

p&m express

purchasing & materials • 2nd quarter 2008



CSX tieplate press ensures steady supply

P&M's primary role is to ensure the right material in the right place at the right time. To do this in our changing rail supply environment requires adequate competition and the ability to find alternate sources for goods and services.

In the past several years, our domestic supply base has been reduced significantly for some of our key materials, said Rod Keefe, Director

Supplier Development. A good example of this is tieplates.

A few years ago, CSX had several suppliers of tie plates. But, as the steel business and railroad suppliers consolidated, many of them eliminated tieplates from their product lines. As a result, CSX was left with only one supplier of tieplates.

Although our current supplier provides an excellent

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Chinnici Celebrates Supplier Success

On June 26th, Fran Chinnici, Vice President Purchasing & Materials, was on hand to help represent CSX at a ribbon cutting ceremony officially opening a major expansion of Unitrac Railroad Material's Trackwork Facility in Knoxville, Tenn.

Unitrac is an ISO 9001:2000 certified manufacturer of trackwork components used by the

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Fran Chinnici, VP Purchasing & Materials, second from right, cuts the ribbon to a new Unitrac Railroad Materials, Inc., trackwork plant in Knoxville, Tenn. Others pictured include, Glenn A. and Glenn V. Healey, left, owners of Healey Railroad Corp., and Ray Lambert, Unitrac President.

Diverse suppliers targeted

The CSX Purchasing and Materials Team affirmed the company's commitment to diversity by hosting two business events for minority- and women-owned suppliers.

Eighty-two companies attended the CSX Diverse Business Enterprise Event April 30 at the Hyatt Regency Riverfront in Jacksonville, Fla.

"It was a great success," said Rita Gebenini, Director Diversity Programs for Zones Inc., a key minority supplier of information technology for CSX. "It was an honor and a pleasure as a minority business enterprise to be invited to participate in the event."

Gebenini impressed upon attendees the importance of bringing business practices and capabilities in line with CSX requirements before offering services as a supplier.

Fran Chinnici, CSX Vice President Purchasing & Materials, and Susan Hamilton, CSX Assistant Vice President Diversity, briefed attendees about the railroad industry, CSX supplier diversity and quality, legal and process



Quentin Thomas, left, Director Client Development for Zones Inc., meets with Bill Fountain of the CSX Technology Department during a poster session April 30.

standards required of CSX suppliers.

Opportunities for networking abounded as attendees mingled with P&M staff during a buffet lunch. After lunch, attendees spoke with procurement managers during speed networking and break-out sessions.

In another meeting, P&M hosted a standing-room-only crowd at the First Coast Chapter of the Florida Minority Supplier Development Council in the Acosta Conference Center at CSX headquarters June 12.

Seventy minority suppliers and FMSDC members, a record-breaking attendance, heard presentations from Rod Keefe, Supplier Development;

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Chinnici Celebrates Supplier Success

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Class 1 Railroads. They utilize the latest CNC machining and explosive hardening technologies in the production of all types of specialty trackwork. Their products range from items such as: frogs, diamond crossings, switch points, transition rails, compromise rails and panelized turnouts.

Unitrac provides professional service and products of the highest quality, said Charles McInnis, CSX Director-Engineering Materials.

“They’re very innovative, have a broad background and a very good knowledge of the relay market,” McInnis said.

“They’re also a very responsive company, which is important in getting these materials to the job at the right time.”

Phil Pietrandrea, Unitrac Senior Vice President-Sales and Marketing, said he appreciates the opportunity to work with CSX.

“Our relationship with CSX Purchasing & Materials gets stronger as each day passes,” Pietrandrea said.

In addition to the tour at the Knoxville plant, Unitrac showcased their facility in Danvers, Illinois, via a live audio and visual teleconference call. The Danvers plant, which also manufactures specialty trackwork materials, is a leader in the explosive depth hardening industry. Their blast containment unit performs a safe and continuous Explosive Depth Hardening process all-year around.

Furthermore, a newly installed Flash Butt Welder at the Danvers plant was also on display via video teleconferencing with a demonstration showing Unitrac’s ability to weld various rail sections into transition/compromise rails.

