

CHARLES INGRAM LUMBER CO.
INCORPORATED
MANUFACTURERS



FLORENCE, SC

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Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

RE: Docket No. EP 742, CSX Transportation, Inc.'s Rail Service Issues

Members of the Surface Transportation Board:

Thank you for this opportunity to express my concerns with on-going CSX Transportation, Inc.'s (CSXT) service issues and the impact these issues have on my company.

I am the Vice President of Charles Ingram Lumber Company, Inc. in Effingham, SC. We are a third generation, family-owned company that manufactures, dries and planes approximately 130 million board feet of Southern Yellow Pine lumber per year. We also own timberland where we grow trees for pulpwood and saw timber. Our company directly supports 150 good-paying jobs in our community. Unfortunately, the shortcomings of CSXT are a bottleneck in our operation that hurts our ability to move more lumber and grow our company.

January 2017 was the last month that we received all of the cars ordered from CSXT. Since then, CSXT has repeatedly failed to deliver the total number of cars requested on the dates promised. Additionally, CSXT has begun limiting us to five cars per week. However, we have not consistently received these five cars per week or had them arrive on the days scheduled. Since April CSXT has provided only 76% percent of the cars ordered on an average monthly basis, with only 60 percent of orders being filled in July. **This level of service is unacceptable for any organization or industry, much less when you are the only option available for shipping by rail.**

We have requested an increase in our weekly allocation to 7 cars per week. The sales department has been very understanding and helpful. Unfortunately, the folks in car

management have not been helpful. They do not return our calls. We are totally frustrated by the lack of response from CSXT.

When we sell lumber, our customers expect it to be delivered in a timely manner, as they plan to have the lumber on hand to treat, remanufacture or deliver to retail locations. The entire supply chain breaks down when CSXT fails to meet its obligations, and we have to make last minute arrangements to meet our customers' needs. This typically involves finding a truck to make the delivery, or finding storage space for the product and explain the delay to our customers; all of which cost our company considerable amounts of time and money.

A majority of the lumber that we ship via rail is a high-grade product that cannot sit out in the rain. Due to CSXT ending its service of the line next to our mill, we have to ship lumber by truck approximately seven miles to load it on the rail cars. When the cars are not where they are supposed to be, we have to re-work our shipping schedule and find space to keep the lumber dry. This means that warehousing space meant for the next run of lumber is filled with product that CSXT should have already picked up to deliver to our customers. We currently have ten cars of lumber sitting in our shed waiting for CSXT to ship. This equates to more than \$750,000 that our family business has tied up that cannot be used for mill operations because of delays caused by CSXT.

In addition to the time and money lost at Charles Ingram Lumber Company, I have heard from other sawmills having similar problems. Elliott Sawmilling Company in Estill, SC told me that in August, their sawmill was not serviced for seven days, after being told repeatedly by CSXT representatives the issue was being resolved. In fact, they have had such inconsistent service over the past three months, they have begun a process to convert all of their shipping needs to trucks. While shipping by truck is considerably more expensive than shipping by rail, sawmills cannot stay in business if the lumber is not delivered to our customers, and Elliott Sawmilling is no longer willing to tolerate CSXT's failure to meet its obligations.

The on-going issues with CSXT rail service are causing delays, confusion, lost production and thousands of dollars in unnecessary costs for lumber mills and all of our customers. As a single site family owned company, CSXT is the only option that we have to ship by rail. We need CSXT to correct their shortcomings immediately so that we can efficiently service our customers and successfully operate our companies.

I appreciate the Board addressing these concerns, and I hope CSXT will take the proper steps to implement reliable rail service as quickly as possible.

Sincerely,

A handwritten signature in blue ink, reading "T. Furman Brodie". The signature is fluid and cursive, with the first name "T." being small and the last name "Brodie" being larger and more prominent.

T. Furman Brodie
Vice President
Charles Ingram Lumber Company, Inc.

CC: U.S. Senator Lindsay Graham
U.S. Senator Tim Scott
U.S. Representative Tom Rice