

CUTC Workforce Summit

CSX – Developing Tomorrow's Professional Railroader

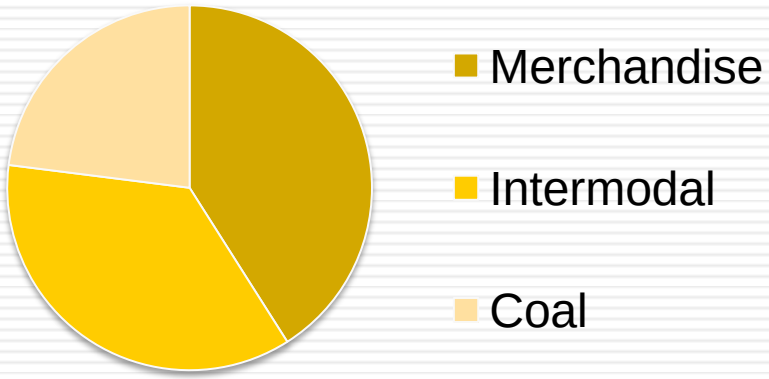
CSX Overview

CSX Network

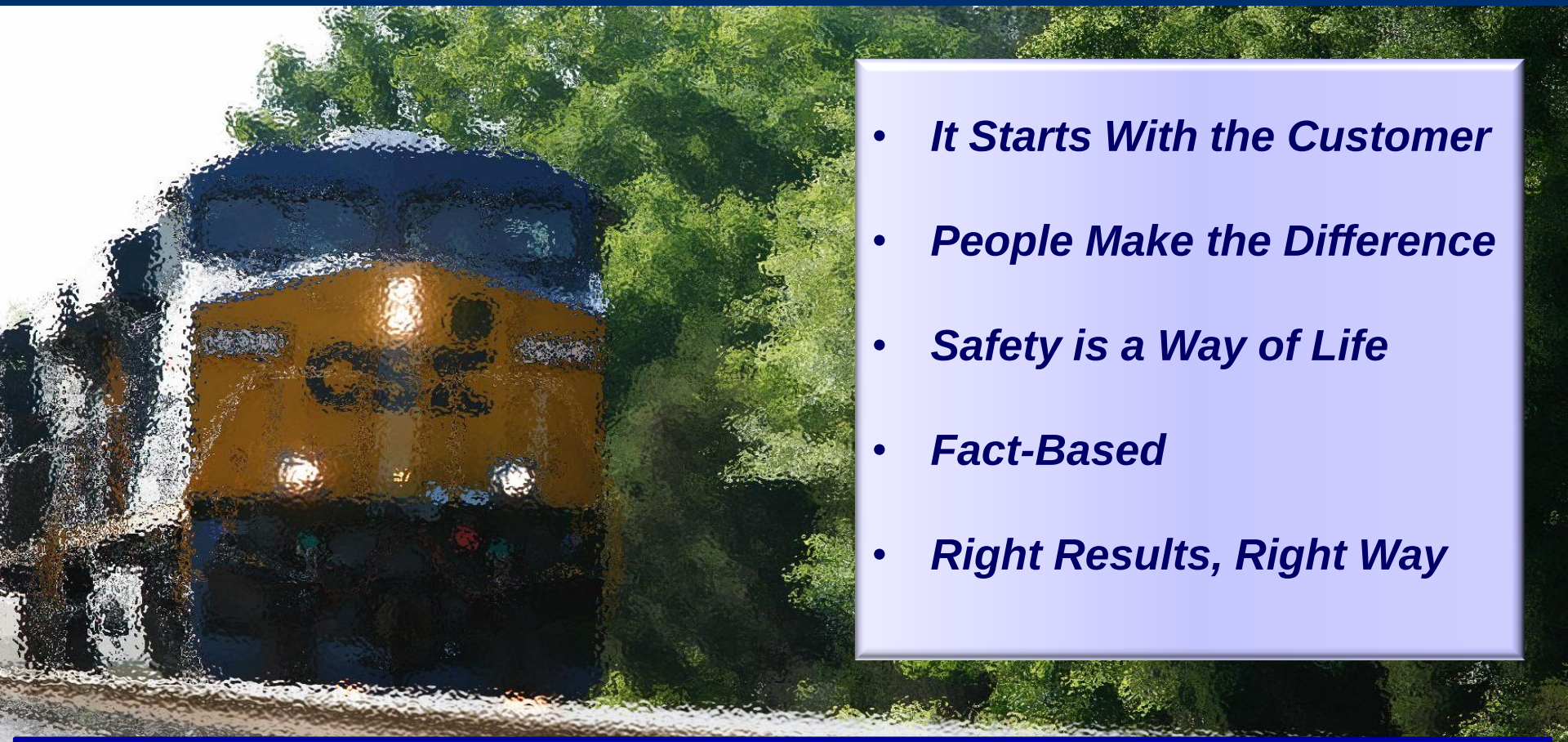


- 21,000 Track Miles
- 27,000 Union Employees
- 4,600 Management Employees
- 4,000 Locomotives
- 84,000 freight cars
- 36 Major classification yards and terminals

Business Volumes



Building operating performance excellence from a strong foundation of company values



