



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:

I wanted to provide you with a brief update on CSX's customer outreach activities.

At our February 1st meeting, I told you that the Sales and Marketing team and I have met with as many customers as we can to apologize for the disruptions of last summer, to open new lines of communication, and to develop strategies to improve service further. We also have emailed our customers proactively to notify them of operational or commercial changes.

On February 14th and 15th, I hosted my 2018 CSX Sales Meeting, the first ever dedicated to just our sales team, where the entire CSX senior management team presented our CSX business plan. Our sales team is now much better prepared to discuss our business strategy with our customers.

Also, on February 21st at the Southwest Association of Rail Shippers' 2018 Annual Meeting, I personally addressed over 600 association members, of which included many of our major chemical customers. Once again, I recognized earlier service failures, explained the scheduled rail model and allowed for an extensive Q&A.

On another topic, we read in a recent "Trains" article and on the Surface Transportation Board (STB)'s website the letter from American Chemistry Council President Cal Dooley on CSX service issues.

Because of our service improvements and customer outreach, our reported customer complaints are considerably down. As you note in your response to Mr. Dooley, the complaints to your Rail Customer office also are considerably down. That is why the complaints that Mr. Dooley describes are both disappointing and confounding. They are disappointing because they do not reflect what we are hearing from our customers. They are confounding because, since they are anonymous, we have no way of knowing when, where or with which customer the service issues may have occurred.

We urge the members of the ACC, and all of our customers, to come directly to us for the most effective resolution of any issues they encounter. Otherwise there is very little we're able to do. The ultimate service goal of Precision Scheduled Railroading is to safely, efficiently and economically serve our customer. We can always get better, and we're always looking at ways to do so; however, our ability to effectively respond requires meaningful and direct communication with our customers.

Michael Rutherford, CSX's Vice President of Merchandise, has provided his contact information to his American Chemistry Council counterpart, who kindly forwarded it out to those who responded to the survey. We are hopeful that this outreach will yield some productive exchanges and problem resolution.

Please let me know if I can be of further assistance.

Sincerely,

James M. Foote