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Office of Proceedings
August 11, 2017
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August 11, 2017

VIA HAND DELIVERY

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
Washington, DC 20024

RE: Foresight Coal Sales, LLC, Sugar Camp Energy, LLC and Williamson Energy, LLC v. CSX Transportation, Inc.
Docket No. NOR-42155

Dear Chief:

Enclosed for filing please find an original and 10 copies of the Complaint of Foresight Coal Sales, LLC, Sugar Camp Energy, LLC and Williamson Energy, LLC.

Per my previous conversations with staff today, please contact Sabrina Hazen at 513-455-7602 for payment of the \$350 filing fee by credit card via telephone.

Thank you for your attention to this matter. Please feel free to contact me with any questions.

FILED
August 11, 2017
SURFACE
TRANSPORTATION BOARD

Sincerely,

Bradley D. Hasler

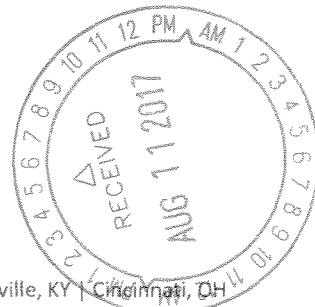
BDH/slj/18654666

cc: Ellen M. Fitzsimmons (via overnight courier)

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Bingham Greenebaum Doll LLP

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**Before the Surface Transportation Board
Washington, D.C. 20423**

FORESIGHT COAL SALES LLC,	)	
SUGAR CAMP ENERGY, LLC,	)	Docket: NOR-42155
WILLIAMSON ENERGY, LLC,	)	
Complainants,	)	
v.	)	
	)	
CSX TRANSPORTATION, INC.,	)	
Defendant.	)	

COMPLAINT

Pursuant to 49 U.S.C. § 11101, 49 U.S.C. § 10702, 49 U.S.C. § 11121, and 49 C.F.R. Part 1111, and other applicable authorities, Complainants, Foresight Coal Sales, LLC (“Foresight”), Sugar Camp Energy, LLC (“Sugar Camp”), and Williamson Energy, LLC (“Williamson Energy”), by counsel, state as follows for their complaint against CSX Transportation, Inc. (“CSXT”):

1. The address of the principal place of business for Foresight, Sugar Camp and Williamson Energy is One Metropolitan Square, 211 North Broadway, Suite 2600, St. Louis, Missouri 63102.

2. CSXT’s address is 500 Water Street, Jacksonville, Florida 32202.

SUMMARY OF RELIEF REQUESTED

3. The Complainants request an Order from the Surface Transportation Board (“Board”):

- a. directing CSXT to establish reasonable rules and practices to complete crew changes so that the departure of crews from the train occurs simultaneously with the next crew arriving at the train;



- b. directing CSXT to establish reasonable rules and practices to prevent the storage of trains on side-tracks for periods greater than 24 hours;
- c. directing CSXT to establish reasonable rules and practices to meaningfully address the service inadequacies experienced by Foresight;
- d. requiring CSXT to provide sufficient equipment and trains to timely transport the coal requested by Foresight, as scheduled and confirmed by CSXT's web-based reservation system;
- e. directing CSXT to establish reasonable rules and practices to develop an adequate power plan to maintain an uninterrupted supply chain; and
- f. granting Complainants all other proper relief.

FACTUAL BACKGROUND

4. Foresight is a subsidiary of Foresight Energy, LLC. Foresight acts as contracting agent for Sugar Camp and Williamson Energy for the purpose of selling coal from specific mines, including the MC#1 Mine and Viking Mine located in southern Illinois.

5. For Foresight Energy, LLC and its operating companies, including Sugar Camp and Williamson Energy, the availability of reliable rail transportation for the delivery of coal to its customers is an absolutely essential element of Foresight Energy, LLC's business. Moreover, the timely and regular receipt of coal is of equal importance to its customers that contract for, purchase and use the coal in generating the electricity that powers the Nation's industrial base and provides heat and light to its residents.

6. Foresight is responsible for entering into coal supply contracts on behalf of Sugar Camp and Williamson Energy. As such, Foresight has entered into coal supply contracts with

various coal purchasers to supply coal from the MC#1 Mine and the Viking Mine. Many of Foresight's customers use CSXT for rail transportation of the coal.

