

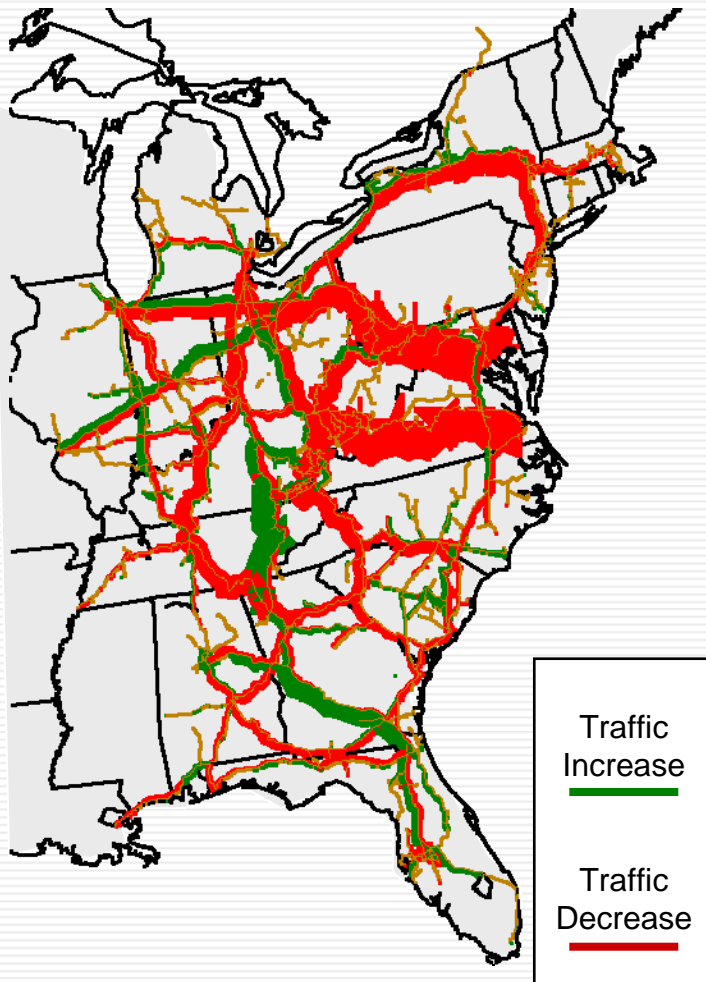
How tomorrow moves [CSX]



MARS Winter Meeting

January 15, 2009

ONE Plan² will target greater efficiency



- Traffic patterns have shifted since ONE Plan inception
- Volume declines allow for further consolidation
- Focus remains on maximizing service and efficiency
 - Rightsize resources
 - Reduce terminal handlings
 - Reduce route miles
 - Increase car velocity

Deploying state of the art Technology



Data Validation Phase, 97% of the traffic was able to flow last week

ISE Workshops

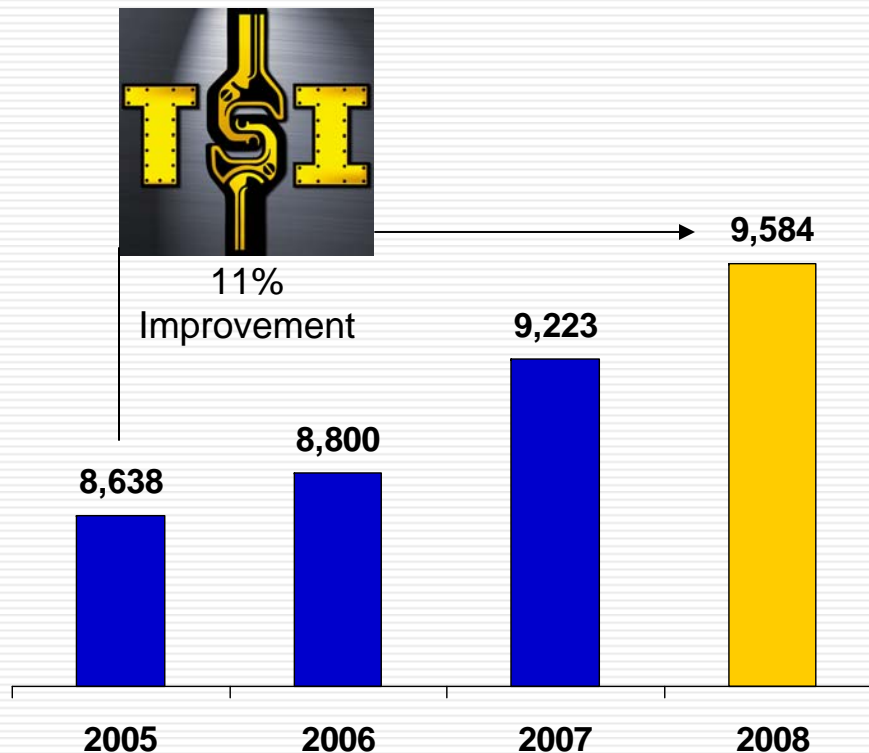
- Cross-functional initiative designed to provide classroom and hands on training for field officers.
- The workshops focused on improving the field officers' understanding of the first and last mile processes and how the alignment of the customer's expectations and the plan would create improved customer satisfaction.
- The effectiveness of the workshops is demonstrated by the Industrial Switching Excellence (ISE) measurement.
- Custom-designed classroom training focused on:
 - Key customer satisfaction measurements CSX utilizes (ISE, Customer Surveys, CTA, CRIS)
 - Measurement design and logic
 - 6 Key Steps of delivering customer satisfaction
 - Identification of customer's work expectations and preferred electronic methods for communicating the work expectations
 - Plan design and car scheduling in the local network
 - Train Build tools and resources
 - Work Order creation and issuance
 - Execution of work in field and data reporting
 - Interrelationship between all processes to ensure delivery of excellent customer satisfaction