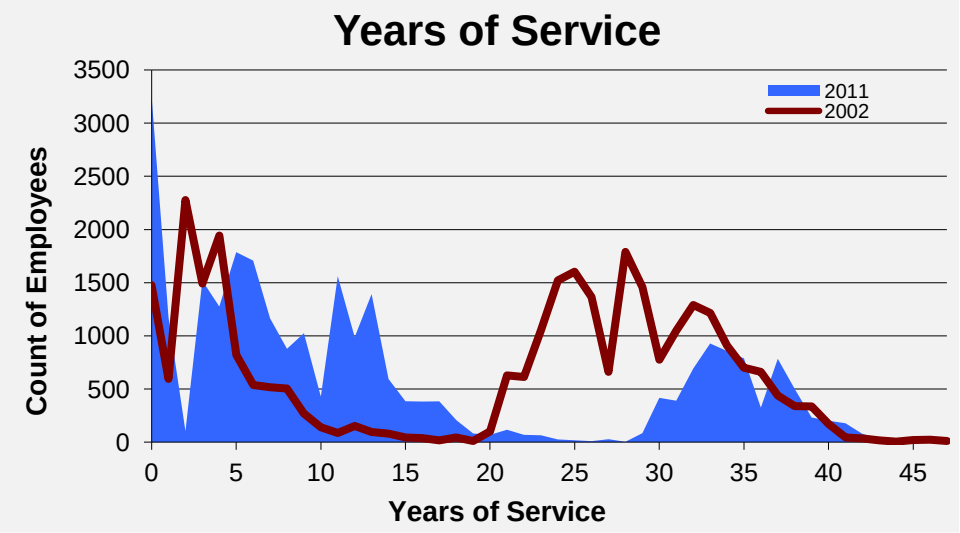
- ***It Starts With the Customer***
- ***People Make the Difference***
- ***Safety is a Way of Life***
- ***Fact-Based***
- ***Right Results, Right Way***

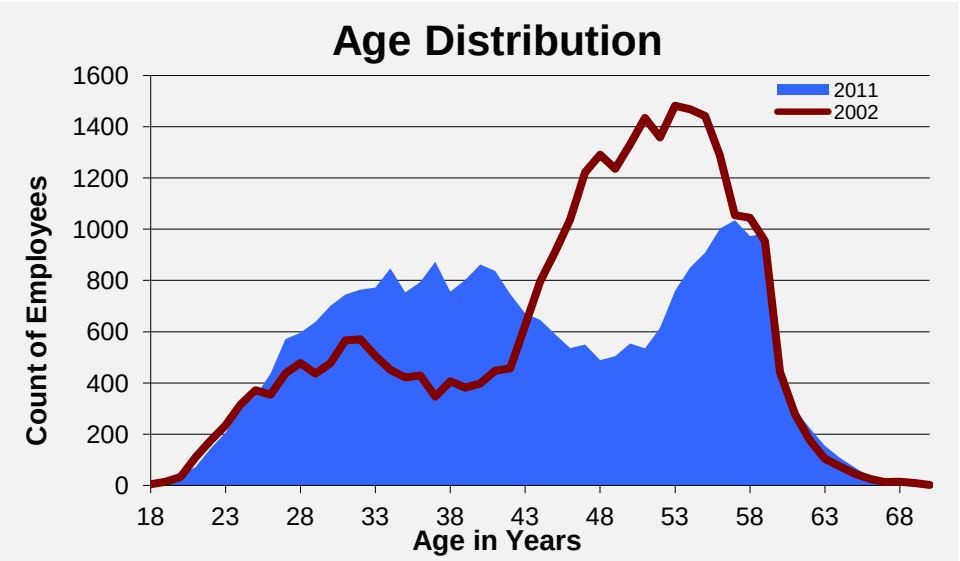
To be the safest, most progressive North American railroad, relentless in the pursuit of customer and employee excellence.

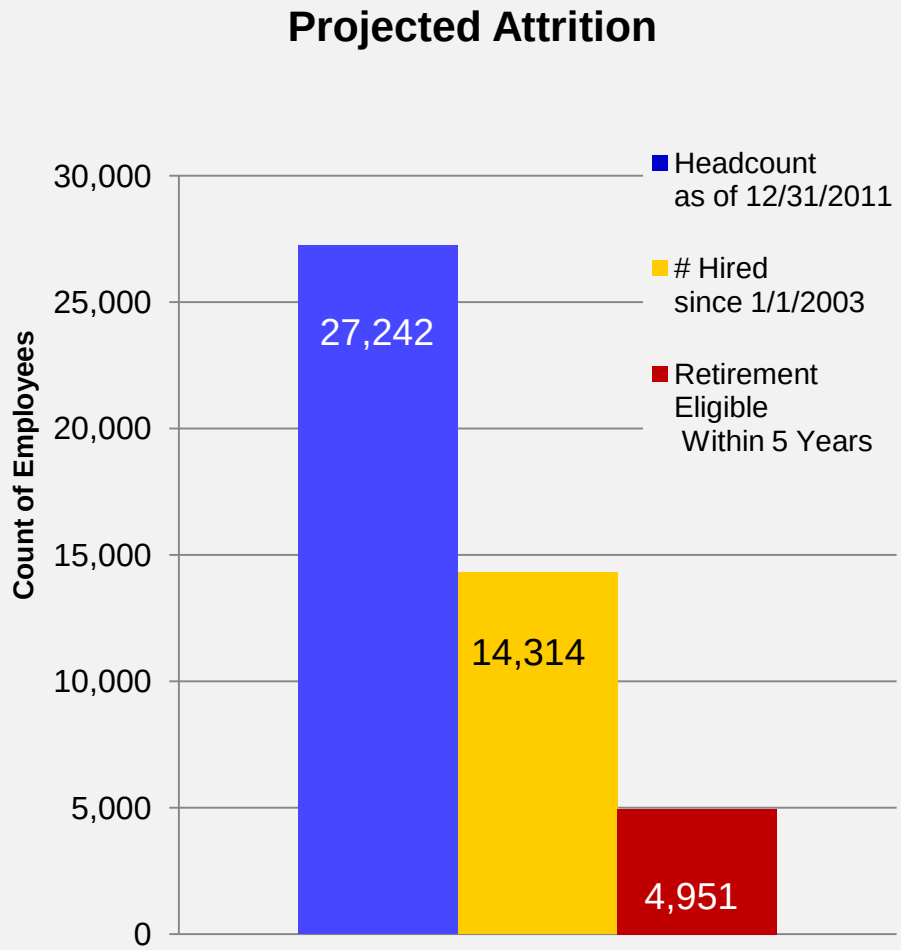
Like the other Class I Railroads, CSX is facing significant challenges in the years ahead

