



## CSX Analysis and Notes

CSX has yet to pay one dollar of the principal on the \$4B loans it used to purchase various Conrail lines and assets.

The Louisville and Cincinnati Divisions unfortunately lead the nation in injuries and accidents, and could possibly have the worst safety record in US history.

CSX spent \$392 million dollars last year for "risk errors" such as personal injuries, derailments and clean up operations.

CSX has to lower safety costs if it is to remain solvent or become a M&A target.

Queensgate Yard in Cincinnati has a high freight throughput rate, but also has the highest number of accidents.

Former CEO and now U.S. Treasury Secretary John Snow was scheduled to receive approximately \$68M in severance pay, although now it appears CSX will only offer \$11M, which has resulted in a lawsuit between the parties.

CSX is having problems moving freight due to car switching. Uncertain train arrival and departure times into terminals contributes to overall congestion. For example, when a

car is picked up from a customer and delivered to a terminal, it may sit still up to 60 hours or more until being switched onto an outbound train. The process is repeated at the next terminal, thus increasing classification yard volume and delays.

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