Joining CSX at the ribbon cutting ceremony were: Randy Bowman, Mike Gowland, and Lee Ann Brooks from Norfolk Southern Corp.



A Unitrac employee welds a plate.



Unitrac provides products such as track panels, left, and Railbound Manganese Insert Frog with guard rail, right.

Safety Milestones

Six CSX Purchasing and Materials locations celebrated safety successes during the second quarter. P&M congratulates the following locations for marking second-quarter safety milestones.

April

Cumberland celebrated 7 years injury free.

May

Stanley Yard celebrated 3 years injury free.
Cincinnati celebrated 1 year injury free.

June

Newport News celebrated 12 years injury free.
Waycross celebrated 17 years injury free.
Nashville celebrated 17 years injury free.



The CSXT 2008 Jamboree participants enhance track throughout the Florence and Huntington divisions thanks to cooperation among the departments.

Stocking THE jamboree

The CSX Purchasing & Materials team played a significant role to help the recent CSXT 2008 Jamboree become a success.

Charlie Isaacs and Lee Johnson helped supply materials for the Jamboree on the Florence and Huntington divisions June 30 to July 7.

Lines enhanced included those on CSXT's Kingsport, Blue Ridge, Spartanburg, Charlotte, Terrell and CN&L Subdivisions. Lines were shut down while 450 engineering employees from throughout the system installed more than 16 track miles of rail and 37,103 ties, surfaced 25 track miles on the Kingsport Sub, upgraded four tunnels on the Kingsport Sub and five bridges on the Kingsport and Blue Ridge Subs.

Isaacs and Johnson, Material Managers for Erwin, Tenn., and Florence, S.C., respectively, coordinated material flow for the project.

"It took a lot of teamwork within the company," Isaacs said.

"Engineering serves their role, P&M has to be part of the plan and Marketing has to work with customers affected. Everybody was involved."

Curtis Parker, CSXT project manager-finance, applauds efforts to assemble materials for the Jamboree several weeks ahead of the project. He agrees that it's an effort that took cooperation among engineering, purchasing and materials group and transportation departments.

"Proper staging is always a key factor," Parker said. "Once the project is up and going, we don't have time to waste figuring where the supplies should be."

The biggest challenge for Isaacs and Johnson was understanding the department's final plan well in advance of the project timeline.

"In the supply chain, good lead time saves money," Isaacs said. "We push and prod on engineering a little bit, but they know we're there to help them."

Both Isaacs and Johnson come from an engineering background, which helps them understand and appreciate the work and processes of Engineering.

For the past six years, the Jamboree has taken place at the same time period and in the same general area on the CSXT network. Employees completed projects in an eight-day period, which would have taken an estimated 27 weeks under the normal train curfew process.

"I'm just proud I was part of it," Isaacs said. "We're always successful."

Ted Black, CSXT Director of Planning, said thanks to everyone's efforts the result of the Jamboree is enhanced service reliability for the CSXT customers in the region that handles most of Kentucky's coal traffic.



P&M hits year safety mark

Dave Ametrano, P&M Safety Manager

CSX Purchasing and Materials achieved a major safety milestone May 5, as all Purchasing and Materials field offices and headquarters reached 365 days injury-free. This marks a feat unequaled since 2003. This streak is for both reportable and non-reportable injuries.

"This was one big goal met today," said Fran Chinnici, Vice President CSX Purchasing and Materials. "The calendar year 2008 is in our sights."

Dave Ametrano, CSX P&M Safety Manager, attributed the success to increased focus on field visits, safety observations tracking and reporting along with the continued leadership by Field Managers and Process Improvement Team (PIT) members.

P&M's commitment to the four-pronged safety action plan of safety certifications, communication, recognition and contractor safety brought P&M to this milestone and continue to serve as a guide for bringing the team safely through the calendar year.

In celebrating success, however, Ametrano encouraged P&M staff to keep the focus on continued commitment to all

four prongs of the action plan and not let their guard down.