- Changing workforce demographics – the retiring workforce and new workforce
- Rapid pace of change brought on by increased legislation
- Leaders assuming roles earlier in career, often without the mentorship as in years past and surrounded by younger teams
- Changing business environment and planning through the uncertainty

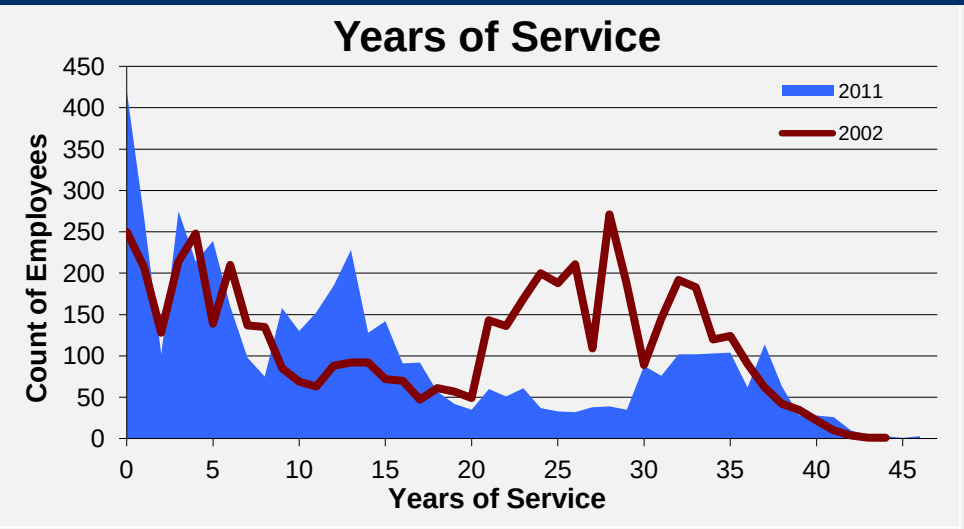
The Changing Workforce Demographics – Craft Employees

