



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

October 18, 2021

Mr. James M. Foote
President and Chief Executive Officer
CSX Corporation
500 Water Street, 15th Floor
Jacksonville, FL 32202

Dear Mr. Foote,

I am writing to request that you provide an update on the rail service performance of CSX Transportation, Inc. ("CSX") in meeting the needs of its customers.

The reason for my request is that over the past several months the Board has continued to receive a steady stream of complaints about the adequacy of rail service provided by CSX. In both private meetings and public settings, CSX customers have relayed examples of substandard performance, including missed switches, extended transit times for both manifest and bulk shipments, unfilled car orders, and the inability to contact customer service and operating personnel. These complaints are not limited to any particular region on CSX's network, nor are they confined to shippers of specific commodity groups. Customers have also reported that service problems are sometimes resolved, only to recur weeks or months later. Taken together, these complaints are of grave concern as it appears that CSX resources are surged to assist one customer, only to have problems arise with another. And, as a result of these problems, customers incur premium freight costs, idled production, lost sales and damaged commercial relationships, typically without meaningful recourse from CSX.

In addition to anecdotal incidents, CSX's rail service performance data reported under STB Docket No. EP 724 tends to support that CSX's network is underperforming compared to the benchmarks set in 2019. (Because of disruptions caused by COVID-19, I do not believe that 2020 is a reliable baseline.) For example, over much of 2021 system average train speed is down 6%; average terminal dwell is up 16%; and average loaded cars not moving in 48 hours is up 98% against 2019 numbers. Yet CSX's average weekly carloadings (originated and received in interchange) are comparable for 2019 and 2021. I also note that CSX has approximately 1,000 fewer "transportation" employees for August 2021 compared to August 2019 (6,577 versus 7,543), as reported on STB Form C.

While CSX is responsive and prompt to address discrete rail service issues, these reports have been repeated over a long period of time with only periodic and temporary improvement, and I am concerned about what appears to be a systemic problem within CSX's operations.

I look forward to receiving your perspective on the current state of CSX's network, and specific details of how CSX plans to meet the needs of its customers. In particular, I would appreciate your evaluation of CSX's performance metrics from 2021 versus 2019 and what factors are hindering CSX's ability to attain past levels of fluidity and service, including the impact of headcount reductions for train, yard and maintenance employees.

Thank you for your attention to this request. If you or your staff have any questions, please contact me or Ms. Janie Sheng, Acting Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,

A handwritten signature in black ink that reads "Martin J. Oberman". The signature is written in a cursive, flowing style.

Martin J. Oberman
Chairman