



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 DEVELOPMENTS: SPRING IS HERE, WINTER IS NOT OVER

Friday, March 20, was the first official day of spring. With the start of spring came warmer weather across much of the CSX network. While this brings welcomed relief for many CSX field employees who braved the elements throughout the winter, spring brings its own weather-related challenges.

- A massive amount of snow is melting across the northeast. Over the last week, this resulted in a mudslide on the Huntington Division and flooding in the Midwest. CSX teams quickly responded to these weather-related events and kept the railroad moving fluidly with no major operational impacts.
- Favorable weather conditions have helped improve traffic flows on the Albany Division. CSX teams in this region have worked diligently to clear backlogged traffic in Syracuse and in the Buffalo area, while continuing to move cars to destinations east of Selkirk. As previously reported, this area was severely impacted by winter weather, recently having accumulated over three feet of snow.
- Importantly, the Chicago Terminal is fluid and should remain so even with track work beginning this week on several railroads both east and west of the city.



Gibson, Indiana on March 23, 2015. While spring is officially here, parts of our network continue to be affected by harsh winter conditions.



Many locations have waited over three months to experience the sight of track without snow on or around it.

Although moderate winter weather remains in the forecast for some areas, CSX teams will continue to adhere to winter action plans that ensure timely response to changing conditions and appropriate mobilization to keep the CSX network moving safely and efficiently.

Looking forward, the biggest challenge emerging from the transition from winter to spring will be clearing backlogged volumes that resulted from the harsh weather conditions. CSX continues to experience heavy volumes, primarily in the merchandise network, which has created high traffic flows into and out of Avon, IN, Willard, OH, Cumberland, MD and Selkirk, NY.

SERVICE IMPROVEMENT ACTIONS

In addition to the positive tailwinds from improving weather, CSX has also added significant resources in the first quarter of 2015 to drive service improvements and better position the network to regain fluidity and handle growth.

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

As of week 12, CSX has increased its active locomotive count by nearly 5 percent, or 184 units, through a combination of heavy repair and rebuilds, new locomotive purchases, and a higher number of foreign locomotives online. To date, CSX has received 22 new high-horsepower road locomotives, and anticipates receiving another 53 new engines by mid-year. In the back half of 2015, CSX is scheduled to take delivery of 125 additional new locomotives. CSX will also continue returning units to active service throughout the year through its heavy repair and rebuild programs.

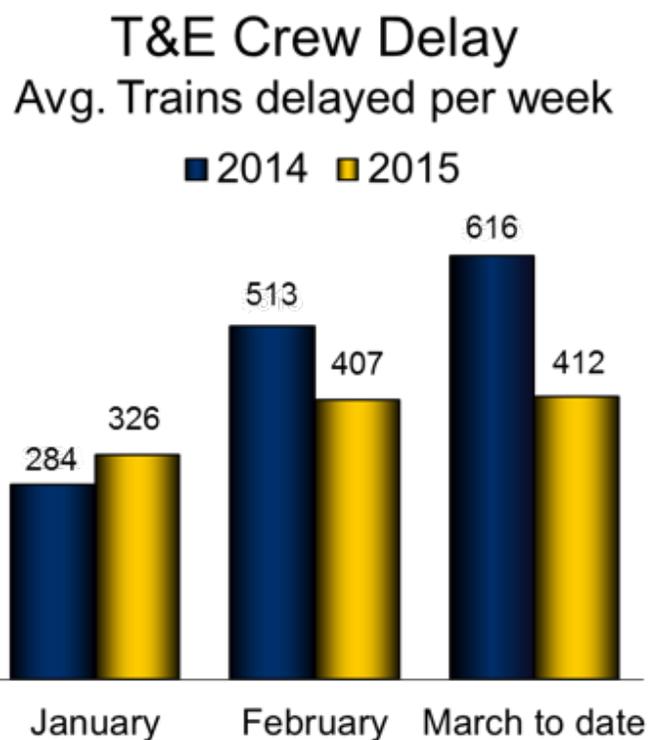
Train Crews – The ability to deploy additional train crews, especially in key geographies, increases on-time originations, improves on-time arrivals at customer destinations, and reduces terminal dwell

CSX continues to qualify newly hired conductors and engineer trainees at high impact field locations. Since this time last year, CSX has increased its active train and engine (T&E) workforce by 5 percent, or 551 employees, allowing for higher on-time originations and less train delay attributable to crews.

Process – Adjusting processes provides near-term relief and longer-term strategic improvement as volume grows, mix changes, and traffic patterns shift

CSX makes regular service changes and 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 upon which to enable continued growth.

In the coming weeks, CSX will undergo a significant rail and tie replacement project on the high-traffic lines between Chicago, IL and Willard, OH. CSX will implement innovative scheduling with its Engineering forces assigned to the project. Multiple teams will work



around the clock on the same mainline at same time. This approach, versus a single team working 10 hours a day, will significantly increase production and effectively allow CSX to complete the project in less than half the time typically needed. In addition to minimizing curfew time needed for the rail and tie replacement, this plan significantly reduces the impact to train movements along a heavy volume route.

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.