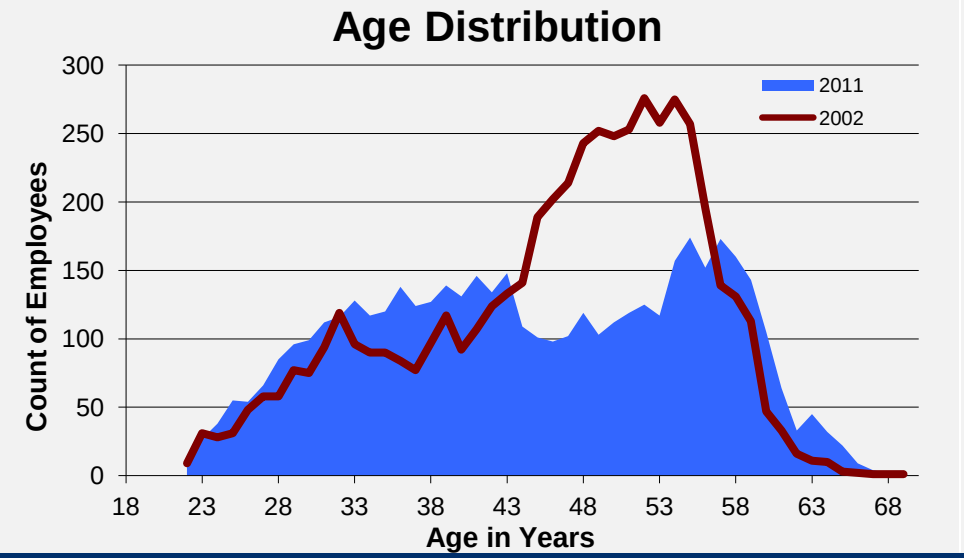


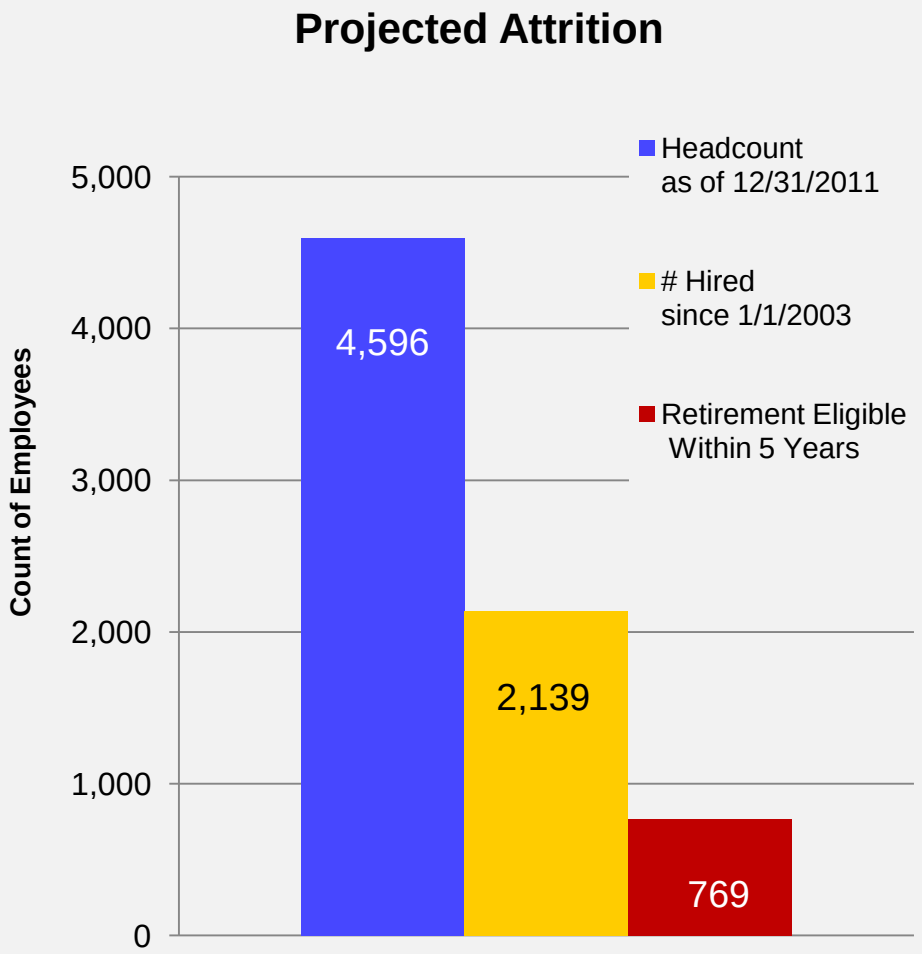




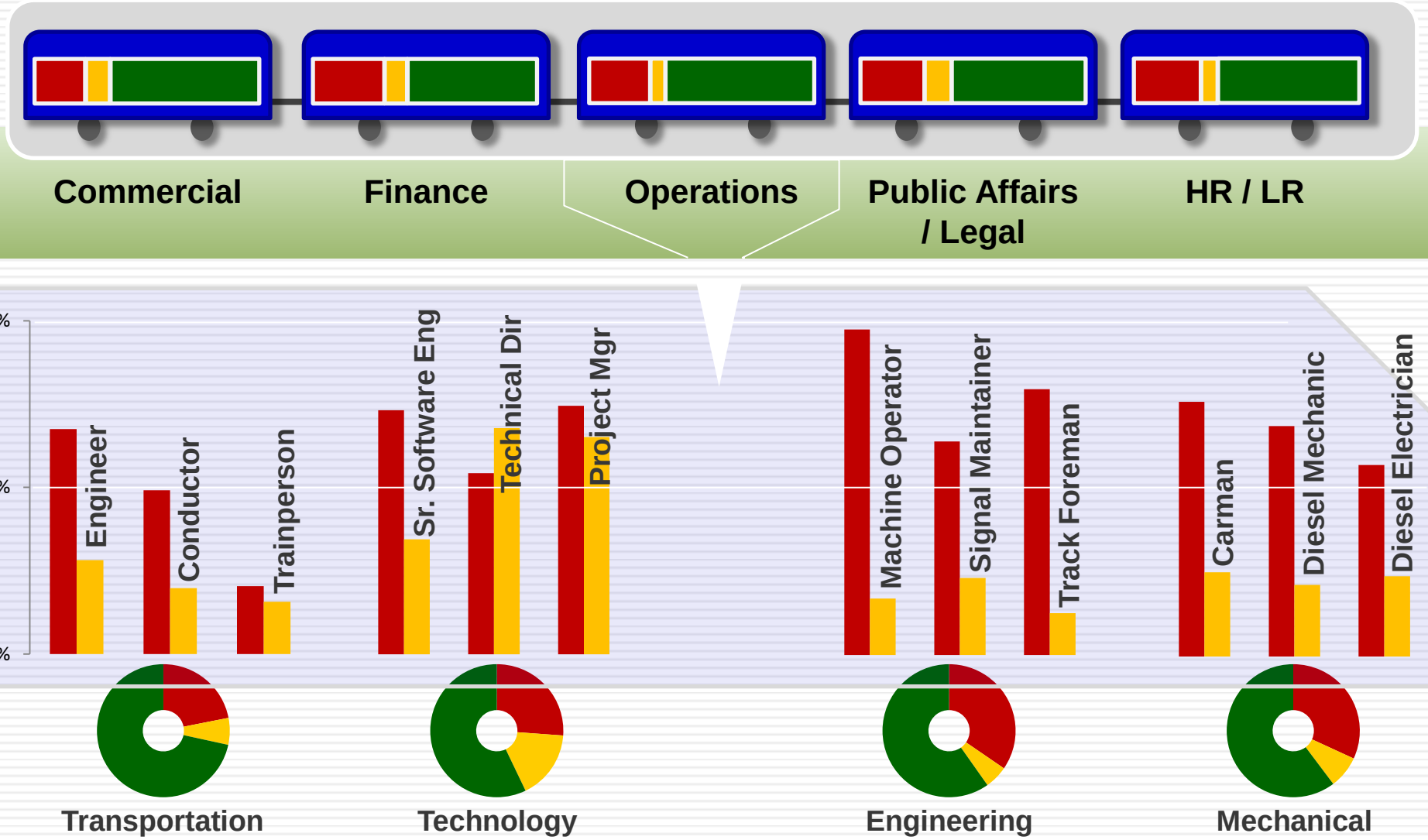
The Changing Workforce Demographics – Management Employees