Results

- Held four workshops designed and conducted (August, September, October, December)
- Attended by 80+ CSX field officers (Trainmasters, Terminal Managers or Terminal Superintendents) and 6 Conrail field officers
- Reviewed over 550 locals and industrial yard jobs across CSX and Conrail
- Reduced ISE misses to and from customers and shortline interchanges by 45% of the reviewed locals and industrial yard jobs

Other TSI productivity initiatives are underway

Pipeline Service
Tons Per Train



- Total Service Integration is improving train utilization
- Broader cost initiatives will drive further margin expansion
 - *Leverage GPS technology to further improve asset utilization*
 - *Expand use of terminal automation technology*
- Enterprise Asset Management takes productivity to next level

Customer Service at CSX is a combination of several measures of success

1. A customer satisfaction survey is conducted by an external firm.
2. Customer Service performs a customer survey.
3. Quality checks are routinely a part of improving the customer's experience.
4. Recurring service issues are facilitated by Customer Service.
5. The success rate for field partners are a part of the measures of success for Customer Service.
6. Customer Service is staffed 24 x 7 for our customer's convenience.

A customer survey is conducted quarterly by an independent surveying firm.

1. Results for customer service/customer satisfaction are shared throughout the organization.
2. Scores are a major part of measuring our 'performance' within Customer Service.
3. All customers responding negatively are contacted by Customer Service with follow up conducted with internal business partners.

An internal survey is conducted weekly by coordinators within Customer Service.

1. Each Customer Service Coordinator (~40) is randomly assigned a closed case or inquiry from the previous week.
2. The coordinator is responsible for contacting the customer and asking brief questions:
 - a. Was the information supplied by customer service accurate?
 - b. Was the information supplied timely?
 - c. Did customer service communicate with you throughout the issue?
 - d. How can we improve your experience with CSX?
3. Results are shared and action plans developed for improvement.

Quality checks are performed weekly to insure a 'quality' customer experience.

- A random sample of 5-7 coordinators are reviewed each week
 - Case quality (5 randomly selected cases) –
 - Escalation – did the coordinator escalate the issue properly?
 - Overall quality – was there proper research and field contact
 - Telephone quality (5 randomly selected calls)
 - Professionalism – was the customer's experience a 'world-class' interaction?
 - Technical – while on the telephone, did the coordinator do the proper research?
 - Inquiry quality (5 randomly selected inquiries)-
 - Timely response – did the customer receive a response within 4 hours?
 - Overall quality – was there proper research and a proper response to the customer?
- Individual coordinator scorecards are maintained and coaching and training is given to individual coordinators when quality goals are not met.

Service issues are sent to the field nightly and recapped weekly.

1. Each night at 2300, a summary of the daily service commitments are sent to Transportation Officers throughout the organization.
 - a. What current customer issues are on “their” territory.
 - b. What is the commitment CSX made to the customer.
2. A weekly report is run from Customer Service cases handled during the past four weeks.
3. Top recurring failure reasons and impacted customers are identified.
4. Case documentation is reviewed and a summary of customer issues and research results are shared.
 5. The necessary internal business partners are contacted and corrective actions are developed.
 6. A follow up is conducted the next week. are contacted to develop corrective actions for service issues.



How tomorrow moves

