Post-Irma Highlights

- Prior to storm impact, evacuated more than 1,500 rail cars from the state of Florida
  - Thousands of cars and nearly 200 trains held to avoid damage during storm
- Following storm, reestablished service in the southeast within hours, in/out of North Florida within 24 hours, and throughout vast majority of state within the calendar week
  - Final repairs targeted and traffic backlog to be worked off in week 38
- Cleared nearly 8,000 fallen trees from obstructed track, deployed over 700 generators to operate signal and crossings in response to widespread commercial power outages
- Provided ice, water, and shower facilities to employees, their families and community members
- Will be making a series of contributions this week to further assist with recovery efforts

Hurricane Irma did not interfere with broad recovery momentum; however, had localized effect on week 37 metrics and will trickle into week 38 metrics
Hurricane impacts measures regionally; underlying network healthy

- Dwell improved last seven weeks; velocity climbed last four weeks*
- Right Car Right Train moved higher last week
- Crew and power resource levels remain well matched to demand
- Hump yards performing reliably as hump volume stabilizes to planned levels
- Western terminals recovered, secondary congestion substantially recovered
- Empty car fulfillment temporarily impacted by hurricane car flow interruptions
- Local pull and place performance down on hurricane service annulments
- Customer problem logs up moderately on weather-related delays
- Interchange volumes and performance steady

CSX experienced congestion challenges at Western corridor terminals from mid-late July (weeks 29-31); original terminals now healthy and network recovery progressing

* Dwell and velocity citations exclude terminals that held cars through storm-impacted period and specific trains held through storm, respectively
Dwell lower, velocity climbing, excluding localized hurricane impacts

- Hurricane Irma impacts largely confined to terminals in FL, GA, and AL, and specific trains in the region

Note: Dwell and velocity displayed according to CSX methodology; explanation of CSX methodology can be found in appendix
Right Car Right Train holding relatively 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

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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

- Q3 locomotive level stable; engines available to meet impending grain harvest season

- T&E trend tracking normal seasonality; re-crew rates remain at historic lows and stable

Power and crew availability steady in third quarter 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

- Hump yard volumes remain in a consistent band week-over-week, within plan range and well below capacity of yards
- Total hump dwell higher due to hurricane, as expected; will move lower in coming week(s)
  - Dwell lower excluding impact of storm (i.e. Waycross)
  - Cars and trains held at Waycross through storm period

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 in appendix
Western performance recovered; plan changes alleviated congestion

- **Key terminal productivity and performance measures recovered in former “trouble” spots**
  - Dwell recovered and in line with expectations
  - Birmingham held cars during the hurricane; remainder unaffected

- **Train plan addressed secondary concerns**
  - Leveraged Avon as near-term offset of increased volume flow through Russell, Columbus and Louisville
  - Dwell at these three locations down an additional 11% week-over-week, down 40% from high point, and in expected range

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**Western Corridor Key Terminals**

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

**Western terminals**

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**Western terminals**

**Dwell at Western Terminals**

- **Weekly Average**
  - 12.2
  - 12.2
  - 12.6
  - 12.9
  - 13.4
  - 13.4

- **Total measure including hurricane impacted terminals**
  - 16.0
  - 16.9
  - 16.8
  - 17.3
  - 19.9
  - 19.5
  - 16.0
  - 14.0
  - 13.7
  - 14.8
  - 11.9
  - 12.2
  - 12.2
  - 12.6
  - 12.9
  - 13.4
  - 11.9
  - 13.4

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1 Dwell displayed according to CSX methodology; explanation of CSX methodology can be found in appendix
Car order fill and some car flows interrupted by hurricane; to improve

<table>
<thead>
<tr>
<th>Cars Ordered</th>
<th>Normalized Fill Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,000</td>
<td>90%</td>
</tr>
<tr>
<td>6,000</td>
<td>85%</td>
</tr>
<tr>
<td>5,000</td>
<td>80%</td>
</tr>
<tr>
<td>4,000</td>
<td>75%</td>
</tr>
<tr>
<td>3,000</td>
<td>70%</td>
</tr>
<tr>
<td>2,000</td>
<td>65%</td>
</tr>
</tbody>
</table>

- Holding of cars through storm caused temporary backlog of regional flows
  - Waycross a key distribution point of cars
- Empty car dwell continues to rise at customer locations
  - Customers maintaining buffer stock, which elongates total asset turn times

1 Normalized fill rate is a proxy of demand fulfillment against historical/expected order levels, as current order levels are disconnected with demand
Last mile performance stable, impacted by hurricane service delay

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 up moderately on weather delays

- Delayed cars remain most frequent concern
  - Trend in problem logs mirrors timeframe of network challenges and recovery, followed by Hurricane Irma
  - Continued reduction in long-dwelling cars reflects overall fluidity improvements

- Customer service and commercial presence at key field location has aided communication and problem resolution

- Nearly 90% of last two weeks’ problem logs have been addressed and closed to-date
  - Leaving more logs open through final destination
  - Managing pipeline of customer concerns to full resolution
Reduction in interchange to New Orleans reflects hurricane delays
Precision scheduled railroading to produce service improvement

- Realigned service frequency in second quarter
- Set the groundwork of a balanced train plan in early July
- Currently balancing between terminals’ improving efficiency and modest adjustments in traffic flows to recover near-term 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