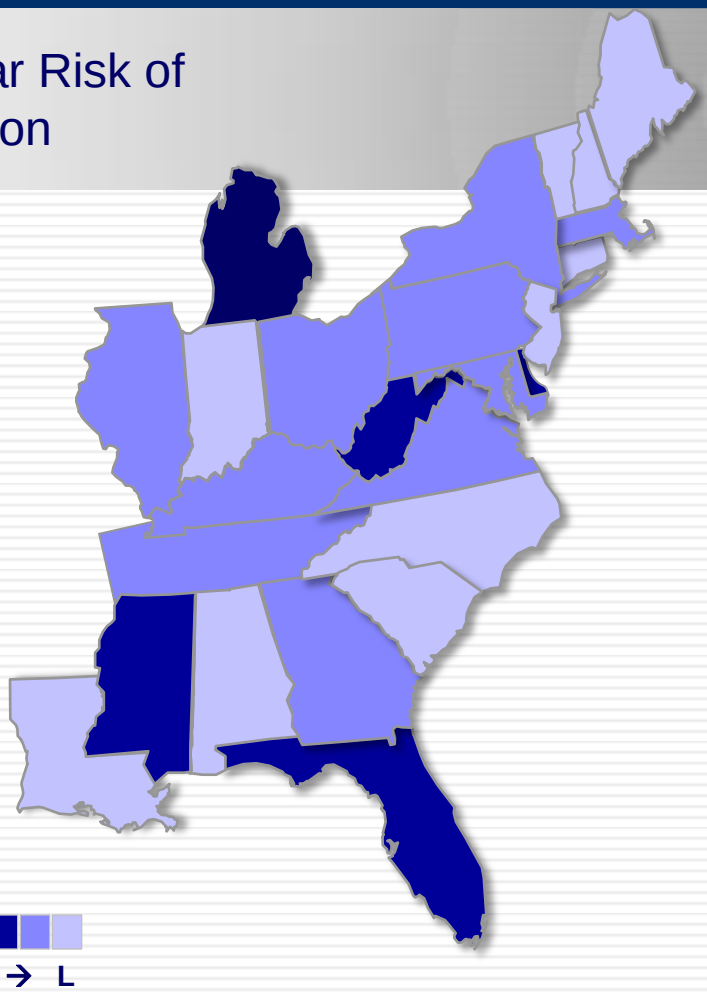
Over 25% of today's workforce will retire by 2020



