Network performance continues to improve

- Velocity continues to rise; dwell, originations and arrivals all further improved this week
- Right Car Right Train improved week-over-week
- Crew and power resource levels remain well matched to demand
- Hump yard performance steady
- Western terminals performing well
- Car fulfillment settled higher, averaging 93% since improved order fulfillment process began
- Local pull and place performance returned to prior levels after holiday-related impacts
- Customer problem logs remained at normal levels
- Interchange volumes current and gateways fluid

**Highlights**

- Velocity reaches new record of 18.7 mph, and is 24% improved from 2017 average velocity
- Dwell remains healthy at 10.8 hours, and is 4% improved from 2017 average dwell
All measures further improved this week, velocity reached record high

**On Time Originations (%)**

- 2017: 80%, 81%, 83%, 84%, 86%, 86%, 84%
- Jan. 06 – Jan. 12: 69%, 73%, 76%, 77%, 86%, 82%, 76%

**On Time Arrivals (%)**

- 2017: 69%, 73%, 76%, 77%, 86%, 82%, 76%
- Jan. 06 – Jan. 12: 70%, 76%, 78%, 86%, 82%, 76%

**Dwell (hours)**

- 2017: 11.3, 11.5, 10.7, 11.5, 11.2, 10.9, 9.7

**Velocity (mph)**

- 2017: 15.1, 18.0, 18.6, 18.6, 19.4, 19.3, 18.1
- Jan. 06 – Jan. 12: 17.8, 18.6, 18.8, 19.4, 19.3, 18.1

Note: Dwell and velocity displayed according to CSX methodology; explanation of CSX methodology can be found in appendix. 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 improved week-over-week

- **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
- Recent headcount decline driven by train staffing efficiency and adjustments to extra boards

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

CSX Hump Terminal Overview

- Transitioned to flat-switching operations
- Hump terminals

Key hump productivity and efficiency measures performing well

Total hump yard volumes back to normal levels after holiday, remain well below capacity of yards

Dwell at Hump Terminals

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

1 Dwell displayed according to CSX methodology; explanation of CSX methodology can be found in appendix. 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

- 2017
- Jan. 06 – Jan. 12

1 Dwell displayed according to CSX methodology; explanation of CSX methodology can be found in appendix. 2017 dwell excludes the Hurricane Irma-impacted period for terminals that held cars through the storm.
Car order fulfillment averages 93% following process improvement

- Car orders now remain open for 2 weeks for fulfillment; order fill will settle over a 2-week period
  - Accordingly, the current reported week’s fill rate will be adjusted in the following week for orders filled

- Nearly 300 orders filled in week 2 against week 1 open orders, increasing fill to 91%
  - Car flows recovering as customers resume operations following holiday

- Empty car dwell remains elevated at customer locations
  - Empty idle cars at a given customer held >24 hours considered available to fill that customer’s orders

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1 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.
Last mile performance measure recovered after holiday week

- Holiday-related local train plan adjustments and customer closures impacted week 1

- 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 normal levels

- Customer logs returned to normal levels following holiday week
- 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

570 Total Logs in Week 30 2017 at height of service challenges
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
### Velocity

<table>
<thead>
<tr>
<th>Former</th>
<th>Total miles traveled per hour, including intermediate dwell of the train</th>
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</thead>
<tbody>
<tr>
<td>Current</td>
<td>Total miles traveled per hour, including intermediate dwell of the train</td>
</tr>
<tr>
<td>Change</td>
<td>Includes full trip of a train and ability to diagnose overall speed profile (in support of improvement in asset cycle)</td>
</tr>
<tr>
<td>Reason</td>
<td>Includes full trip of a train and ability to diagnose overall speed profile (in support of improvement in asset cycle)</td>
</tr>
<tr>
<td>Effect on Metric</td>
<td>Reported velocity will be lower</td>
</tr>
</tbody>
</table>

### Dwell

<table>
<thead>
<tr>
<th>Former</th>
<th>Car time at terminal, excluding cars on the same train ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>All car time with a terminal work event, including through cars on same train ID (e.g. crew change)</td>
</tr>
<tr>
<td>Change</td>
<td>Includes all dwell with ability to diagnose all events impacting car movement (in support of improvement in asset cycle)</td>
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</tbody>
</table>

### Cars Online

<table>
<thead>
<tr>
<th>Former</th>
<th>All cars on CSX, as determined by RailInc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>RailInc cars on CSX, excluding cars stored, under repair, sold, and private cars ex online inventory</td>
</tr>
<tr>
<td>Change</td>
<td>More accurate measurement of active cars on line, i.e. cars for which CSX is focused on real-time, efficient movement</td>
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Restated historical data in new methodology available on csx.com/servicemetrics