



Member of the Board

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

August 14, 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 to express the Surface Transportation Board's (STB or Board) continued concerns over the widespread degradation of rail service across the CSX Transportation, Inc. (CSX) system, as raised by Acting Chairman Begeman in your phone call earlier today. The Board's July 27, 2017 letter outlined our concerns about disruptions in rail service resulting from CSX's implementation of changes to its operating plan. Since that time, it is not apparent to the Board or interested stakeholders that service is improving.

In an effort to monitor CSX's service recovery efforts, our letter requested that CSX's senior management participate in weekly calls with STB staff to review the state of CSX's network and informal complaints submitted by rail shippers to our Rail Customer and Public Assistance (RCPA) office. We appreciate CSX's participation in these calls. However, much of the initial information provided by CSX was in narrative form without reference to railroad data or service metrics. As such, it has been difficult for STB staff to assess the magnitude of CSX's problems and the pace of recovery. Indeed, rail service data submitted by CSX pursuant to EP-724 suggests that CSX's performance continues to deteriorate.

At RCPA's request following the second weekly call, CSX provided a slide presentation to facilitate a more meaningful discussion and help the Board assess CSX's performance. Going forward, we request that CSX provide metrics addressing the subjects listed below in advance of each weekly call. CSX should be prepared to review and discuss these metrics in addition to any milestones from the previous week. The weekly presentation will be posted on the Board's website to assist shippers, other railroads, and interested stakeholders in their own service monitoring and promote transparency in the Board's efforts to best address this very important service matter. Specifically, we request that CSX provide data addressing the following performance indicators, which are vital to assessing CSX's recovery efforts:

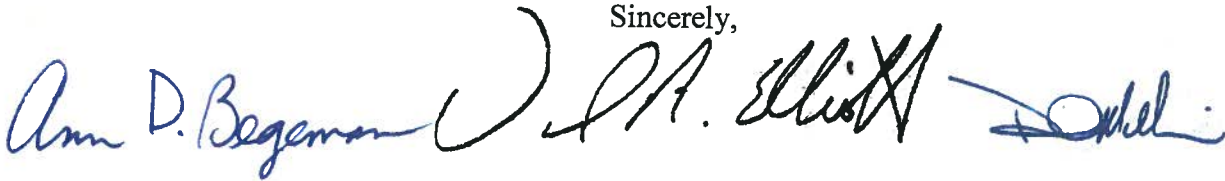
- Train performance (on-time departure and on-time arrival)
- Car connection performance (right car/right train)
- Hump and major yard performance
- Car ordering
 - Weekly car orders versus order fulfillment percentage

- Gateway/interchange performance for key gateways
 - Average daily cars interchanged (inbound/outbound)
- Last-mile performance
 - Industry spot-and-pull percentages
- Equipment and personnel resources
 - Number of locomotives in service
 - Number of T&E personnel in service
 - Train re-crew rate
- Weekly number of problem logs generated for the following issues:
 - Car delay
 - Missed switch
 - Bad order cars

In addition, please provide by August 24, 2017, a detailed schedule for CSX's remaining implementation of its new operating plan, including key action items and milestones for the balance of 2017.

Thank you for your attention to our request. Please contact Michael Higgins, Deputy Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0284, with any questions you or your staff have about this request.

Sincerely,

Three handwritten signatures in blue ink. The first signature on the left is 'Ann D. Begeman'. The middle signature is 'Daniel R. Elliott'. The signature on the right is 'Deb Miller'.

Ann D. Begeman
Acting Chairman

Daniel R. Elliott
Vice Chairman

Deb Miller
Board Member