



# NETWORK & SERVICE UPDATE

HOW TOMORROW MOVES

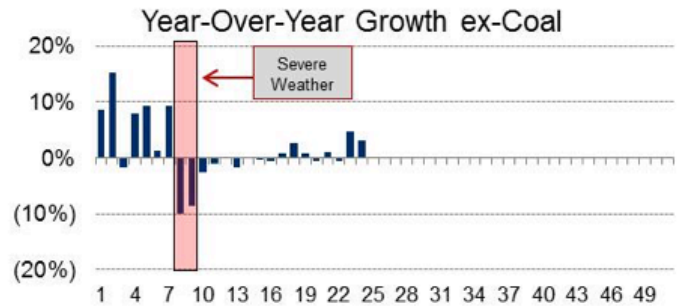


## CSX NETWORK & SERVICE UPDATE

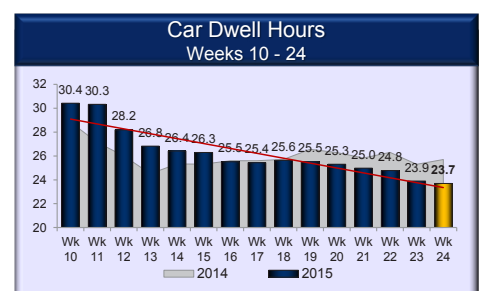
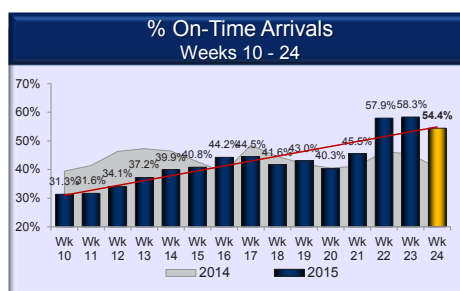
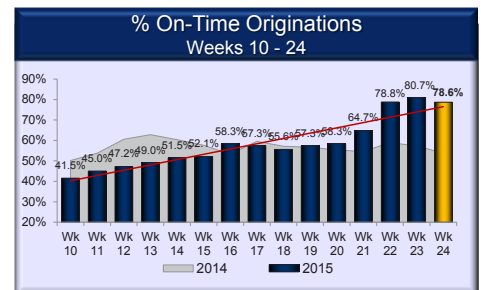
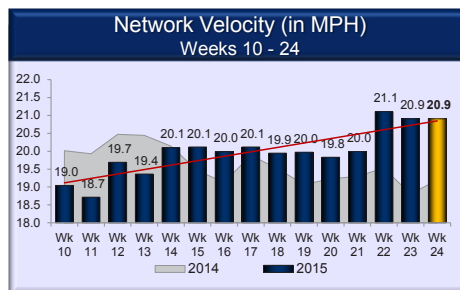
CSX remains relentless in its commitment to deliver the high level of service customers expect. This network update details the company's recent service performance.

### CSX NETWORK PERFORMANCE

CSX's operating performance has remained fluid across the network over the past two weeks and the company continues to drive further increases in service performance. Moving into the summer, CSX's rail volumes, excluding coal, continue to show growth following a strong 2014. The charts below detail year-over-year carload growth, excluding coal.



The week-over-week performance charts to the right show sustained improvement in operations. CSX is pleased to report network velocity at approximately 21 mph, on-time originations near 80 percent and dwell below 24 hours for the prior two weeks.



Note: Volume and operations data shown are through CSX fiscal week 24 (week ending June 12).

As mentioned in the last Service Update, CSX intends to continue its focus on driving both service performance and service reliability improvements. 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 24, the span of on-time originations for the scheduled train network was 5.1 hours, ranging from 1.4 hours early to 3.7 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. The number of freight trains delayed greater than six hours within the terminal or within one crew district of Chicago remains very low at seven trains for the week ended June 12. This level of performance reflects the industry's continued commitment to the fluidity of this major interchange gateway.

The company continues to manage and mitigate the operational impacts of summer's unique weather patterns. Looking forward, CSX is monitoring a tropical storm system forming in the Gulf of Mexico. While the current storm is not expected to impact CSX's operating regions, we constantly monitor all active weather systems and stand ready to adjust operating plans in advance of any significant storm potentially impacting CSX.

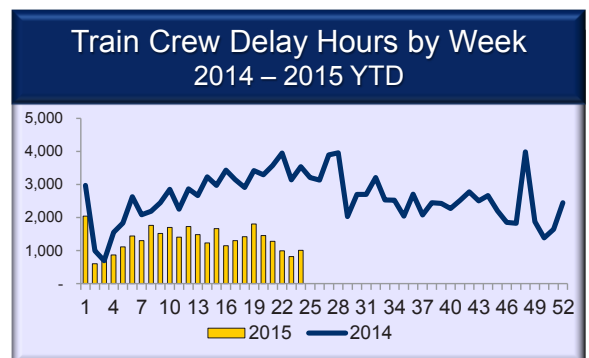
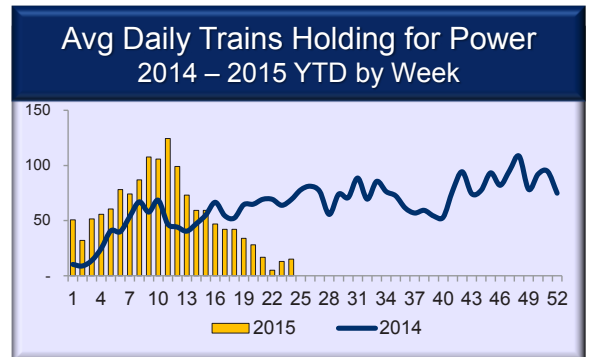
## RESOURCE UPDATE

### 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. Improved locomotive availability has driven a significant reduction in the number of trains holding for power. CSX has received 67 of the 75 new locomotives scheduled for delivery in the first half of 2015. The delivery of an additional 125 new Tier 4, emissions compliant engines will begin in the third quarter. CSX expects to receive a total of 200 new engines in 2015.

### Crews:

The company continues to benefit from the hiring decisions made in 2014. Improved train crew availability has been fundamental to delivering better operating performance in 2015. As evidence of that, trains delayed due to crew availability (measured in hours per week) in 2015 continue to track well below the levels seen throughout 2014.



**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. It is of particular note that in the prior two weeks CSX did not have any terminals experiencing congestion greater than six hours.

