

# SERVICE UPDATE

HOW TOMORROW MOVES

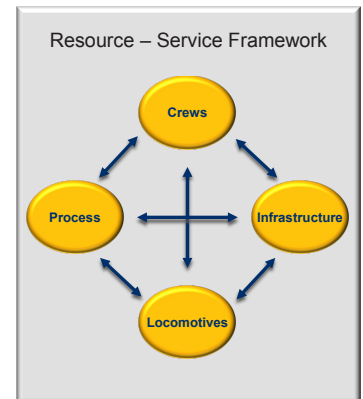


## CSX SERVICE UPDATE

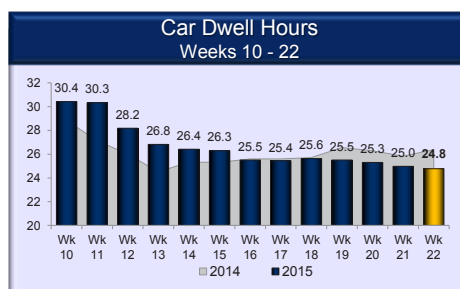
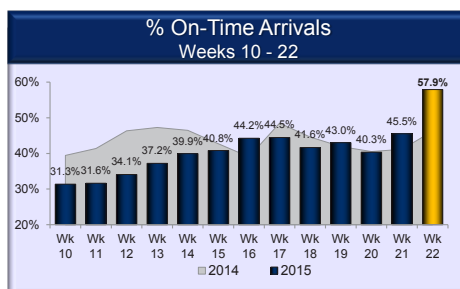
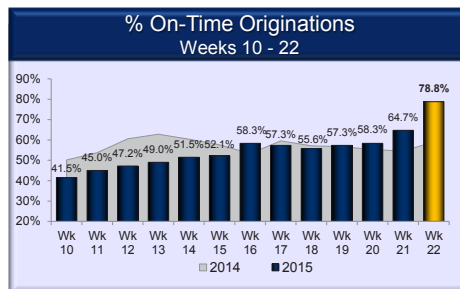
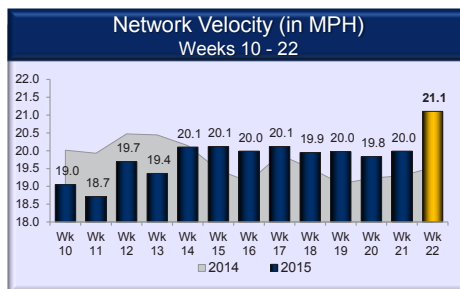
CSX remains relentless in its commitment to deliver the high level of service customers expect. This update details the company's recent service improvement activities.

### CSX NETWORK PERFORMANCE

CSX's operating performance has improved significantly over the past two weeks. These positive trends are a direct result of the company's steadfast commitment to Service Excellence exhibited through targeted investments in locomotives, increased hiring of train & engine crews, completion of specific infrastructure projects, and the implementation of specific process initiatives. The combination of these management actions, coupled with consistently improving execution of the company's network operating plan, delivers better, more efficient service for CSX customers.



The week-over-week performance charts below show network velocity above 21 mph, On-Time Originations approaching 80 percent and dwell below 25 hours for the week ending May 29 (fiscal week 22). These network performance levels — the highest since 2013 — drove On-Time Arrivals toward 60 percent in week 22.



Note: Week 22 is the week ending May 29, 2015. Service metrics may slightly adjust as data settles.

CSX is pleased with these recent service improvements and the consistent sequential improvement in service delivered over the past three months. The company intends to continue its focus on driving service improvements and reduced variation in transit times. Although not reflected in the charts above, CSX's service reliability has also improved significantly in the past few weeks. The company measures this reliability in a number of ways, most notably through the "span" of On-Time Originations and On-Time Arrivals. By way of example, for fiscal week 22, the span of On-Time Originations for the scheduled train network was 5.4 hours, ranging from 1.4 hours early to 4.0 hours late. These reliability measures provide a view into the overall health of the yards and terminals that originate trains in the scheduled network, and are fundamental to reliably and consistently delivering customers' freight.

## RECENT SERVICE DEVELOPMENTS

The industry's Chicago Terminal remains fluid, as it has been throughout most of 2015. Last week, the number of freight trains being delayed (>6 hours) within the terminal or within one crew district of Chicago reached a year-to-date record low of five for the industry. This level of performance reflects the industry's continued commitment to the fluidity of this major interchange gateway.

The company continues to manage through the seasonal transition into summer, typified by clearing trees downed by summer storms, deploying backup generators during commercial power outages, ensuring proper drainage for rain and flood water, and inspecting and repairing rail as it expands with higher temperatures. These events are usually localized, and the company's engineering, mechanical and transportation teams are well equipped to quickly and ably restore any resulting service disruptions.

## RESOURCE UPDATE

### Locomotives:

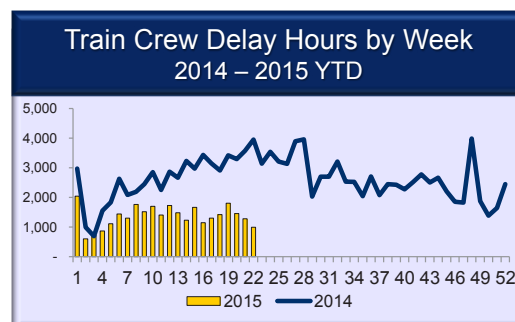
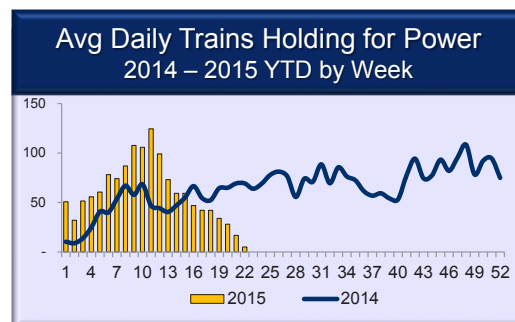
CSX locomotive availability remains high, driven by the delivery of new high-horsepower road locomotives, continued focus on returning engines from heavy repair status, and favorable out of service rates. In the week ending May 29, Trains Holding for Power decreased to the lowest level since late 2013. Additionally, through May, CSX has received 63 of the 200 new locomotives scheduled for delivery in 2015.

### Crews:

Trains delayed due to crew availability (measured in hours per week) for the second quarter to-date continue to improve and are now 59 percent lower in 2015 versus the same period in 2014. Going forward, CSX will continue to balance crew resources with volumes on a geographic basis.

For more information on the company's recent resource additions and infrastructure projects, please refer to the recently published

[🔗 Bi-Monthly Service Update.](#)



## OPERATING PERFORMANCE MAP

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.

