

HOW TOMORROW MOVES



VIRTUAL CAPACITY

LEVERAGING AN ENGAGED WORKFORCE

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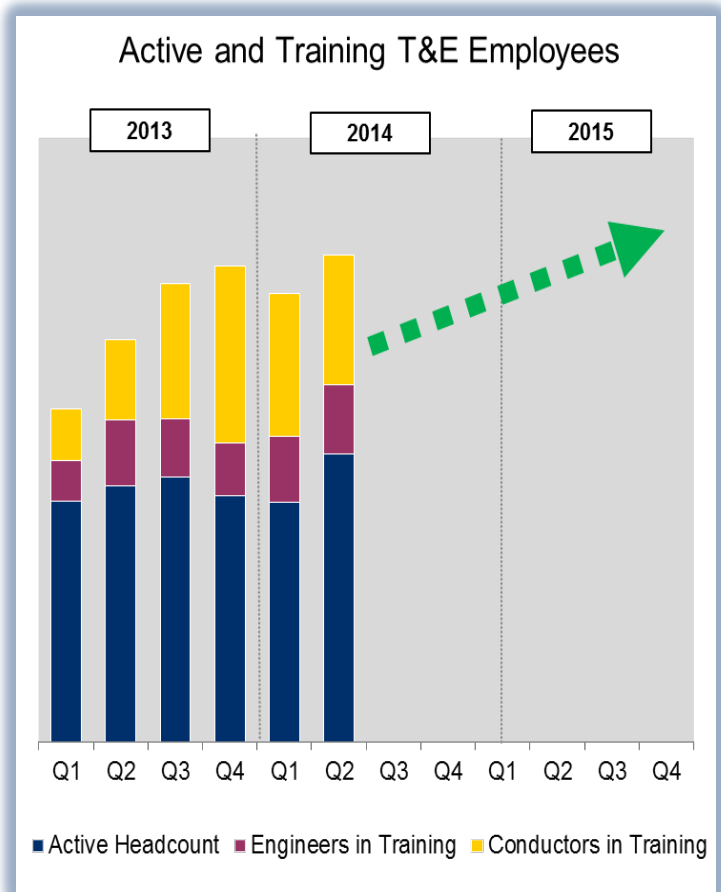
2014 SERVICE STRESSED BY WINTER WEATHER AND SHARP DEMAND



- Severe winter weather in the first quarter impacted network fluidity, stressed resources, and slowed velocity
- Since late-March, volume has spiked well in excess of the general economy and forecasts



ADDING RESOURCES AND PLANNING FOR GROWTH



- Increase Train & Engine (T&E) employee headcount above attrition
- T&E hiring in critical Chicago area will increase over 25% by year-end 2014
- Increase the availability of current employees with temporary transfers, incentives and expanded T&E pool district sizing

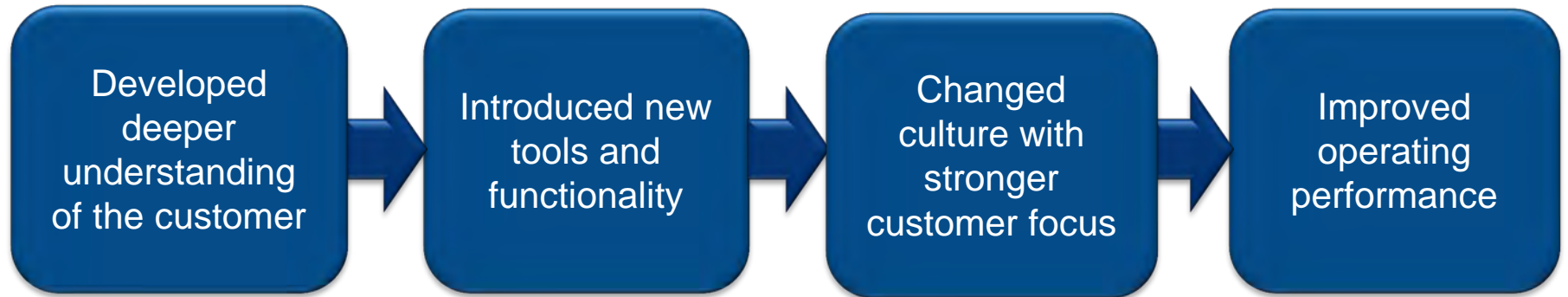


LEAD TIME REQUIRED TO ADD RESOURCES

Resource	Lead Time in Months						Constraint(s)
	0-3	3-6	6-9	9-12	12-18	18-24	
Locomotives			■				■ Supplier capacity
Train Crews			■				■ Time to recruit, hire, and train
Freight Cars			■				■ Supplier capacity
Infrastructure Capacity				■			■ Permitting, track time, and construction cycles
Operating Plan	■						■ Executable as resources become available