7. Over recent years, Foresight has experienced severe and unacceptable delays in transporting its coal to customers due to innumerable transportation delays and failures by CSXT. In 2017, the delays have included the following:

- a. CSXT failing to provide trains and crews on schedule;
- b. CSXT failing to provide a sufficient number of trains;
- c. CSXT failing to pull loaded trains on schedule;
- d. CSXT delaying in-transit shipments;
- e. CSXT prioritizing other shipments without a valid cause;
- f. CSXT failing to communicate critical logistics information to Foresight.

8. Foresight has suffered significant and debilitating operational delays and inefficiencies resulting from CSXT's poor service, with Foresight suffering very negative and damaging financial impacts to the overall success of its coal mining operations.

9. The transportation of coal from the Sugar Camp and Williamson Energy mines is facilitated by Foresight's participation in a web-based reservation system maintained by CSXT. In a given month, Foresight provides CSXT an estimated number of coal shipments required for the following month for each of Foresight's customers, typically thirty (30) days in advance. Using CSXT's web-based reservation system, Foresight and its coal purchaser customers then timely confirm a specific number of trains to be transported by CSXT in the following month, typically fifteen (15) days in advance of shipments.

10. Since at least 2015, and even with Foresight's participation in the web-based reservation systems, CSXT has caused the delay or cancellation of an extraordinary number of

trains scheduled to originate out of the mines operated by Sugar Camp and/or Williamson Energy. This has occurred even though during the web-based reservation process described above, while CSXT had access to and knowledge of the number of trains requested and confirmed, at no time did CSXT give any indication that it would be unable to handle the requested number of trains.

11. Since 2015 and continuing to the present time, Foresight has proactively engaged CSXT personnel at all levels, from the hands-on logistical level to the highest executive levels, to express its extreme dissatisfaction with CSXT's severe service inadequacies and to discuss options to remedy the critical situation.

12. Foresight has repeatedly notified CSXT of its service deficiencies and has requested that improvements be made.

13. By letter dated March 14, 2017, Foresight notified the CEO of CSX Corporation that in only the first two weeks of March, CSXT had failed to load 20 scheduled trains. Foresight requested that CSXT take prompt corrective action.

14. By letter dated March 20, 2017, Foresight provided additional detail to the President of CSX Corporation concerning CSXT's unacceptable failure to load the requested number of scheduled trains.

15. Subsequently, Foresight personnel went above and beyond by first committing to weekly telephone calls with CSXT, and then committing further to daily telephone calls with CSXT. The purpose of these calls was to walk CSXT personnel through the granular logistical necessities of how to timely supply the number of trains requested by Foresight (which CSXT should have been equipped to determine without such extreme hand-holding from Foresight).

16. Although CSXT personnel participated in these calls at first, within a matter of weeks they demonstrated a complete and total lack of cooperation and effort by refusing, without explanation, to continue participating in the calls.

17. Ultimately, the comments and concerns of Foresight have not been adequately addressed, and CSXT has done absolutely nothing to improve their service to Foresight.

18. During January through June of 2017, CSXT failed to provide approximately one (1) out of every five (5) trains that Foresight requested and scheduled.

19. On July 19, 2017, Foresight availed itself of the Board's Rail Customer and Public Assistance Program in an effort to resolve CSXT's ongoing service failures. Regrettably, this process did not improve CSXT's awful service.

20. During the first week of August 2017, CSXT's service decline worsened as it failed to provide 8 scheduled trains, possibly in retaliation for Foresight's decision to invoke the Board's Rail Customer and Public Assistance Program. Continuing at this pace, CSXT would fail to provide approximately 21 scheduled trains in August 2017.

21. All indications are that the train delays and transportation failures lie entirely under the control of CSXT. Despite prolonged and extensive efforts on the part of Foresight to engage CSXT directly and to solicit the assistance of the Board's Rail Customer and Public Assistance Program, CSXT has provided no meaningful plan for improvement. Thus, the tremendously detrimental service inadequacies persist.

