



# SERVICE UPDATE

HOW TOMORROW MOVES

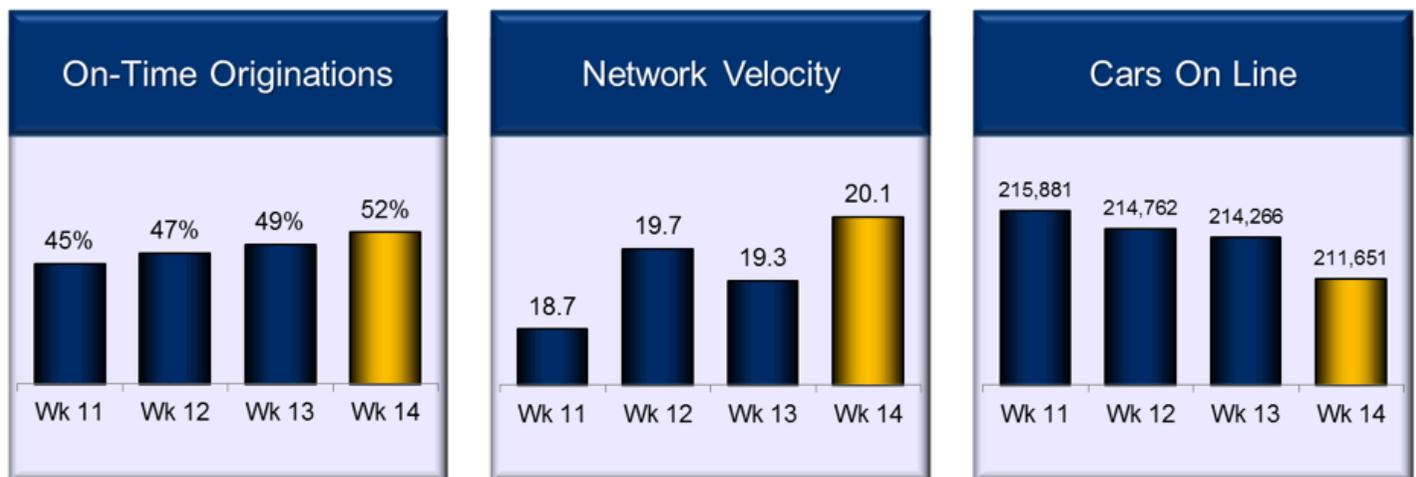


## CSX SERVICE UPDATE

CSX remains relentless in its commitment to deliver the high level of service customers expect. This update details the company's recent service improvement activities.

### RECENT SERVICE DEVELOPMENTS

Much to the pleasure and relief of CSX operating employees and customers, CSX is seeing less and less winter-like conditions across our network. Overall operations are stable across the network, with fluidity improving at key terminals like Selkirk, NY, Avon, IN and Willard, OH. Additionally, terminal operations through Chicago remain fluid at the industry level. As winter turns to spring, we continue to work through a backlog of traffic, especially in the areas most heavily impacted by extreme weather in the northeast. Positive strides are being made daily to return CSX network operations to normal, and our weekly performance metrics reflect this trend.



The charts above illustrate CSX's sequential, week-over-week improvement in operational performance, as winter weather subsides and CSX adjusts its resource levels and operating plans to drive further service improvements. On-Time Originations, Network Velocity, and Cars On Line have all shown positive trends over the past four weeks, resulting in greater network fluidity.

## RESOURCE UPDATE

### *Locomotives — Adding locomotives drives up on-time performance, aids in network fluidity, and supports ongoing growth*

Locomotive Out of Service rates have continued to decline from the winter peak of 10 percent to slightly below 7 percent in the week ending April 3. This significant reduction in the out of service rate provides an immediate boost in locomotive availability. Additionally, CSX received 25 new high-horsepower road locomotives in the first quarter of 2015, with another 50 to be delivered in the second quarter. Through the end of 2015, CSX will take delivery of a total of 200 new locomotives, which will be deployed across the network.

### *Train Crews — The ability to deploy additional train crews, especially in key geographies, increases on-time originations, improves on-time arrivals at customer destinations, and reduces terminal dwell*

CSX experienced some localized crew availability issues over the Easter Holiday weekend. However, crew delays continue to decrease (improve) across the network, with no instances of weather-related crew or taxi availability issues during the past two weeks. Importantly, CSX has qualified 482 new-hire conductors and 160 engineers in 2015. In the first quarter, CSX's active Train and Engine employee count increased by 4.5 percent over Q1 2014.

## PROACTIVE CHANGES TO TRAIN SCHEDULING DESIGNED TO IMPROVE SERVICE & EFFICIENCY

CSX makes regular operating plan adjustments to manage a dynamic network with evolving needs. These adjustments support CSX's effort to improve network fluidity and service performance, and serve as a platform to enable continued growth.

On March 27, as part of its continued focus on Service Excellence, CSX launched a new train scheduling program to improve service and increase operating efficiency. Through this variable train scheduling initiative, certain general merchandise trains that previously ran every 24 hours, will now run every 28 hours. Candidate trains were carefully vetted to avoid trains that already routinely run at maximum train length or tonnage. Trains with operating windows that are impacted by commuter rail schedules were also excluded. The new system is expected to improve on-time originations and, in turn, trains will reach their destinations within a narrower and more predictable time window. Variable scheduling is expected to reduce network congestion and improve operational fluidity with fewer trains competing for crews, locomotives and line of road capacity. Local service schedules for pickups and deliveries at customer locations will not be affected by these operating plan changes.

Questions about variable train scheduling should be directed to the CSX Customer Service Center via [www.shipcsx.com](http://www.shipcsx.com) or by calling 1-877-ShipCSX (1-877-744-7279).

- Because variable train scheduling adjusts only the network operating plan — and therefore does not affect the local pickup and delivery schedules — the program should not require any operational changes by CSX customers.
- Train alphanumeric identifiers and trip plans may have been adjusted on certain general merchandise trains. CSX Customer Service representatives are available to help customers understand these changes.



## RECENT SERVICE DEVELOPMENTS

As the map below illustrates, in addition to the capital investments CSX is making in its infrastructure, the company continues to invest in the railroad through ongoing maintenance programs. Although these programs can temporarily impact train performance along specific segments of the network, they are integral to safe, efficient, and reliable rail service to customers. The map also visually indicates locations where CSX has experienced line-of-road and terminal congestion over the past two weeks.