"It's a recognizable milestone," Ametrano said, "but we don't want to lose sight of the fact that safety is a journey. We now need to chart a course for the entire calendar year of 2008 injury free."

The 2008 safety slogan is "Safety Attention is Injury Prevention."

"Our work is not done, but we know we can do it," Ametrano said. "We can continue in our success via heightened awareness and attention to detail."

In other safety news, PIT members look forward to the 2008 Annual Safety Congress, tentatively planned for the Railroad Education and Development Institute (REDI Center) in Atlanta in the third quarter. The Congress will give employees, in addition to safety recognitions and workshops, exposure to the duties of other crafts and technical functions of the railroad other than the purchasing and materials functions they currently perform.

Stay focused on attention to safety and preventing injuries and continue to show what a great team P&M is. Hats off to all for remaining injury free!

Hefley looked ahead



Stan Hefley smiles upon seeing his retirement cake decorated to resemble a golf course.

Stan Hefley leaves behind a legacy with his May 2 retirement. During his 38 years with CSX, he was instrumental in catapulting Purchasing and Materials processes to the forefront of technology.

Hefley joined the railroad as an Extra Board materials clerk with the Louisville & Nashville Railroad. He worked out of Louisville, Ky., Mobile, Ala., and Jacksonville, under the L&N, Chessie and Seaboard railway companies. He retired from P&M as Process Group Director.

With the arrival of early mainframe computer systems and the current PC-based Oracle system, Hefley witnessed P&M systems evolve

into a leader of the information revolution. He worked with programmers to tailor the earlier mainframe and Oracle information systems to P&M's specific needs.

"The railroad business doesn't sound like a high-tech place, but the railroads were key to moving into the technology age," Hefley said. "I've always been kind of a computer geek myself, so it was really exciting for me."

Hefley and his wife Patricia have been married 38 years. They have two daughters and two grandsons. They plan moving to Mobile, Ala., to be closer to family.

P&M events embrace diversity

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Elaine Mosley, Continuous Improvement Manager; and managers from Mechanical, Engineering, Indirect, Technology and Intermodal purchasing.

Malik Ali, FMSDC president, highlighted the value of becoming a certified minority supplier and the assistance FMSDC can offer minority businesses.

P&M initiated a minority supplier purchasing program through participation in various minority councils. CSX is a corporate member of the National

Minority Supplier Development Council and the Women's Business Enterprise Network.

Upcoming events aimed at increasing the CSX minority supply base include:

- A booth at the Trade Fair of Women's Business Enterprise Network in Atlanta, June 23-25, with five staff members attending.
- A booth at the Trade Fair of Florida Minority Supplier Development Council conference in Orlando, Fla., Aug. 13-16.
- Representation at the Daimler-Chrysler Matchmaker in Detroit, Sept. 18.
- Representation at the Jacksonville Chamber of Commerce Northeast Florida Procurement Conference and Buyer's Forum at the Prime Osborn Convention Center in Jacksonville, Oct. 21.
- A booth at the Trade Fair of National Minority Supplier Development Council Conference and Business Opportunity Fair in Las Vegas, Oct. 26-29.

Pamela Johnson, left, President Intermodal Support Services, learns about CSX Intermodal/Trucking procurement from Rita Scott, Intermodal Procurement Manager.



Participants fill the Acosta Conference Center at CSX headquarters for the First Coast Chapter of the Florida Minority Supplier Development Council.

Keeping ahead

As an American Railway Engineering and Maintenance of Way Association member, John Vander Veer stays on the cutting edge of railroad innovation.

AREMA, an organization made up of all North American railroads, meets biannually to maintain an industry manual of agreed-upon best practices for engineering. Vander Veer, Chicago Terminal Materials Manager and 35-year employee, is the only Purchasing and Materials employee involved in AREMA.



John Vander Veer, Manager of Materials, AREMA Member

Vander Veer belongs to AREMA Committee Five. Its responsibilities include development and publication of recommended practices and information related to track.

“I work with these materials on a day-to-day basis,” Vander Veer said. “It keeps me ahead of the curve as far as what changes are coming.”

