Network continued to perform at high levels

- Velocity, dwell, originations and arrivals all further improved this week
- Right Car Right Train improved week-over-week
- Crew and power resource levels well matched to demand
- Hump yard performance steady
- Western terminals performing well
- Car fulfillment settled higher, averaging 99% year-to-date
- Local pull and place performance higher
- Customer problem logs at normal levels
- Interchange volumes current and gateways fluid

Dwell achieved new record low of 9.8 hours, and is 13% improved from 2017 average dwell
All measures improved this week

On Time Originations (%)

On Time Arrivals (%)

Dwell (hours)

Velocity (mph)

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 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

- Headcount decline driven by train staffing efficiency and network velocity improvement

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

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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

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

Key hump productivity and efficiency measures performing well

Total hump yard volumes remain at normal levels, well below capacity of yards

Dwell at Hump Terminals

- Weekly Average

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 Corridor Key Terminals

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

Key Western terminals

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

Dwell at Western Terminals¹

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 99% year-to-date

- Over 340 orders filled in week 4 against week 3 open orders, increasing fill to 102%
  - Delivered strong initial fill rate in week 4 despite rising order levels

- 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 higher

Local Service Measurement\(^1\)

- **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

- 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*
Scheduled railroading producing service improvement

- 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