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Office of Proceedings
March 26, 2014
Part of
Public Record



CSX Transportation Ex Parte 711 Comments

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It starts with the customer and CSX is listening

Over 2,500
third-party
independent
customer surveys
annually



**Customer
Advisory
Councils** for
all markets



Over 4,000
annual **customer**
site visits



Frequent
cross-functional
**Service
Excellence**
meetings across
the network



**Customer
Focused
Culture:**
All employees,
every day



Customers tell us: "Service is paramount"

CSX is responding to the voice of the customer

Service Predictability

- ***“Consistency of service is a top priority”***
- Improving transit times and service reliability

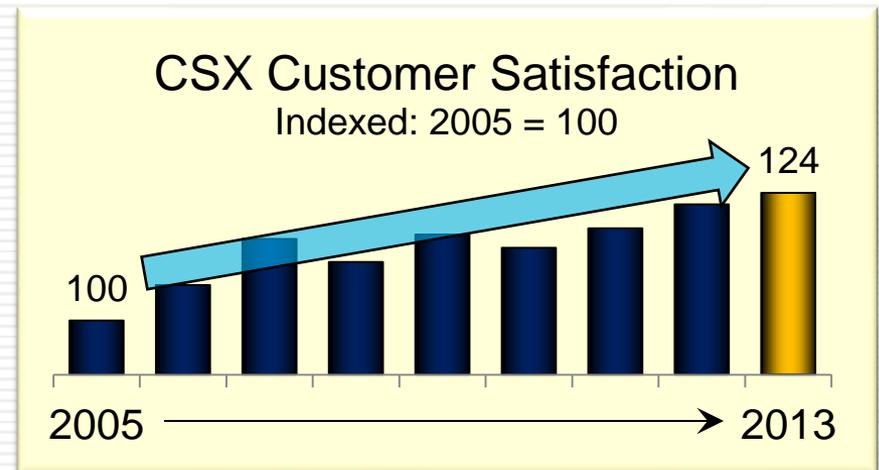
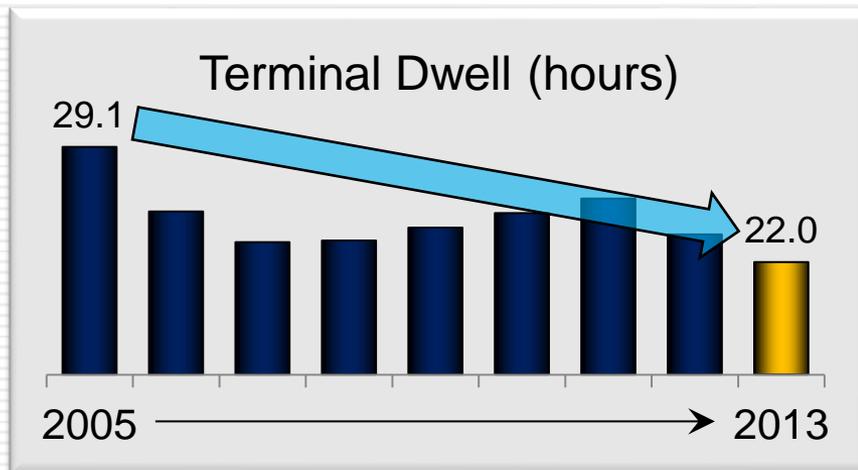
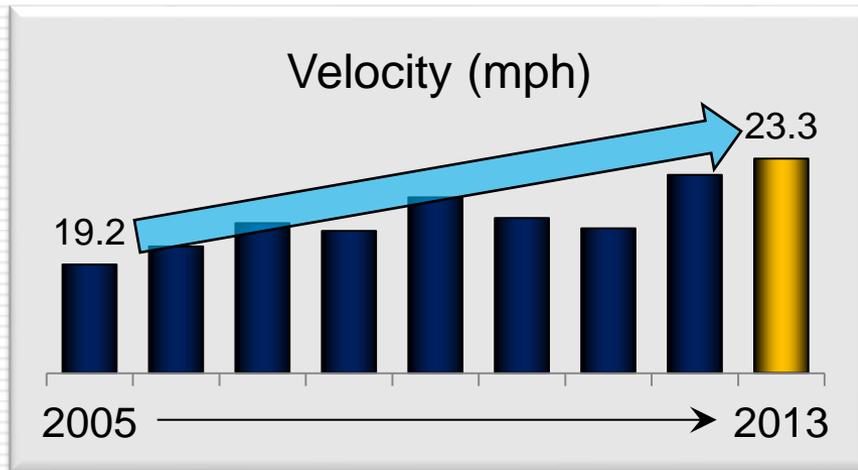
Enhanced Efficiency and Asset Utilization

- ***“As cars sit, we lose money”***
- Driving improved railcar utilization for customers & CSX

Improved Communication and Coordination

- ***“Proactive notification for planning and results”***
- Providing information for customers to plan resources

