



NETWORK & SERVICE UPDATE

HOW TOMORROW MOVES

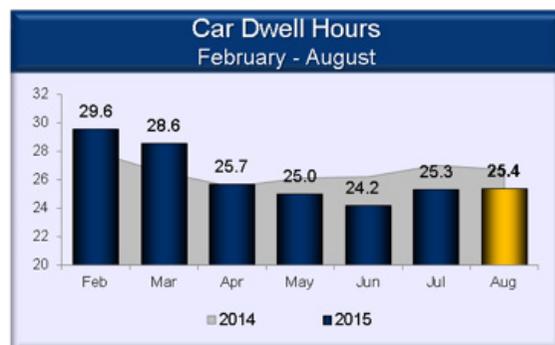
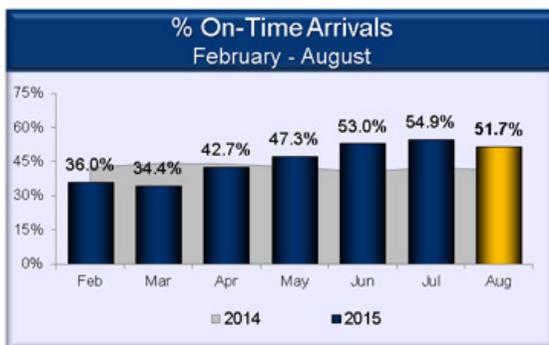
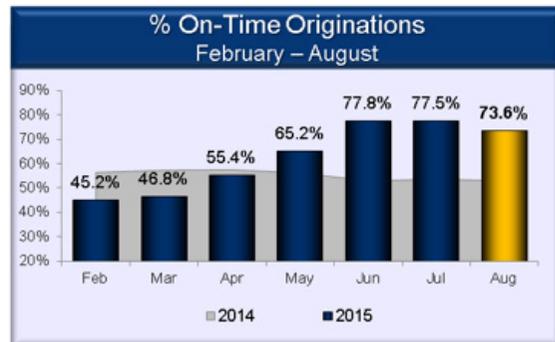
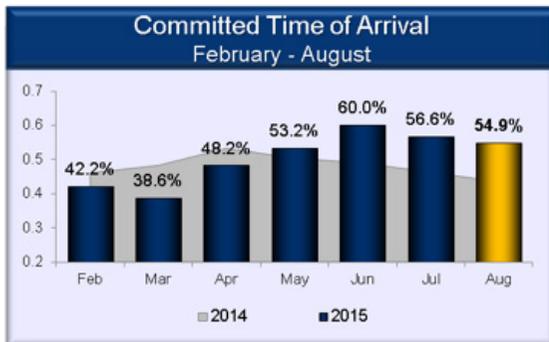


CSX NETWORK & SERVICE UPDATE

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

CSX NETWORK PERFORMANCE

In August, operating performance across the CSX network remained stable. The company continued to experience significant improvements over 2014 and early 2015 performance in committed time of arrival, on-time originations, on-time arrivals and car dwell.



The reliability of CSX's service product also continues to improve. 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 the week ending August 28, the span of on-time originations for the scheduled train network was 5.1 hours, ranging from 2.1 hours early to 3.0 hours late. Additionally, on average, scheduled trains departed 0.6 hours early across the network. 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.

While overall operations remain fluid, the company has experienced congestion at a few locations on the network, namely between Chicago and the Southeast, and between Buffalo and Philadelphia. The company has taken steps both locally and at the network level to quickly return these areas to fluidity.

Looking ahead, mainline curfews will continue on our core routes as we utilize the remainder of the construction season to complete our maintenance and capacity improvement projects, especially along the Northern Tier. As construction activity continues and seasonal volumes increase with Fall Peak, slight transit delays may occur. Please refer to the Operating Performance Map included at the end of this Network & Service Update for specific maintenance and construction locations.

