Network service levels consistent despite late winter storms

- Velocity, dwell, originations and arrivals performance steady
- Right Car Right Train flat 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 steady, but trending more favorably in back half of week

On Time Originations (%)

On Time Arrivals (%)

Dwell (hours)

Velocity (mph)

Measures on March 11th and 12th were impacted by an overnight systems outage/reboot on March 11th

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 stable

- **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
- Expect headcount decline to continue with network improvement; recent uptick reflects coal demand

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

- 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

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 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 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 over 100% year-to-date

- Over 480 orders filled in week 11 against week 10 open orders, increasing fill above 100%
  - Delivered strong initial fill rate of 92% in week 11 against highest weekly order level year-to-date
- Empty idle car count continuing to trend lower in customer locations, enabling 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.

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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

Customer Problem Logs

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

- **2017**
- **2018 Weeks**

- **2017**
  - 284
  - 223
  - 271
  - 252
  - 219
  - 215
  - 224
  - 230
  - 201
  - 222
  - 227
  - 238

- **2018 Weeks**
  - 1
  - 2
  - 3
  - 4
  - 5
  - 6
  - 7
  - 8
  - 9
  - 10
  - 11
  - 12
  - 13

- Delayed Cars
- Bad Order
- Switching Issues

- Daily Average Volume

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**

2018 Weeks

2018 Weeks

2018 Weeks

2018 Weeks
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