



James M. Foote  
President & Chief  
Executive Officer

500 Water St., C900  
Jacksonville, FL 32202

February 23, 2018

The Honorable Ann D. Begeman, Acting Chairman  
United States Surface Transportation Board  
395 E Street, S.W.  
Washington D.C. 20423

The Honorable Deb Miller, Vice Chairman  
United States Surface Transportation Board  
395 E Street, S.W.  
Washington D.C. 20423

Dear Acting Chairman Begeman and Vice Chairman Miller:

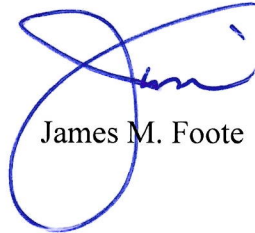
In response to the letter the Surface Transportation Board (STB) received from the National Association of Chemical Distributors (NACD), we thought it might be helpful to update the Board with CSX's efforts to assist with the one customer identified by NACD. Since the letter, CSX has reached out on a number of occasions to Brainerd Chemicals, who acquired the CSX-served facility from Honeywell 18 months ago. Through our outreach, we updated Brainerd's customer profile, determined the most effective way to communicate with the Brainerd personnel, learned their future operating needs, and educated them on our policies, specifically demurrage.

It was a productive series of discussions, and CSX and Brainerd personnel have forged a good working relationship, both corporately and at the local level. As to the other customers mentioned in the letter, we note that most of the service complaints registered were from last summer -- a period where CSX had significant service disruptions. Our service, as the Board has noted, and as our metrics show, has improved significantly since then, and we are now operating on a par with or better than our Class I freight railroad peers. To the extent there are customers that would like to work directly with us, we stand by ready to help however we can. When we have issues surfaced by specific, named customers, I hope you are seeing that we take them seriously and act quickly to resolve.

As to the changes in our switching rates identified in the letter, of note, our switching rates have not changed in the last 12 months. Rather, as we mentioned to you in our meeting on February 1<sup>st</sup>, we are attempting to streamline our service to customers to improve it for all customers. To the extent individual customers require additional switches, we must charge for that service because of the additional manpower and time required, and we are charging in line with the long-standing tariff language. We have provided thorough communications of this policy to our customers and would be glad to address any issues or concerns as they arise.

Thanks for your ongoing attention on CSX's behalf. As the Board has noted a reduction in customer complaints as well as demonstrated improvement, we would appreciate your consideration of an every-other-week cadence of monitoring calls until the next evaluation at the close of the quarter. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James M. Foote', is written over the printed name. The signature is stylized with a large loop at the beginning and a smaller loop at the end.

James M. Foote