

Conrail Profile 2000-2015



Conrail Profile Analysis



Since split date, Conrail's mission has been to administer consistent service levels to plan with the least amount of cost structure



- ◆ **The Shared Assets Areas initiated field operations with component levels not in excess of pre-split Conrail**
- ◆ **An organizational “Change Agent” mentality delivered a re-engineered structure during the past fifteen years**
- ◆ **Continual focus for improved operating efficiency has bred year over year benefits**
- ◆ **Seizing synergies and maximizing economies of scale were realized by adopting “Best Practices” from parent company ownership**

As our evolution began to a Switching and Terminal configuration, a profile was developed in 2000 for purposes of ongoing comparison



- ◆ **Human Resources**
- ◆ **Infrastructure**
- ◆ **Equipment and Highway Vehicles**
- ◆ **Facilities**
- ◆ **Operating Plan**
- ◆ **Productivity/Service Performance**

Conrail Transportation Profile 2000 - 2015



() = Decrease

	2000	2015	Variance	Percent Variance
Human Resources				
OTE Work Force	222	130	(92)	(41%)
T+E Work Force	614	429	(185)	(30%)
Total Transportation Work Force	836	559	(277)	(33%)
Transportation Worked and Compensated Man-Hours	129,741	88,893	(40,848)	(31%)
Operating Plan				
Owner Road Trains Dispatched Daily	96	103	7	7%
Passenger/Commuter Trains Dispatched Daily	66	63	(3)	(5%)
Owner Road Trains Made Up Daily	21	26	5	24%
Owner Road Trains Terminated Daily	19	25	6	32%
Number of CSX/NS Classifications Made	122	112	(10)	(8%)
Number of Serving Yards	27	22	(5)	(19%)
Number of CR Crews operated	145	164	19.0	13%
Route Miles DCS	234.6	215.5	(19.1)	(8%)

Conrail Maintenance Profile 2000 - 2015



	2000	2015	Variance	Percent Variance
() = Decrease				
Human Resources				
Maintenance & Inspection Workforce	551	451	(100)	(18%)
Maintenance & Inspection Worked & Compensated Man-Hours	109,039	74,969	(34,070)	(31%)
Physical Plant				
Total Track Mileage	1,257.5	1,208.9	(48.65)	(4%)
Class I Miles	842.6	778.7	(64.0)	(8%)
Class II Miles	210.9	207.0	(3.9)	(2%)
Class III Miles	130.7	142.6	11.9	9%
Class IV Miles	32.7	60.4	27.7	85%
Excepted Track Miles	40.6	20.2	(20.4)	(50%)
Road Crossings	958	901	(57)	(6%)
Route Mile CWR	321.8	356.8	35.0	11%
Route Mile Jointed	263.2	208.9	(54.3)	(21%)
Yard CWR	307.1	384.0	76.9	25%
Yard Jointed	424	374	(50)	(12%)
Manned Towers	8	2	(6)	(75%)
Manned Moveable Bridges	10	3	(7)	(70%)
Buildings	60	45	(15)	(25%)
Air Compressors	35	35	-	0%
Switch Heaters	169	321	152	90%
Utility Services	848	921	73	9%
Leased Circuits	2,458	1,124	(1,334)	(54%)
Equipment & Highway Vehicles				
Locomotives	142	87	(55)	(39%)
Roadway Vehicles	274	222	(52)	(19%)
M/W Equipment	32	16	(16)	(50%)

Favorable performance results have been achieved during this period from engaging constructive change



- ◆ Injuries – 55% reduction in injuries as of 2015
- ◆ Derailments – 72% reduction in derailment occurrences as of 2015
- ◆ Operating and maintenance positions – 30% reduction
- ◆ Operating and maintenance man-hours – 31% reduction
- ◆ Capital Expenditures have been matched to maintain level of utility, provide return on investment and improve efficiency through the application of technology
- ◆ “PPP” over past 15 years represents 29% of total capital expenditures
- ◆ Operating Performance and Productivity Improvements

() = Decrease

	2000	2015	Variance	Percent Variance
Performance Indicators				
Average Crew Size	2.50	1.96	(0.54)	(22%)
Average T&E Overtime per Start	2.29	1.40	(0.89)	(39%)
On-Time Train Departures	54%	96%	42%	77%
Yard Dwell Hours	30.3	19.1	(11.2)	(37%)
Cycle Time (Days)	9.6	6.5	(3.1)	(32%)
Worked & Compensated Man-Hours Per Cars Handled	3.01	2.13	(0.9)	(29%)

CSX and NSC have realized the benefits of ongoing change initiatives at Conrail



Implemented Initiatives:

- ◆ Transportation reporting systems
- ◆ On-board customer work order reporting
- ◆ T&E crew management system
- ◆ Technology advancements
- ◆ Adopting parent's material standards and specifications
- ◆ Consolidated track geometry testing
- ◆ Conveyance of property protection services

CSX and NSC continue to realize the benefits of ongoing change initiatives at Conrail



Continuing Initiatives:

- ◆ Managing work force attrition while maximizing productivity of man-hours
- ◆ Adopting proven parent company technology to produce change and efficiency
- ◆ Continuing subscription of best business practices from parent companies
- ◆ Benchmarking analysis of S & T companies owned by CSX and NSC