RECENT DEVELOPMENTS

Storm Preparations

The last few hurricane seasons have largely spared the CSX network, and we are hopeful that the 2015 storms will not impact the Eastern and Gulf Coasts. In the event of a predicted landfall, CSX takes significant precautions to protect its employees, rail traffic and infrastructure. The company has thorough and well-honed hurricane preparedness plans with specific and escalating actions undertaken as a storm approaches at local, regional and network levels.

These plans and actions were most recently launched as Tropical Storm Erika formed on August 25. Thankfully, the storm weakened as it approached the U.S., and ultimately did not impact CSX operations. The company will continue to monitor all major weather events through the remainder of hurricane season and stands ready to take the necessary actions to protect CSX employees, customers' freight and the company's network infrastructure.

SEPTA Separation

Recently, CSX and the Southeastern Pennsylvania Transportation Authority (SEPTA) completed the separation of a six-mile section of shared track. This project separates SEPTA's West Trenton passenger service from CSX's freight train service between West Trenton, NJ, and Woodbourne Station in Middletown Township, PA. The West Trenton Separation Project allows CSX and SEPTA to implement different versions of Positive Train Control (PTC) and helps to alleviate rush hour train congestion in this area. The project was funded through a public-private partnership involving CSX, SEPTA and federal TIGER grant funding.

PTC in Revenue Service Demonstration (RSD)

The CSX PTC project achieved a pivotal milestone on Monday, August 31, as CSX began running trains with PTC in operational mode for the first time in the company's history on the Wilmington subdivision in North Carolina. Two road trains and one local train were selected for this inaugural event.

CSX will continue to run these three trains in PTC mode indefinitely, unless the company encounters an unforeseen PTC or operational obstacle. With this achievement, CSX becomes the second freight railroad to enter RSD. This event marks the culmination of nearly seven years of tireless work by the PTC team and a very proud moment for the company.



RESOURCE UPDATE

Locomotives:

CSX locomotive availability remains high and the average number of trains delayed due to power continues to be well below the levels seen in 2014 and early 2015. CSX will continue to supplement its locomotive fleet with new and rebuilt units.

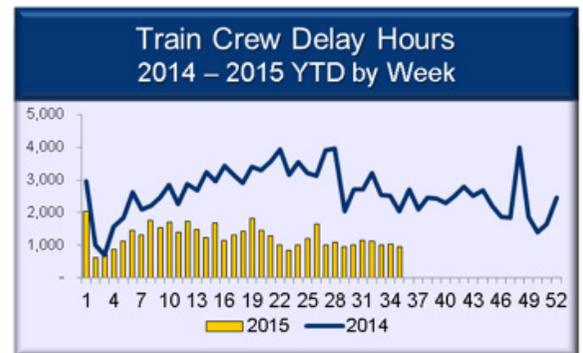
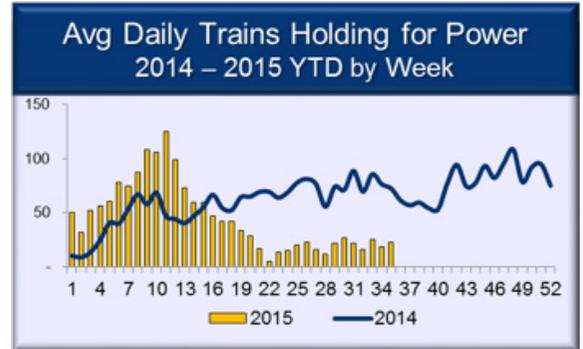
To date in 2015, CSX has received 79 new locomotives, four of which are Tier 4 reduced emission units. The company expects an additional 121 new Tier 4 engines to be delivered by the end of 2015.