22. At this point, CSXT's service in moving coal to Foresight's customers can only be described as abysmal and a complete and total failure. In fact, CSXT's performance has substantially deteriorated in 2017 under the tenure of Mr. E. Hunter Harrison as Chief Executive

Officer, which follows logically from Mr. Harrison's well-publicized aversion to devoting any of CSXT's efforts and assets toward the shipment of coal.

23. The impact of the service inadequacies is, and has been, severe and costly to Foresight. Foresight typically utilizes medium to long term coal supply contracts, which renders it highly impractical for Foresight to find other coal purchasers on a short-term spot sale basis to sell coal that has been produced which CSXT is unable to transport. Thus, each train car that is not timely shipped by CSXT represents a lost opportunity for a sale.

24. Moreover, due to the limited storage space at the actual mine operations, production must be reduced and standard activities altered when stockpiles get too high because of CSXT's failure to take trains when scheduled. These adjustments to the production schedule result in devastating increases to Foresight's mining costs.

25. Due to CSXT's failure to take the required steps to ensure it met the approved deliveries, Foresight was unable to complete certain orders that had been placed by coal purchasers, confirmed by Foresight, and accepted by CSXT.

GROUND FOR RELIEF

26. CSXT has unreasonably reduced the amount of rail service that it provides to transport and deliver coal by rail as requested by Foresight.

27. By failing and refusing to transport and deliver by rail all of the coal requested by Foresight to be transported and delivered, CSXT has refused and failed to comply with its obligation under 49 U.S.C. § 11101(a) to provide transportation service on reasonable request.

28. In connection with its failure to carry out its common carrier obligations, CSXT also engaged in unreasonable practices and business activities, including without limitation engaging in imprudent cost-cutting initiatives detrimental to CSXT's ability to provide adequate

service, particularly to the coal industry; failing to adopt and implement operating plans sufficient to meet shipper demand; and failing to engage in reasonable proactive steps to improve the severe and prolonged service failures brought to its attention by Foresight.

29. By failing and refusing to establish and engage in reasonable rules and practices with respect to the transport and delivery of coal by rail as requested by Foresight, CSXT has refused and failed to comply with its obligation under 49 U.S.C. § 10702(2) to establish and engage in reasonable rules and practices concerning such transportation.

30. In connection with its failure to carry out its common carrier obligations, CSXT also engaged in unreasonable practices and business activities concerning its provision of equipment that resulted in CSXT's failure to provide safe and adequate car service and equipment, including without limitation engaging in imprudent cost-cutting initiatives detrimental to CSXT's ability to provide adequate service, particularly to the coal industry; failing to adopt and implement operating plans sufficient to meet shipper demand; and failing to engage in reasonable proactive steps to improve the severe and prolonged service failures brought to its attention by Foresight.

31. By failing to provide safe and adequate car service and equipment for the shipment of coal by rail as requested by Foresight, CSXT has refused and failed to comply with its obligation under 49 U.S.C. § 11121(a) to provide safe and adequate car service and equipment.

PRAYER FOR RELIEF

WHEREFORE, Complainants respectfully request that the Board issue an Order:

- a. directing CSXT to establish reasonable rules and practices to complete crew changes so that the departure of crews from the train occurs simultaneously with the next crew arriving at the train;

- b. directing CSXT to establish reasonable rules and practices to prevent the storage of trains on side-tracks for periods greater than 24 hours;
- c. directing CSXT to establish reasonable rules and practices to meaningfully address the service inadequacies experienced by Foresight;
- d. requiring CSXT to provide sufficient equipment and trains to timely transport the coal requested by Foresight, as scheduled and confirmed by CSXT's web-based reservation system;
- e. directing CSXT to establish reasonable rules and practices to develop an adequate power plan to maintain an uninterrupted supply chain; and
- f. granting Complainants all other proper relief.

Respectfully submitted,



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Attorney for Complainants,
Foresight Coal Sales, LLC
Sugar Camp Energy, LLC
Williamson Energy, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on August 11, 2017, a copy of the foregoing was sent to the following by overnight express courier:

Ellen M. Fitzsimmons
Executive Vice President of Law and Public Affairs, General Counsel and Corporate Secretary
CSX Corporate Headquarters
500 Water Street, 15th Floor
Jacksonville, FL 32202

