



Member of the Board

**Surface Transportation Board**  
Washington, D.C. 20423-0001

July 27, 2017

Mr. E. Hunter Harrison  
President and Chief Executive Officer  
CSX Transportation, Inc.  
500 Water Street  
Jacksonville, FL 32202

Dear Mr. Harrison:

We are writing regarding the Surface Transportation Board's (Board) growing concerns about the service problems resulting from ongoing operating changes underway at CSX Transportation, Inc. (CSX). Earlier this week, we met separately with senior CSX officials to share our concerns, but we also want to directly convey them to you to ensure efforts are being made at the highest level to improve service for your customers as quickly as possible.

Recently, the Board has received a number of informal complaints from shippers who rely upon CSX rail service. These shippers have reported that CSX's service deteriorated markedly during the second quarter of 2017, which coincided with CSX's implementation of significant changes to its operating plan. In particular, shippers have complained that transit times have increased significantly and/or become unpredictable; loaded and empty railcars sit for days at yards; switching operations have become inconsistent and unreliable; car routings have become circuitous and inefficient; and CSX customer service personnel have been unable to provide meaningful assistance. The Board has also been notified of delays resulting from CSX congestion in critical gateways including New Orleans and St. Louis. These reports also confirm CSX's own weekly operational data reported to the Board that system train speed is slowing, and that yard dwell time is increasing, along with the number of cars on-line. We understand that these disruptions have forced a number of rail shippers and their customers to curtail production, temporarily halt operations, and/or utilize other transportation options that have added additional expense and inefficiencies to their operations.

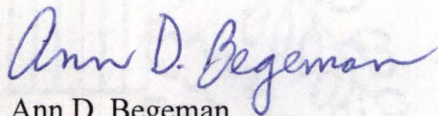
Additionally, shippers have also complained that CSX initiated the changes to its operating plan without sufficient lead time and coordination efforts that would have allowed them to adjust their production schedules and supply chain logistics. It appears that rather than doing proactive outreach, CSX put its customers in the position of having to contact CSX's marketing staff to learn the details of service changes after the fact. We are very troubled by the apparent lack of communication with customers and urge your immediate attention to remedy this situation.

We request that CSX commence weekly service calls with the Board's Rail Customer and Public Assistance staff so we may better understand the scope and magnitude of CSX's railroad

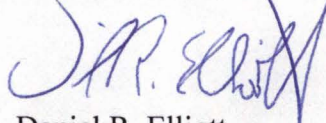
performance issues and its efforts to resolve these problems. To ensure that these calls are informative and productive, we ask that CSX include senior level personnel from its operations and service design units, as well as its marketing and customer service staff. On these calls, CSX should provide an overview of its operations, including congestion at critical yards and gateways, interchange operations with other Class I railroads, availability of equipment and manpower, local spot and pull reports, and service to customers with critical needs. In addition, we urge you to establish a service hotline for your customers and provide frequent operations updates to your customers both directly and via CSX's website postings.

Thank you for your prompt attention to our request. Lucille Marvin, Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, will contact your office to arrange calls to discuss these serious issues. Again, we ask that you ensure that appropriate members of your senior management team are made available for these important calls.

Sincerely,



Ann D. Begeman  
Acting Chairman



Daniel R. Elliott  
Vice Chairman



Deb Miller  
Board Member