Network service levels impacted by challenging weather conditions

- Velocity, dwell, originations and arrivals performance lower
- Right Car Right Train lower week-over-week
- Crew and power resource levels well matched to demand
- Hump yards performing reliably and efficiently
- Western terminals performing well
- Car fulfillment settled higher, averaging over 100% year-to-date
- Local pull and place measure healthy
- Customer problem logs remained at lower levels
- Interchange volumes current and gateways fluid
Measures lower this week, impacted by winter weather

**On Time Originations (%)**

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 lower 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

- Expect locomotive levels to continue 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

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

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 over 100% year-to-date

**Weekly Car Orders, Customer Empty Idles, and Fill Rate**

<table>
<thead>
<tr>
<th>2018 Weeks</th>
<th>Weekly Orders</th>
<th>Customer Empty Idles (&gt; 24 hours)</th>
<th>Order Fill Rates</th>
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<tbody>
<tr>
<td>2017</td>
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<td>60%</td>
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<td>7,000</td>
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</table>

- **Over 380 orders filled in week 10 against week 9 open orders, increasing fill to 100%**
  - Delivered strong initial fill rate of 91% in week 10
- **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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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.
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.

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*

**New Orleans**
*Daily Average Interchange Volume*

**Chicago**
*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