Crews:

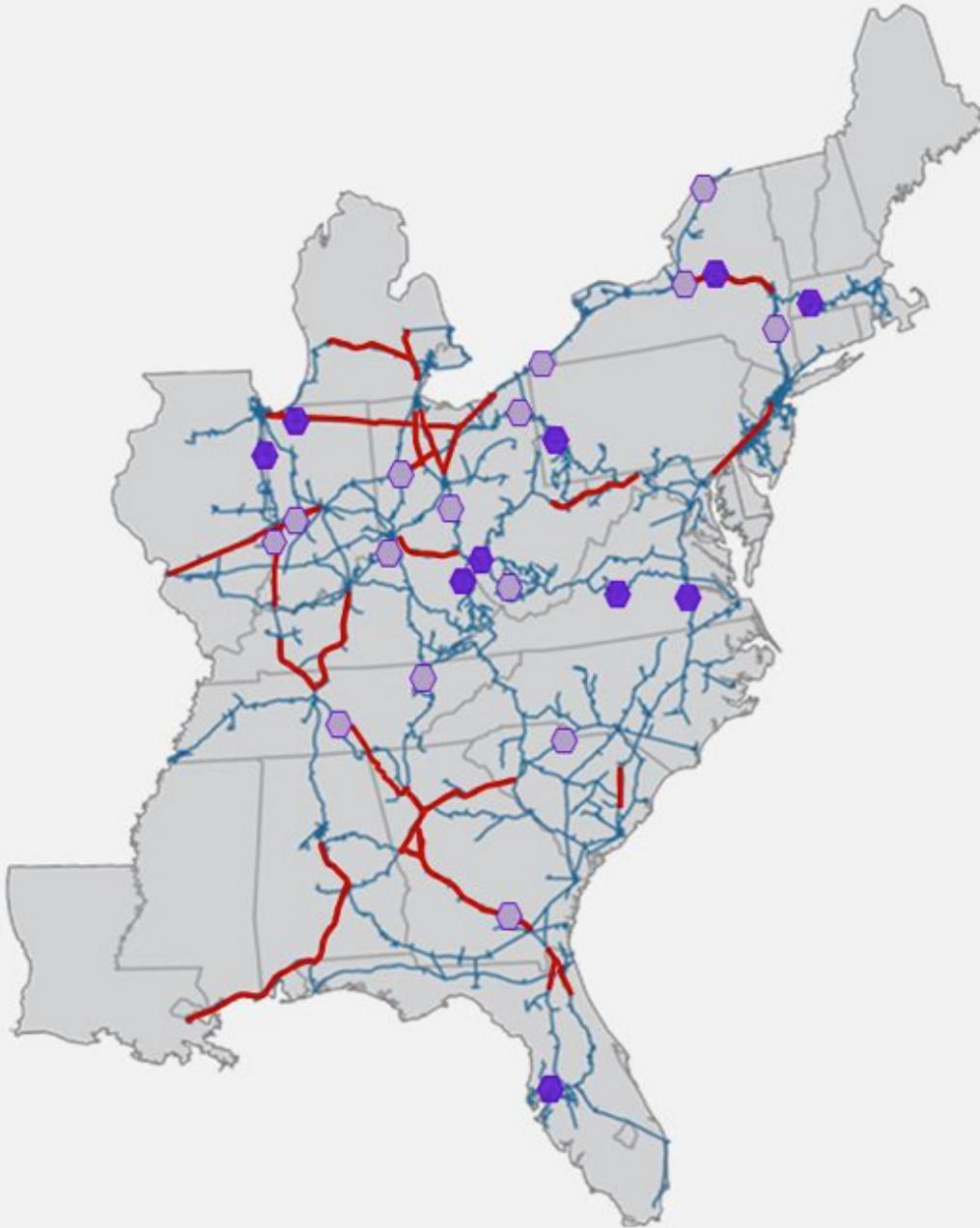
Trains delayed due to crew availability (measured in hours per week) in 2015 continue to track well below the levels seen throughout 2014, and are expected to further improve as we move into a period of fewer vacations. Currently, CSX has approximately 950 T&E employees on furlough and furlough retention boards as the company continues to match resources with current and anticipated future volumes combined with expected attrition (e.g. retirements) in its train service crew base.

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.



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