



Constellation Brands

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

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

The Honorable Deb Miller, Member
United States Surface Transportation Board
395 E Street, S.W.
Washington D.C. 20423

Re: EP 742 Public Listening Session Regarding CSX Transportation, Inc.'s Rail Service Issues"

Dear STB Chairman and Board Members:

In response to inquiries relative to the CSX's service and collaboration with Constellation Brands Beer Division ("Constellation"). following their change in management and any effect it has had on Constellation operations, we would like to note the following items below for your consideration:

- While employing daily collaborative calls with the CSX, on one occasion during our peak season shipping month, we were asked to declare "a self-imposed embargo" to one of our southeastern warehouses with little advanced notice. This was particularly concerning at the time since the CSX agreed the embargo was also created by their own service issues and a delayed corrective response by that local crew.
- Overall though, communications with the CSX sales team have been effective and timely since the aforementioned embargo, with daily calls continually occurring over several weeks during Constellation's peak season requirements.
- Overall transit for Constellation distribution center locations (combined) has remained relatively consistent since the month of May after spiking in the months of February through April.
 - Transit time to Marion, OH spiked during June and July after the closing of the Avon, IN yard. This yard has since reopened and service levels have improved.

Our vision: To elevate life with every glass raised

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- Rail service has remained consistent since implementation of Precision Scheduled Railroad but has not noticeably improved. We believe more time is needed to determine if service performance is improving and sustainable.
- There have been some disruptions (missed switches, delayed switches) with CSX local service but we have been able to work through these occurrences with our sales team to address and receive corrective action.

In sum, while we have had some challenges with CSX, their service levels and collaboration have improved since they experienced a change in management. We fully expect this pattern of improvement to continue.

Regards,

Richard N. Lents
Vice President, Logistics & Transportation
Constellation Brands Beer Division

CC: CSX Operations

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