Network service levels consistent

- Velocity, dwell, originations and arrivals performance steady
- Right Car Right Train stable
- 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 this week

On Time Originations (%)

- On Time Originations Weekly Average

On Time Arrivals (%)

- On Time Arrivals Weekly Average

Dwell (hours)

- Average dwell times for each week and the Feb 24 – Mar 22 period.

Velocity (mph)

- Average velocity for each week and the Feb 24 – Mar 22 period.

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 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 via train staffing efficiency and 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

- Key hump productivity and efficiency measures performing well
- Total hump yard volumes remain at normal levels, well below capacity of yards

**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

**Dwell at Hump Terminals**

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

Western Corridor Key Terminals

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

Key Western terminals

Dwell at Western Terminals¹

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

1 Dwell displayed according to CSX methodology; explanation of CSX methodology can be found at csx.com/servicetrics. 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 200 orders filled in week 9 against week 8 open orders, increasing fill to 96%  
- Delivered strong initial fill rate of 91% in week 9

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

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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*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*
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