



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

Over the past two weeks, CSX operations remained stable, and the company continued to deliver incremental service performance gains.

- Service on the Albany Division is improving as volumes have normalized and the number of maintenance-related speed restrictions have been reduced on the Mohawk and River Subdivisions west and south of Albany, NY.
- Fluidity in CSX's Queensgate Yard in Cincinnati, OH has improved as temporary plan changes adjusted volumes into and out of the terminal.
- Operations through Chicago continue to remain fluid. In fact, with the exception of automotive traffic involving one of the Chicago Terminal's switching carriers, the number of freight trains being delayed (>6 hours) within the terminal or within one crew district of the terminal were essentially non-existent last week.

SERVICE EXPECTATIONS DURING SUMMER MONTHS

During milder weather, CSX maintenance activities and capacity expansion projects increase significantly, especially along the Northern Tier of our network to take advantage of the shorter construction season. Depending on the extent of the maintenance or construction activity, these efforts can result in temporary service delays. The company conveys this information to its customers through the Operating Performance Map included at the end of each of these Service Updates.

As summer temperatures increase, railroads typically see an increase in what are known as "heat orders" on their networks. A heat order is a directive provided to train crews to reduce their speed over a given section of track.

The issuance of heat orders is evaluated when the forecasted temperatures will exceed 80 degrees. The effect is to reduce freight train speeds by 10 mph and to reduce passenger train speeds by 20 mph. These processes are designed to enhance the safety of train operations. Heat orders generally take effect from the hours of 1PM and 7PM, and are evaluated for removal as temperatures stabilize. These orders provide an opportunity for train crews to spot rail that is out of alignment due to heat related expansion.

Called "sun kinks", as seen in the picture to the right, waves of extreme heat have the potential to move or bend rail as the steel expands.

RESOURCE UPDATE

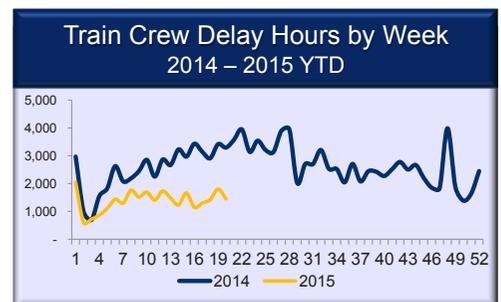
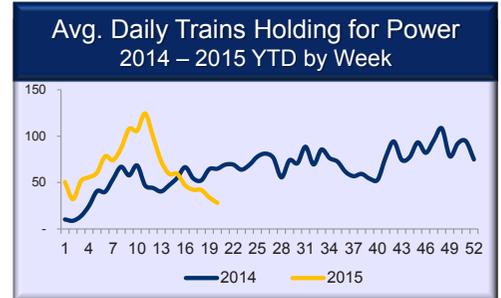
Locomotives:

CSX locomotive availability continues to increase, driven by the delivery of 43 new high-horsepower road locomotives and seasonally lower out of service rates. In the week ending May 15, Trains Holding for Power decreased to the lowest levels seen in more than a year. In the remainder of 2015, CSX will take delivery of an additional 157 new locomotives.

Crews:

CSX's efforts to right size its crew base are continuing and are contributing to improved service in many locations. Overall crew delay hours for the second quarter are 56 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 a deeper dive into recent resource additions and infrastructure projects, please refer to the recently published [Bi-Monthly Service Update](#).

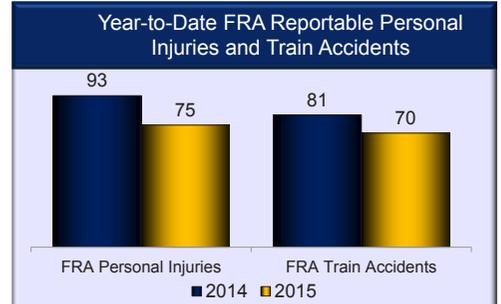


SAFETY UPDATE

Safety is a way of life at CSX, encompassing every aspect of our company's operations. We are committed to the safety of employees, customers and the communities we serve.

Safety is a CSX core value that factors into every decision we make regarding our employees, customers and the communities we serve.