A STRATEGIC, LONG-VIEW APPROACH TO SERVICE IMPROVEMENTS HAS DELIVERED RESULTS



**BETTER COLLABORATION =
Better Customer Experience and Asset Utilization**



OUR CORE VALUE “IT STARTS WITH THE CUSTOMER”



Service Excellence Meetings



Service Excellence Training



Service Excellence Competitions



Improved Communications



Service STAR Awards



Customer Workshops



Geographic Field Sales Team



Crew Management Advisory Council



Improvements in Customer Service and Customer Experience



SERVICE EXCELLENCE TRAINING IS A FOUNDATION FOR SUSTAINED EXCELLENCE AND CUSTOMER FOCUS



- How each employee impacts service in their day-to-day work
- Over 10,000 employees complete training each year
- Positive employee feedback:
"This course is overdue."
"Very informative."
"I've learned how to better serve customers."



RAILROAD EDUCATION & DEVELOPMENT INSTITUTE

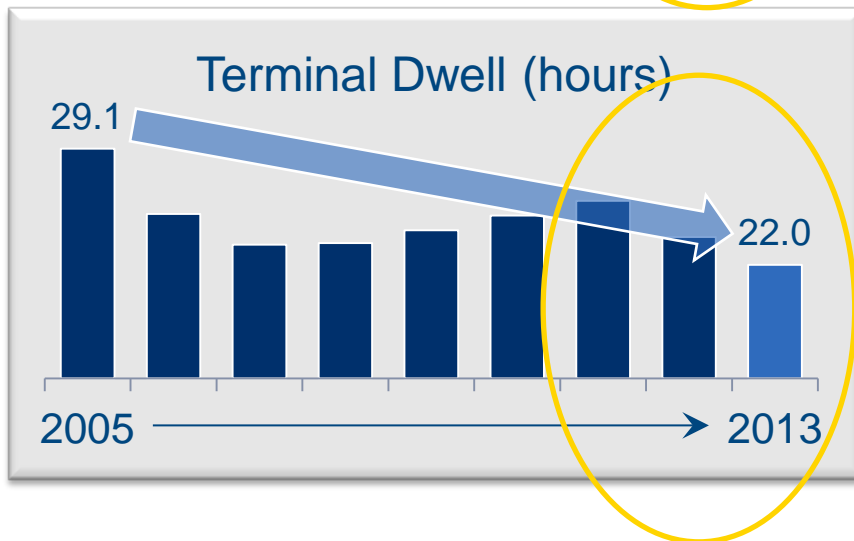
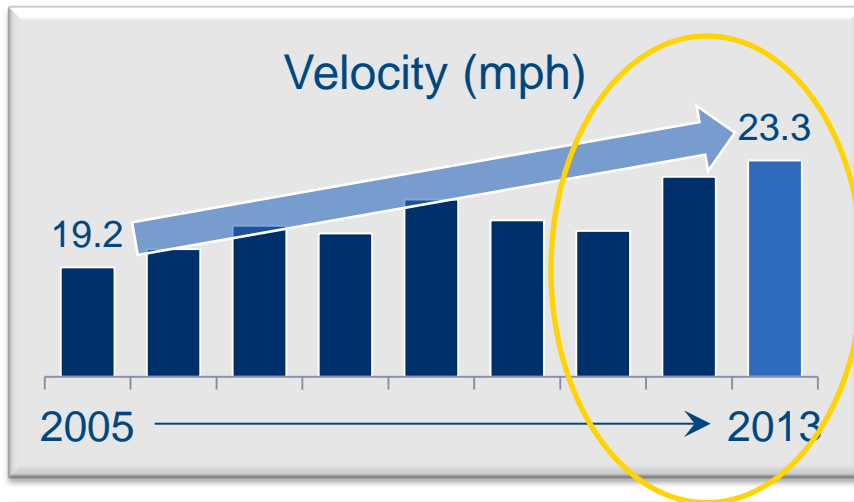


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- *40 Unique Multi-Week Courses – Management and Craft employees*
- *New Hire and Enhanced Skill Development*



IMPROVING SERVICE AND CUSTOMER FOCUS



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