Network performance levels consistent

- Dwell further improved and velocity steady
- Right Car Right Train stable
- Crew and power resource levels remain well matched to demand
- Hump yards performing well; Willard converted to flat switching with no network disruption
- Western terminals fully recovered from Hurricane Nate impacts seen in prior week
- Empty car fulfillment remained above 80%*
- Local pull and place performance moving higher
- Customer problem logs at lowest level seen in measurement period
- Interchange volumes current and gateways fluid

* Normalized fill rate
Dwell and velocity performance at or better than 2016 levels

On Time Originations (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>2017 Weeks</th>
<th>Oct. 14 – Oct. 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>84%</td>
<td>81%</td>
<td>88%</td>
<td>74%</td>
<td>74%</td>
</tr>
<tr>
<td>2017</td>
<td>74%</td>
<td>73%</td>
<td>74%</td>
<td>73%</td>
<td>73%</td>
</tr>
</tbody>
</table>

On Time Arrivals (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>2017 Weeks</th>
<th>Oct. 14 – Oct. 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>68%</td>
<td>64%</td>
<td>81%</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>2017</td>
<td>68%</td>
<td>81%</td>
<td>60%</td>
<td>64%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Dwell (hours)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>2017 Weeks</th>
<th>Oct. 14 – Oct. 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>11.2</td>
<td>11.6</td>
<td>10.8</td>
<td>12.1</td>
<td>12.1</td>
</tr>
<tr>
<td>2017</td>
<td>10.7</td>
<td>11.0</td>
<td>9.2</td>
<td>11.3</td>
<td>11.0</td>
</tr>
</tbody>
</table>

Velocity (mph)

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>2017 Weeks</th>
<th>Oct. 14 – Oct. 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>14.9</td>
<td>14.2</td>
<td>16.2</td>
<td>15.7</td>
<td>15.7</td>
</tr>
<tr>
<td>2017</td>
<td>14.0</td>
<td>15.4</td>
<td>15.4</td>
<td>15.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Note: Dwell and velocity displayed according to CSX methodology; explanation of CSX methodology can be found in appendix. Q3 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 holding stable; less relevant in PSR

- Right Car Right Train is no longer a measure that CSX uses to manage its operation
  - In precision scheduled railroading (PSR), 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 PSR

- 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

---

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 stable; engines in place to support grain harvest season

- Re-crew rates remain at historic lows and stable

Power and crew availability steady in fourth quarter 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

- Total hump yard volumes remain in a consistent band week-over-week, well below capacity of yards
  - Willard transitioned to a flat switching operation
- Key hump productivity and efficiency measures performing well

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 in appendix. Q3 dwell excludes the Hurricane Irma-impacted period for terminals that held cars through the storm.
Western terminal performance recovered, dwell better than 2016

- Key terminal productivity and performance measures recovered in former “trouble” spots
  - Dwell improved this week after cycling New Orleans gateway traffic held in the prior week due to Hurricane Nate

- Train plan adjustments have recovered service
  - Leveraged Avon as offset of increased volume flow through Russell, Columbus and Louisville

Western Corridor Key Terminals

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

Western terminals

Dwell at Western Terminals\(^1\)

\(^1\) Dwell displayed according to CSX methodology; explanation of CSX methodology can be found in appendix. Q3 dwell excludes the Hurricane Irma-impacted period for terminals that held cars through the storm.
Car order fulfillment remained above 80%

- Empty car dwell remains elevated at customer locations
  - Indicates improved car supply and availability
  - Customers maintaining buffer stock, which elongates total asset turn times

- Improvements to car ordering process being introduced
  - Intended to improve accountability in ordering and fulfillment to better capture demand in a timely manner
  - Active communication underway and to continue over coming weeks to ensure customer understanding/alignment

---

1 Normalized fill rate is a proxy of demand fulfillment against historical/expected order levels, as current order levels are disconnected with demand
Local Service Measurement (LSM) is no longer a metric that CSX uses to manage its operation

- In precision scheduled railroading (PSR), focus on end-to-end transit and customer expectations
- Last mile performance must be in combination with, not independent of, overall performance

Accordingly, LSM as a reported metric was discontinued upon start of PSR implementation

- At request of STB, last mile tracking reinstated to monitor through implementation period
- Data reflects passive information flow, lacking prior focus on field reporting to ensure LSM capture

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 at lowest level in measurement period

- Delayed cars have returned to normal levels (<1% of traffic)
  - Trend in problem logs mirrors timeframe of network challenges and recovery, followed by Hurricane Irma
  - Continued lower levels of long-dwelling cars reflects overall fluidity improvements

- Nearly 100% of last two weeks’ problem logs have been addressed and closed to-date
  - Managing pipeline of customer concerns to full resolution
  - Lower level of logs and improved communication have allowed for more complete resolution, more quickly
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*
Realigned service frequency in second quarter

Set the groundwork of a balanced train plan in early July

Terminals’ improved efficiency and traffic flow adjustments have recovered service

Improved execution on this foundation to drive long-term service and productivity improvements
CSX has changed methodology on some metrics reported publicly

<table>
<thead>
<tr>
<th>Velocity</th>
<th>Dwell</th>
<th>Cars Online</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Former</strong></td>
<td>Line of road miles per hour</td>
<td>Car time at terminal, excluding cars on the same train ID</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td>Total miles traveled per hour, including intermediate dwell of the train</td>
<td>All car time with a terminal work event, including through cars on same train ID (e.g. crew change)</td>
</tr>
<tr>
<td><strong>Change Reason</strong></td>
<td>Includes full trip of a train and ability to diagnose overall speed profile (in support of improvement in asset cycle)</td>
<td>Includes all dwell with ability to diagnose all events impacting car movement (in support of improvement in asset cycle)</td>
</tr>
<tr>
<td><strong>Effect on Metric</strong></td>
<td>Reported velocity will be lower</td>
<td>Reported dwell will be lower</td>
</tr>
</tbody>
</table>

Restated historical data in new methodology available on csx.com/servicemetrics