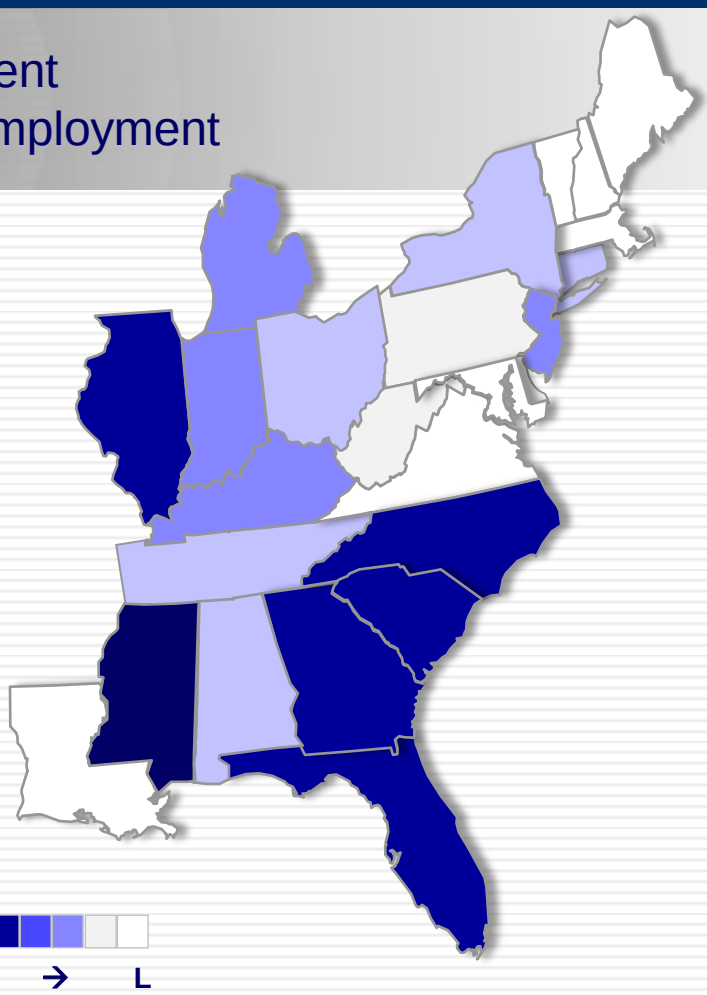
Here in 2020? Yes Maybe No

All Employees – retirement eligibility by state

3 Year Risk of Attrition



Current Unemployment



EE Density FL OH GA KY NY WV MD TN IN AL IL SC VA NC PA MI MA NJ LA DE DC MS CT ME

The Rapidly Changing Landscape

- **Regulatory Challenges**
  - Rail Safety Act of 2008 (Positive Train Control)
  - Conductor Certification
  - Minimum Training Standards
- **Economic Changes**
  - Decline in Domestic Coal
  - Increase and fluctuation of Export Coal
  - Resurgent US manufacturing and new energy
- **Social Factors**
  - Readily Available Workforce in Shrinking Demographics
  - Gen Y and beyond
- **Technological Advancements**
  - Mobile Apps
  - Customer Relationship Management
  - Advanced Wayside Detectors and Super Stations

Developing Strategies to Ensure We Have the Skillset to Deliver on our Strategies

- Continue to train our new employees and upgrade the skills of our current workforce
- Develop pipeline and development programs to help new managers accelerate through the learning curve
- Develop a Strategic Workforce Planning capability to ensure we have the human capital strength to deliver on our capabilities

Training and Development

Developing the Skills of Tomorrow's Professional Railroader

Tony L. Ingram
Railroad, Education & Development Institute





Atlanta, Georgia

Railroad Eductation Development Institute





- ***Based in Atlanta, Georgia***
- ***$22 Million Investment***
- ***100,000 sq ft of covered training space***
- ***Over 10,000 feet of live track space***
- ***98% of all CSX New-Hires receive training at REDI***
- ***Peak student counts; 600+ a day***
- ***Over 30,000 students trained since opening facility in 2005***

The REDI Mission

To develop a career oriented, professional workforce, grounded in a mindset of safety and rules compliance, with the highest level of technical proficiency.

Focus on the "Big Three"

- *Safety*
- *Attendance*
- *Attitude*



Attracting and Recruiting a Diverse Population

Non-Traditional Sources

DISABILITY MATTERS
A SPRINGBOARD CONSULTING EVENT

G.I. JOBS 2012 TOP 100 MILITARY FRIENDLY EMPLOYERS

DiversityInc 2011 TOP 50 COMPANIES FOR DIVERSITY

Association of DIVERSITY COUNCILS

ESGR EMPLOYER SUPPORT OF THE GUARD AND RESERVE

Non-Traditional Selection

Physical Capabilities Testing





Assessment Centers
- Interviews
- Role Plays
- Group Case Studies

REDI students trained per year







REDI Students								
	2005	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012 Proj**
Students	2882	4327	4591	4957	4037	4349	6012	6894
Training Weeks			9323	12934	3347	11247	22618	21402
Other at REDI					311	1858	2672	3200

***Other at REDI* = Non-Traditional training and meetings. Ie. CSX Police, Haz Mat, Risk Management, Industry Forums, etc.**

REDI Curriculum Growth



2005 / 2006

Conductor
LET
Yardmaster
Track New Hire/BF
Track New Hire/SPT
FRA Standards/Qual
Signal New Hire
ASW AB 1.2.3.4.
Mechanical Car

2007

Conductor
LET
Yardmaster
Track New Hire/BF
Track New Hire/SPT
FRA Standards/Qual
Signal New Hire
ASW AB 1.2.3.4.
Mechanical Car
Mechanical Locomotive
Dispatcher
Bridge Welding

2008

Conductor
Conductor Refresher
LET
Yardmaster
Track New Hire – BF
Track New Hire - SPT
FRA Standards/Qual
Track Foreman
Track New Hire – BF Return
Signal New Hire
ASW AB 1.2.3.4.
Mechanical Car
Mechanical Locomotive
Dispatcher
Bridge Welding
Welding – Track
Welding – Roadway Mechanic
Bridge Steel
Bridge Torch
Bridge Timber
Bridge Tie Framing
Bridge Pile Driving
Bridge Foreman Planning
Radio Code Line
Dispatcher Radio
SAIC

