Network service levels improved despite late winter storms

- Velocity, dwell, originations and arrivals improved
- Right Car Right Train performance steady
- 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 improved week-over-week

**On Time Originations (%)**

- Weekly Average

**On Time Arrivals (%)**

- On-Time

- +2 hrs

**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.
Velocity continues to significantly outperform 2017 levels.

2017 Avg 15.1 MPH

20 consecutive weeks of velocity performing above 2017 full-year average.

Note: Velocity displayed according to CSX methodology; explanation of CSX methodology can be found at csx.com/servicemetrics. 2017 velocity excludes specific trains held through Hurricane Irma.
Dwell healthy, well below prior year levels

Excluding holiday weeks, 26 consecutive weeks of dwell below 2017 full-year average

Note: 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.
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

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

Selkirk, NY
Cumberland, MD
Hamlet, NC
Waycross, GA
Atlanta, GA
Birmingham, AL
Nashville, TN
Louisville, KY
Avon, IN
Cincinnati, OH
Toledo, OH
Willard, OH

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

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

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

### Dwell at Western Terminals

<table>
<thead>
<tr>
<th>Week</th>
<th>Dwell</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>11.5</td>
<td>11.0</td>
<td>11.3</td>
</tr>
<tr>
<td>3-4</td>
<td>11.8</td>
<td>11.1</td>
<td>11.4</td>
</tr>
<tr>
<td>5-6</td>
<td>12.4</td>
<td>11.9</td>
<td>11.2</td>
</tr>
<tr>
<td>7-8</td>
<td>13.2</td>
<td>12.9</td>
<td>13.0</td>
</tr>
<tr>
<td>9-10</td>
<td>13.9</td>
<td>13.9</td>
<td>13.0</td>
</tr>
<tr>
<td>11</td>
<td>14.6</td>
<td>14.9</td>
<td>14.4</td>
</tr>
<tr>
<td>Mar. 17 – Mar. 23</td>
<td>14.5</td>
<td>14.4</td>
<td>13.9</td>
</tr>
</tbody>
</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.
Car fulfillment settled higher, averaging over 100% year-to-date

- Over 390 orders filled in week 12 against week 11 open orders, increasing fill to 100%
  - Delivered strong initial fill rate of 88% in week 12 against highest weekly order level year-to-date

- Empty idle car count trending 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.

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*

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