

The reason I wish to speak is that CSX's (a Class I railroad) current service delays and changes are significantly impacting Cristal's ability to continue business. To prevent any adverse impacts to the broader U.S. economy, as well as local jobs for the Ashtabula area, we urge you to do everything in your power to take action that would result in a resolution to the CSX problem.

The viability of Cristal's business is dependent upon the production of Titanium Dioxide (TiO₂), and the ability to ship TiO₂ Slurry products by rail along with local rail switches to place raw materials at manufacturing sites. Uninterrupted rail transportation and local rail service is critical to the continued delivery of TiO₂ for its many uses. Without interference from the government, Cristal is concerned that CSX will continue to worsen its service delays and have a negative ripple effect throughout the TiO₂ supply chain.

I would like to highlight several areas in which CSX's communication and practices have directly impacted Cristal's ability to do business.

- After nearly 20 years, CSX gave 30 day notice on the cancelation of leased track space with the threat of embargoing railcars if not removed within 30 days. This places additional financial burden on not only Cristal but other local businesses to source and repair sufficient track space.
- CSX provided a one week notice of rate increases and repeatedly demonstrated an unwillingness to negotiate until Cristal escalated the issue higher in the CSX organization.
- Changes in the work practices at the local yard have resulted in wrong and/or missed services to the Cristal plants, lost plant production, and TIH cars not properly secured.
- While CSX may site improving dwell times as a metric, Cristal is frequently now raising inquiries on inbound chlorine as the cars makes numerous moves between yards, past the local yard and back again. Increasing transit times have forced Cristal to increase targeted inventory levels by nearly 50%.
- YTD transit times to our primary customers are up 18-39% over 2016 and Q3 has been the most severe at 24-70% increase over 2016 times.
- The increasing transit times have placed customers at risk and caused Cristal to service them with tank trucks.
- The On-Time-Delivery rate to our customers is 71% YTD versus 2016 at 79%. It should be noted that CSX reported OTD is significantly worse ranging 63-44% for 2017.
- Due to the increase in transit times on inbound and outbound material and the need to service customers with tank truck versus railcars, the cost impact to Cristal is approximately \$700,000 YTD.
- When Cristal raises service issues with our account representative, we are repeatedly reminded that tariff language allows CSX to not "guarantee" service and cannot be subject to financial compensation from customers who are forced to use their service.
- Lastly, we are concerned about potential closure of the CSX Ashtabula switch yard. The Ashtabula switch yard needs to remain open to support local manufacturing.

Cristal urges you to help resolve the service issues many customers, as well as other railroads, are experiencing with CSX. By doing this, you will play a critical role in alleviating commercial burdens throughout the TiO₂ industry and the U.S. economy. Resolving the current state of rail transportation on the CSX network will bring comfort that Cristal will not have to face shutting its doors to its customers, and it will allow industry to continue providing needed material and consumer goods to the public.

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