2009

Conductor
Conductor Refresher
RCO
LET
Yardmaster
Track New Hire – BF
FRA Standards/Qual
Track Foreman
Signal New Hire
ASW AB 1.2.3.4.
Mechanical Car
Mechanical Locomotive
Dispatcher
Bridge Welding
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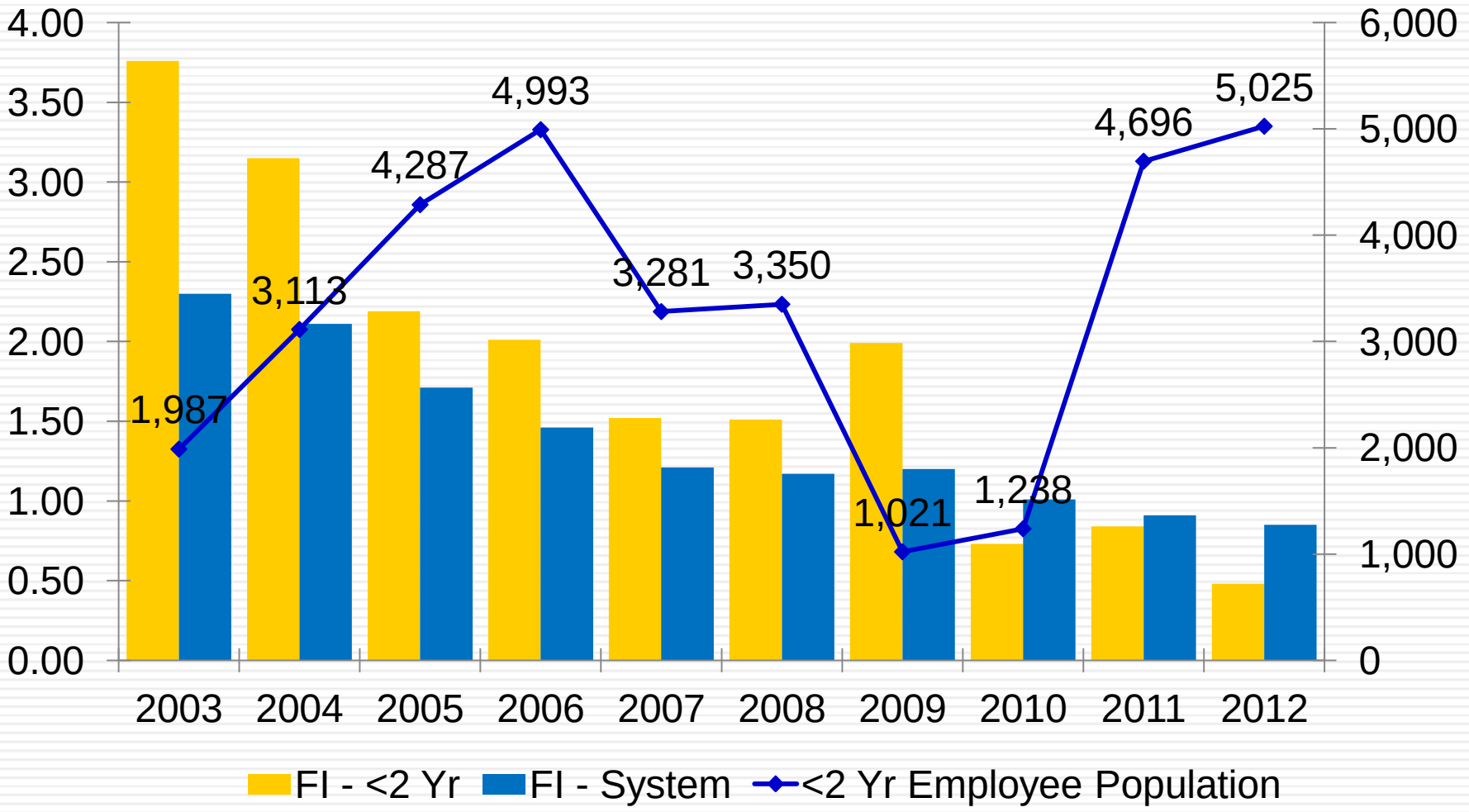
2010

Conductor
Conductor Refresher
RCO
LET
Yardmaster
Track New Hire – BF
FRA Standards/Qual
Track Foreman
New Hire Roadway Equip
Signal New Hire
ASW AB 1.2.3.4.
Mechanical Car
Basic Welding
Flux Core Welding
Pipe Welding
Aluminum Welding
AAR Billing
FRA Hi-Wide
Locomotive Safety Training
Locomotive Utility Workers
Locomotive Skilled Crafts
Locomotive Electrician I
Locomotive Electrician II
Dispatcher
Bridge Welding
Thermite Welding
Frog and Switch Repair
Welding – Roadway Mech
Bridge Steel
Bridge Torch
Bridge Timber
Bridge Tie Framing
Bridge Pile Driving
Bridge Foreman Planning
Radio Code Line
Dispatcher Radio
SAIC
Smith Systems Driving
CDL Preparation
Advanced Railroad Ops

2011

RCO
LET
Conductor
Conductor Refresher
Yardmaster
Track New Hire – BF
FRA Standards/Qual
Track Foreman
New Hire Roadway Equip
Signal New Hire
ASW AB 1.2.3.4.
Mechanical Car
Basic Welding
Flux Core Welding
Pipe Welding
Aluminum Welding
AAR Billing
FRA Hi-Wide
Locomotive Safety Training
Locomotive Utility Workers
Locomotive Skilled Crafts
Locomotive Electrician I
Locomotive Electrician II
Dispatcher
Bridge Welding
Thermite Welding
Frog and Switch Repair
Welding – Roadway Mech
Bridge Steel
Bridge Torch
Bridge Timber
Bridge Tie Framing
Bridge Pile Driving
Bridge Foreman Planning
Radio Code Line
Dispatcher Radio
SAIC
Smith Systems Driving
CDL Preparation
Advanced Railroad Ops
Welder Mentor
Single Car Brake Test
Mechanical Mgr 201
Mechanical Desk Ops
Machinist
Pipefitter
Pole Climbing
Facilities Electrician
Communications & Signals
Advanced Track Inspector

