) the inherent uncertainty associated with projecting economic and business conditions.

Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the company's SEC reports, accessible on the SEC's website at www.sec.gov and the company's website at www.csx.com.

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