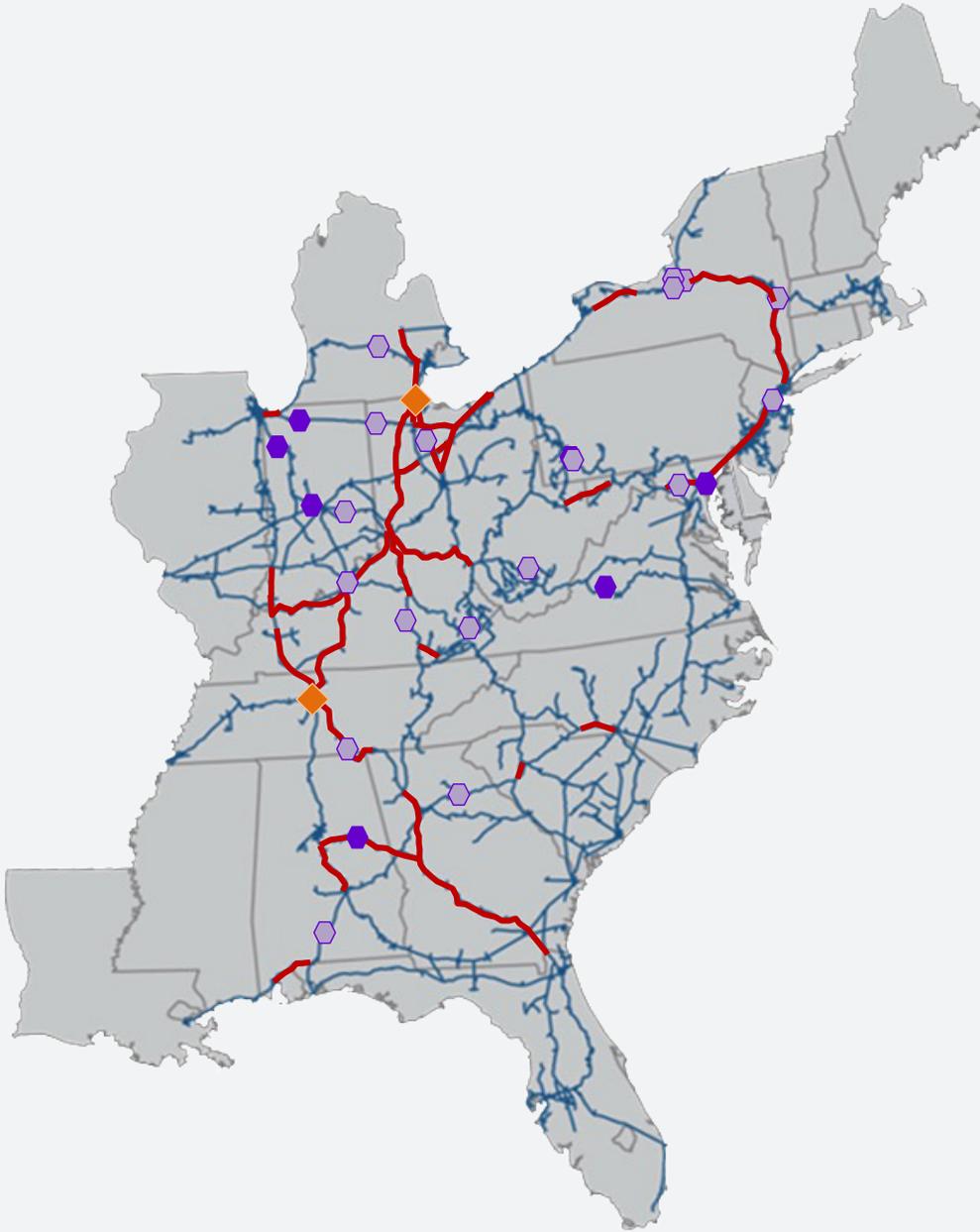
Year-to-date, CSX's safety performance improved significantly in both FRA-reportable personal injuries and train accidents versus the same period last year. Even with this progress, we continually strive to understand and eliminate unsafe conditions and behaviors as we drive toward the ultimate aspiration of zero injuries and zero train accidents.



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.

CSX Recent Operating Performance Map



Operating Performance (Prior Two Weeks)

- ◆ Congested Terminals (Delay > 6 hours)
- Line-of-Road Congestion (< 85% of 2013 Velocity, Adjusted for Volume)

Maintenance (Current Week and Prior Two Weeks)

- ◆ Completed Maintenance Projects
- ◇ Ongoing Maintenance Projects