Network continued to perform at high levels

- Velocity, dwell, originations and arrivals performance steady
- Right Car Right Train lower week-over-week
- Crew and power resource levels well matched to demand
- Hump yard dwell similar week-over-week
- Western terminals performing well
- Car fulfillment settled higher, averaging 100% year-to-date
- Local pull and place performing well
- Customer problem logs remained at lower levels
- Interchange volumes current and gateways fluid

Network continues to perform well through widespread cold temperatures and snow
Measures steady this week, all improved vs. 2017 averages

**On Time Originations (%)**

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Feb. 3 – Feb. 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>80% 81% 84% 80% 84% 84% 75% 85% 83% 85% 82% 81% 77%</td>
</tr>
</tbody>
</table>

**On Time Arrivals (%)**

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Feb. 3 – Feb. 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>69% 73% 78% 68% 79% 75% 69% 69% 71% 73% 69% 68% 70%</td>
</tr>
</tbody>
</table>

**Dwell (hours)**

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Feb. 3 – Feb. 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>11.3 11.5 10.8 10.7 9.8 9.8 9.1 8.7 11.8 11.4 10.1 9.8 10.1</td>
</tr>
</tbody>
</table>

**Velocity (mph)**

<table>
<thead>
<tr>
<th>Weeks</th>
<th>Feb. 3 – Feb. 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>15.1 18.0 18.7 17.7 18.2 17.8 17.1 18.0 17.4 17.6 17.3 16.7 17.0</td>
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</tbody>
</table>

Note: Dwell and velocity displayed according to CSX methodology; explanation of CSX methodology can be found at csx.com/servicemetrics. 2017 dwell and velocity exclude the Hurricane Irma-impacted period for terminals that held cars and specific trains held through storm, respectively.
• Right Car Right Train is no longer a measure that CSX uses to manage its operation
  — In scheduled railroading, if a car can be advanced on another train to speed transit or ensure its on-time arrival, there is not one “right train”

• Car priority is to move cars quickly, on next available train
  — Asset utilization a key tenet of scheduled railroading

• Train priority is blocking integrity and departing all available, relevant cars from the yard
  — Blocking integrity certifies that a train is built correctly and shipments are headed to the correct location
  — Managed through field supervision

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1 ‘Right Car Right Train’ is defined as the percentage of cars that departed from a yard in accordance with their car scheduling trip plan
Resourcing appropriately to meet business needs

- Locomotive level coming down in concert with network velocity improvement
- Headcount decline driven by train staffing efficiency and network velocity improvement

Power and crew availability steady at approximately 99% and 95%, respectively

1 Re-crew rate is re-crew people starts as a percent of total measured people starts, and represents incidences of replacing a crew on the same train ID (generally due to hours of service)
Hump yard performance steady

- Key hump productivity and efficiency measures performing well
- Total hump yard volumes remain at normal levels, well below capacity of yards

Absolute number of humps not “good” or “bad”; goal is best mix of hump and flat yards for processing efficiency

Dwell at Hump Terminals

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<tbody>
<tr>
<td>1</td>
<td>20.9</td>
<td>20.1</td>
<td>19.1</td>
<td>19.1</td>
<td>19.1</td>
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<tr>
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<td>19.6</td>
<td>19.2</td>
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<td>22.1</td>
<td>19.1</td>
<td>21.1</td>
<td>20.1</td>
<td>19.0</td>
</tr>
<tr>
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<td>22.1</td>
<td>20.1</td>
<td>19.3</td>
<td>19.7</td>
<td>19.0</td>
<td>18.1</td>
</tr>
<tr>
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</table>

1 Dwell displayed according to CSX methodology; explanation of CSX methodology can be found at csx.com/servicemetrics. 2017 dwell excludes the Hurricane Irma-impacted period for terminals that held cars through the storm.
Western terminals performing well

- Key terminal productivity and performance measures healthy, dwell remains well below 2017

Western Corridor Key Terminals

- Avon, IN
- Nashville, TN
- Birmingham, AL
- Montgomery, AL
- Mobile, AL

Key Western terminals

Dwell at Western Terminals

1 Dwell displayed according to CSX methodology; explanation of CSX methodology can be found at csx.com/servicemetrics. 2017 dwell excludes the Hurricane Irma-impacted period for terminals that held cars through the storm.
Car fulfillment settled higher, averaging 100% year-to-date

- Over 280 orders filled in week 6 against week 5 open orders, increasing fill to 103%
  - Delivered strong initial fill rate in week 6

- Empty idle car count down modestly in customer locations, with opportunity for better end-to-end cycles
  - Empty idle cars at a given customer held >24 hours considered available to fill that customer’s orders

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\[\text{2017 orders and fill rate normalized for Weeks 14-44 against historical/expected order levels (Q1 2017), as orders were disconnected with demand; starting week 45, improved process leaves orders open for two weeks, counts empty idle cars > 24 hours at a customer location as a filled order for that day.}\]
Local Service Measurement (LSM) is not a primary metric that CSX uses to manage its operation.

- In scheduled railroading, focus on end-to-end transit and customer expectations.

However, reliable pull and place expected as part of service to customers.

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1 'Local Service Measurement' is defined as the percentage of cars that were pulled or placed at a customer location based upon daily customer request, the local service plan and available inventory at the local serving yard.
Customer problem logs remained at lower levels

- Improved communication allowing for faster, more local resolution
  - Accountability for resolution of customer issues resides with field responsibility
  - Escalating and resolving critical issues with senior leadership

- Enhancing key customer tools and aligning workstreams to allow for easier, more direct connections and self-service
Interchanges current and performing to expectations

**East St. Louis**

*Daily Average Interchange Volume*

**Chicago**

*Daily Average Interchange Volume*

**New Orleans**

*Daily Average Interchange Volume*

**Memphis**

*Daily Average Interchange Volume*
Accomplishments in 2017: realigned service frequency, balanced train plan, improved terminal efficiency

Improved execution on this foundation to drive long-term service and productivity improvements