Service gains demonstrate customer commitment



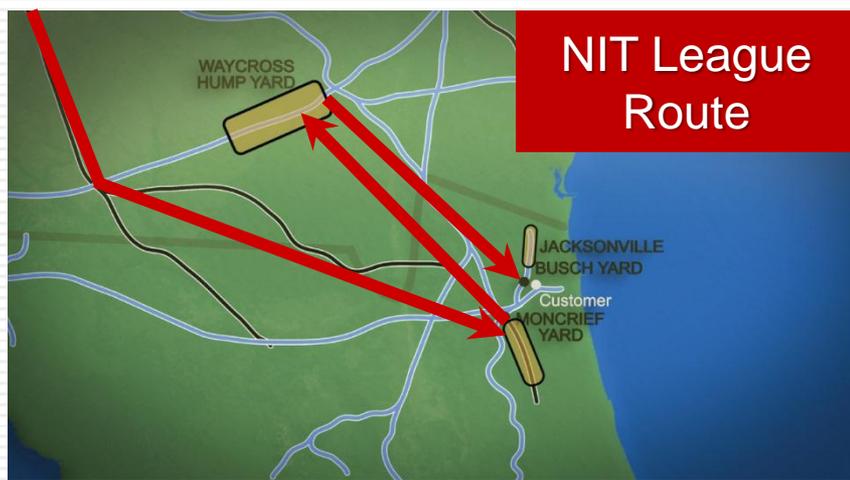
NITL proposal threatens to disrupt hump efficiency

CSX Hump Yards



- Carload traffic flows rely on hump yards for processing
- Hump yard “hubs” are safe, efficient and reliable
- NITL assumes all interchange locations can act as hubs
 - *Smaller yards rely on less efficient flat switching*
 - *Often, capacity doesn't exist*

Potential outcomes: Jacksonville carload example



- Reduced efficiency of hump yard processing
 - Forces traffic to small interchange location, out of route to hump and back to local yard
- Increases transit by three days and nearly 300 miles
 - Creates inefficiency and uncertainty
- Disrupts critical first mile - last mile service
 - Cars already spend 50% of time in local service

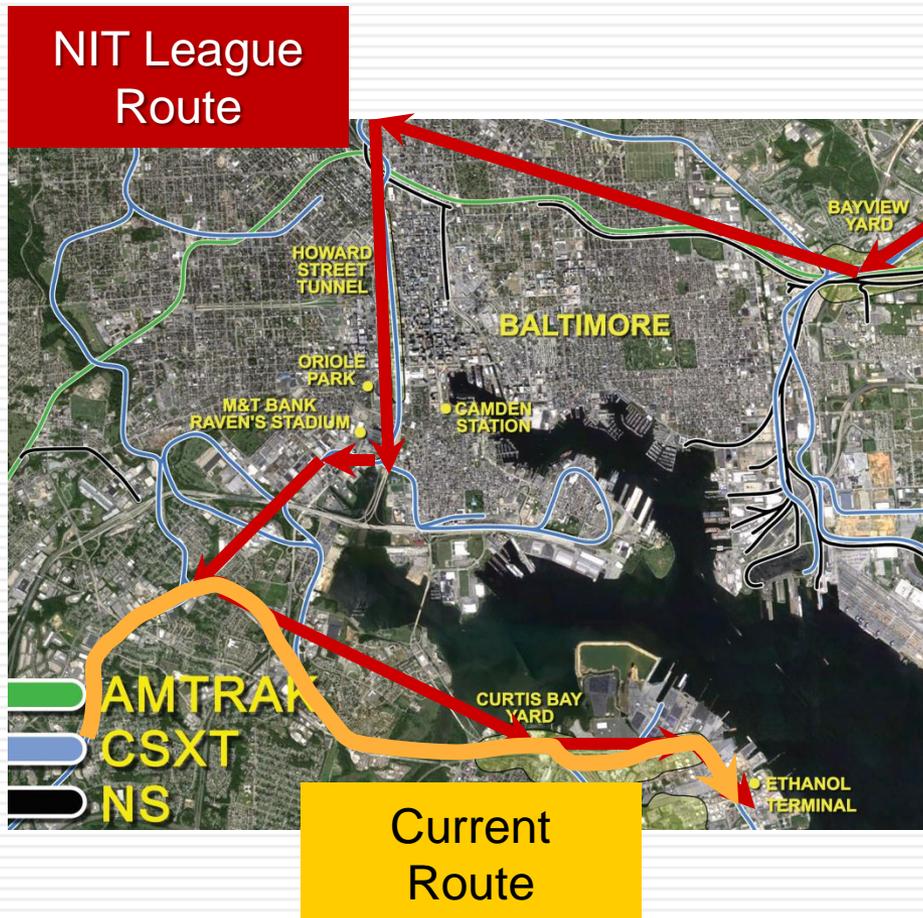
Proposal also threatens unit train predictability

Unit Train Business



- Unit train service requires planning, predictability
- Routing depends on most direct path, current traffic mix
- Proposal brings disruption to tightly coordinated network

Potential outcomes: Baltimore unit train example



- Proposal could force traffic over indirect, congested routes
 - CSX wouldn't be able to regulate traffic flow from other rails
- Creates congestion with far-reaching consequences:
 - Baltimore effect is likely to extend beyond the local area
 - Passenger traffic impacted



Summary

Service Predictability

- Railroading is a network operation that relies on density, efficiency and predictability

Enhanced Efficiency and Asset Utilization

- Forced switching would create less reliable, less efficient service for customers

Improved Communication and Coordination

- Proposal introduces uncertainty and unpredictability, driving costs up

NITL proposal risks turning back the clock on decades of customer service gains