

**BLACKHAWK
MINING, LLC**

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September 29, 2017

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

Hon. Daniel R. Elliott III, Vice Chairman
United States Surface Transportation Board
395 E Street, S.W.
Washington D.C. 20423

Hon. Deb Miller, Commissioner
United States Surface Transportation Board
395 E Street, S.W.
Washington D.C. 20423

Re: Listening Session, CSX Rail Service Issues - EP 742

Hon. Begeman, Hon. Elliott and Hon. Miller:

Blackhawk Mining, LLC supports CSX's change to its new Precision Scheduled operating plan.

Our company moves approximately 10 million tons annually of high quality thermal and metallurgical coal on CSX. We serve a diversified and extensive customer base including the domestic steel, domestic utility, and international steel and utility customers. Approximately 75% of the coal we produce is shipped by CSX, including our export tonnage which is shipped primarily through east coast ports served by CSX.

We support CSX efforts to enhance its operating model to improve efficiencies and reliability, and recognize that CSX is committed to providing "Service Excellence" to all customers across their operating region. That said, the initial transition to their new operating plan caused significant issues to Blackhawk. We experienced serious service delays that caused material operating inefficiencies at our mines including decreased sales volumes, lower revenues, and increased mine inventories. In fact, where possible we began to divert volumes to other transportation modes and carriers to assist with moving our products to market. Simply stated, CSX did not deliver sufficient railcars, equipment and crews to meet our demand levels, or our customers, from May through most of August 2017.

Hon. Ann D. Begeman
Hon. Daniel R. Elliott III
Hon. Deb Miller
September 29, 2017
Page 2

Since the beginning of September, we have been pleased to see a significant turnaround in service. Service has become more consistent and CSX's responsiveness to resource and car supply issues has greatly improved. We look forward to a continuation of this progress and more broadly applaud the ambitious service goals of CSX's Precision Scheduled plan. We hope that it will provide economic efficiencies that help coal be more competitive in the U.S. and international markets.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert W. Bennett", with a long horizontal flourish extending to the right.

Robert W. Bennett
Executive Vice President & Chief Commercial Officer
Blackhawk Mining, LLC