Measuring the success of the REDI through the safety of our employees



2012 FI (System and <2 Yr) through 02/29/12; <2 Yr Employee Population on 02/29/12

Pipeline Programs to Develop Future Leaders

Building a Pipeline of Talented Employees

Employee Development Pipeline Programs

Technical Development	Associate Development Program	Management Trainee Program	Business Leadership Program	Executive Leadership Program
Career Progression Planning				
• Craft Employees • Career Counseling	• Early career craft & management • Mentorship • Builds diverse talent	• Entry level managers • First line skill building • Internal & external hires	• Mid-Level Field Leaders • Partner with U. of Maryland • Action learning projects	• VP / AVP • Collaboration with HBS • Business case studies

Addressing knowledge gaps created through rapid promotions – CSX Business Leadership Program

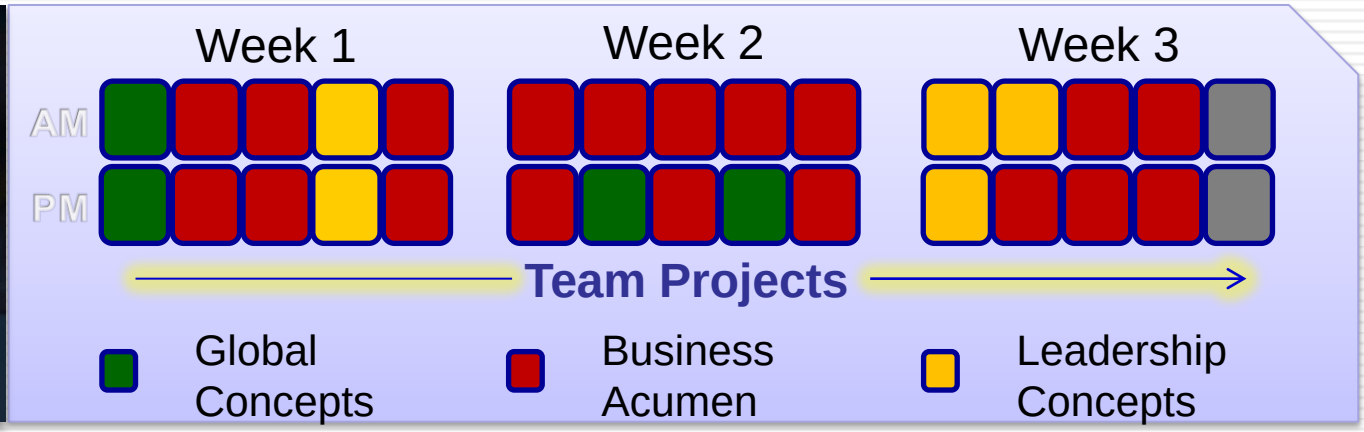
Purpose/Objectives

- Enhance business acumen and create broader perspective in mid-level managers
- Address knowledge gaps created by rapid promotions
- Promote collaboration
- Return value to the company

Business Acumen

- Supply Chain Management
- Operations Management
- Financial Management
- Information Technology
- Marketing & Customer Service
- Interactive Strategic Planning





Expanding the Thought Leadership of our Senior Leaders – CSX Executive Leadership Program

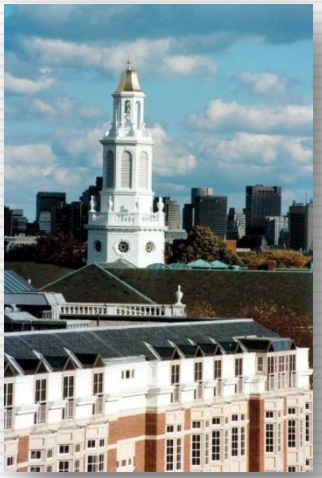
Purpose/Objectives

- Broaden the perspective of CSX Leadership
- Provide a deeper awareness and understanding of external factors impacting CSX strategy
- Promote collaboration
- Strengthen strategic capabilities

Business Acumen*

- Strategic alignment
- Climate Change
- Global economy

**Changes year-to-year based on topic*



MBA Program

Executive Education

Harvard Business Publishing

CSX How tomorrow moves + HARVARD BUSINESS PUBLISHING

Strategic Workforce Planning

Helping the Company Look Around Corners

1. What is the Business Strategy?

- The business strategies on which CSX will compete
- The business plans developed to execute the strategy
- Risks and scenarios associated with the strategies

2. What are the Workforce Implications?

- Which roles are most critical to the success of the business strategies?
- Which roles are most dependent on high performance?
- What skills are necessary?
- What other attributes will be required to win?

3. What is the Workforce Strategy

- Talent Acquisition
- Talent Management
- Learning & Development
- Performance Management
- Reward & Recognition
- Selection & Assessment

Wrap-Up

- Continue to develop new and existing employees
  - Technical Training
  - Leverage Technology
  - Front Line Leadership

- Focus on Talent Pipeline Development
  - Link hiring plans to strategic goals
  - Attract, recruit, and assess
  - Place the right employees in the right jobs



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