At its May 16 meeting, Vander Veer kept ahead of the curve as Committee Five examined flange-bearing technology. This is a change likely to impact the future of frogs and diamonds, the area of a switch where two rails cross one another.

To prevent derailment at a switch, a gap in the rail at the point of intersection allows for the rim of a wheel to pass through. When traversing the gap, however, the train’s wheels place the frog under stress.

“Because the gap is there, that frog takes a lot,” Vander



A lift frog awaits installation. The mainline side consists of normal rail while the turnout side lifts the wheel over the mainline rail.

Veer said. “It’s a high-maintenance item and it requires constant monitoring and work.”

Frogs using flange-bearing technology transfer weight from the wheel hub to the rim, effectively lifting the wheel over the main line rail. Lift frogs eliminate the need for a rail gap, limiting wear on the frog.

The technology is still under Federal Railroad Administration review. Committee Five will return to discussion of flange-bearing switching at its May 2009 meeting in Minneapolis, Minn.

Summer safety

Does every member of your team have a “personal survival plan” for preventing summer related injuries? Each year, CSX employees experience injuries from June through September that might be attributed to an increase in the temperature or otherwise loss of awareness.

During the 2007 Summer Spike period, slips, trips and falls led the category of personal injuries sustained by CSX employees; closely followed by overexertion, handling materials, red zone injuries and pinch points.

Summer Spike 2008 kicked off with Operation Hydration, an initiative to increase awareness of heat injuries and combat dehydration.

“It doesn’t matter if you’re a carman, mechanical employee, transportation

employee or purchasing and materials employee, you’re still out in the heat and have the need to hydrate,” said Dave Ametrano, P&M Safety Manager.

The best way to prevent injuries is to have a personal survival plan and to follow it closely. Listed below are items to include:

- Pay attention to details.
- Actively participate in job briefings and re-brief as conditions change or when others become involved in the task.
- Always perform warm-up exercises to increase flexibility and decrease muscle tension.
- Make a daily commitment not to allow outside influences (mental vacations) affect your job.

- Never take short cuts.
- Always use proper lifting techniques. Get help if necessary.
- Follow recommendations outlined in our heat injury prevention guidelines including drinking plenty of cool water, about one cup every 15 minutes.
- Use the buddy system to identify signs of heat stress or fatigue.
- Obtain the proper amount of rest and eat nutritious foods.
- Always take the safest course of action when performing any task.

Each member of the Purchasing and Materials Team should frequently refer to their Summer Spike personal survival plan to support efforts to remain injury free in 2008.

CSX tieplate press ensures steady supply

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product, the single source leaves CSX at risk should the supplier have a manufacturing interruption. CSX examined the risk for tieplates and began a global search for a manufacturer. The cost of a new supplier entering this market is high and we were unable to locate a suitable supplier for the plates, said Keefe.

While investigating CSX options for a second supplier of tieplates in late 2007, the P&M team was made aware of some very unique equipment that was being sold to a Brazilian company and being removed from the 1980 vintage Wheeling / Pittsburgh Steel Mill, in Monessen, PA. One of the manufacturing lines being removed included a railroad tieplate press, shearing machine and ancillary machinery. This highly specialized equipment, which had been “moth-balled” for several years, was immediately of interest to the CSX P&M Team.

After a clean-bill-of-health was received on the machinery, CSX moved quickly to purchase it from the owner before it was shipped overseas.

The press, pictured right was shipped to a refurbishment site for a complete overhaul. The next step will be to relocate the machine to a new site with a “surrogate supplier” to begin the process of producing tie plate from steel stock provided by a key steel supplier.

“The tieplate machine purchase demonstrates the active strategic role that P&M must play at CSX to ensure that our company always has the materials needed to run our operations. Wherever we have a sensitivity or supply risk, we must actively move to mitigate those risks,” said Fran Chinnici, VP- Purchasing & Materials. This is a great example of doing just that.



Editorial Team

Do you have an idea for the next issue of the P&M Express? Submit it! Contact any of the members of the editorial advisory team listed below with your ideas or pictures.

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Retirements, Acquisitions & Transitions

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