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**UNITED STATES OF AMERICA  
SURFACE TRANSPORTATION BOARD**

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May 31, 2016  
Part of  
Public Record**

**STB Ex Parte No. 724 (Sub-No. 4)**

***UNITED STATES RAIL SERVICE ISSUES – PERFORMANCE DATA  
REPORTING***

**COMMENTS OF  
NORFOLK SOUTHERN RAILWAY COMPANY**

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**Dated: May 31, 2016**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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In response to the Supplemental Notice of Proposed Rulemaking issued by the Board in this proceeding (the “SNPR”), Norfolk Southern joins the comments of the Association of American Railroads (“AAR”) and also files these separate comments. Norfolk Southern incorporates into these comments, as if fully set forth herein, its prior comments in this proceeding.

In the SNPR, the Board requested that parties comment on whether a sufficient volume of fertilizer moves in unit train service to make the Board’s request for reporting of fertilizer unit train data meaningful for monitoring service to fertilizer shippers. Norfolk Southern moved fewer than 5,000 carloads of fertilizer traffic in unit train service in 2015, comprising less than 11% of its fertilizer traffic. Accordingly, Norfolk Southern believes that unit train fertilizer shipment data should not be reported separately and hereby requests a waiver from any such reporting requirement ultimately adopted by the Board. As for the Board’s request for alternative proposals to gauge rail service to fertilizer shippers, Norfolk Southern submits that, to the extent fertilizer shippers are unable to glean sufficient information by monitoring the service they themselves are receiving from Norfolk Southern, such shippers can monitor trends in Norfolk Southern’s macro-level service data. The Board also requested input on whether the

fertilizer Standard Transportation Commodity Codes (STCCs) proposed by the Board for fertilizers moving by rail were correct, which they are for Norfolk Southern.

Proposed rule 1250.3(a)(8) contemplates the reporting of data related to grain car orders. As Norfolk Southern stated in its opening comments in this proceeding, Norfolk Southern only operates a small portion of its grain transportation services on the basis of car orders. For the vast majority of its grain transportation services, Norfolk Southern allocates its available railcars by service type (export grain, export meal, domestic processors, poultry feeders, etc.), based on expected demand. Thus, only a small percentage of Norfolk Southern's grain cars are subject to car orders. Accordingly, if 1250.3(a)(8) is adopted as stated in the SNPR, Norfolk Southern would have limited, and unrepresentative, data to report in response to that item.

Similarly, new 1250.3(a)(10) seeks data related to grain shuttle or dedicated grain train service. Norfolk Southern does not offer grain shuttle or dedicated grain train service so, if 1250.3(a)(10) is adopted as stated in the SNPR, Norfolk Southern would not have any data to report in response to that item. The SNPR states that the Board anticipates issuing a waiver decision with the final rules that would permit Norfolk Southern to satisfy its obligation under 1250.3(a)(10) by reporting "average grain unit train TPM" for its total system on a monthly basis. However, calling for an average TPM for grain unit trains, as opposed to a gross total TPM for grain unit trains, implies that these trains are cycling between origins and destinations. Because Norfolk Southern does not cycle grain unit trains, there is nothing for it to average. Accordingly, Norfolk Southern would anticipate reporting a gross total number of a grain unit train trips per month rather than an average.

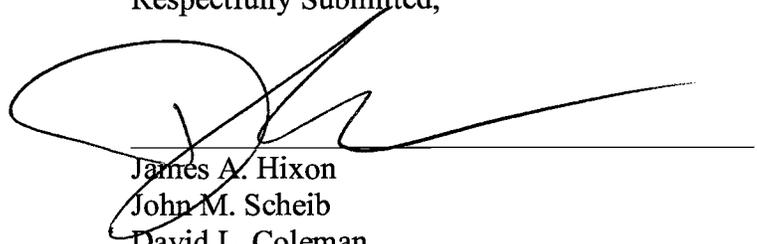
New 1250.3(a)(12) calls for a reporting of weekly car order fulfillment rates by major car type, with fulfillment to be "stated as the percentage of cars due to be placed during the reporting

week, as determined by the governing tariff, versus cars actually and on constructive placement.”

As detailed in the attached Verified Statement from Steve W. Ewers, AVP Service Management for Norfolk Southern, 1250.3(a)(12) raises a number of issues, including the fact that Norfolk Southern does not have a tariff governing car orders, large subsets of Norfolk Southern’s traffic are not subject to orders and, therefore, do not have dates on which they are due to be placed, and most cars on Norfolk Southern have a constructive placement followed later by an actual placement, meaning that reporting both will result in significant double counting while reporting only actual placements will result in incomplete data. As a result of these issues, reporting Norfolk Southern’s car order fulfillment percentage as requested by 1250.3(a)(12) would be both incomplete and misleading.

Norfolk Southern remains concerned about reporting service performance metrics that are tailored to particular commodities and train types, both because the burdens of such reporting outweigh its benefits, and because such data creates a misleading picture of overall service and may imply railroad culpability where none exists. If the Board proceeds with requiring such data reporting, it should do so with full awareness of the strain it is placing on railroad resources and the limited utility of the resulting data, and should at the very least remedy the technical flaws identified in these and other comments.

Respectfully Submitted,

A large, stylized handwritten signature in black ink, appearing to be 'J. Hixon', is written over a horizontal line. The signature is fluid and cursive, with a large loop at the beginning and a long tail extending to the right.

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**VERIFIED STATEMENT OF  
STEVE W. EWERS**

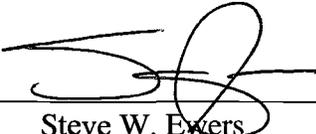
1. I am Steve W. Ewers, AVP Service Management for Norfolk Southern Corporation, which is a position I have held since March 1, 2016. Immediately prior to this position, I served as Director – Coal Transportation starting February 16, 2011.
2. This Verified Statement relates to newly proposed 1250.3(a)(12) in EP 724 (Sub-No. 4). New 1250.3(a)(12) calls for a reporting of weekly car order fulfillment rates by major car type, with fulfillment to be “stated as the percentage of cars due to be placed during the reporting week, as determined by the governing tariff, versus cars actually and on constructive placement.”
3. Norfolk Southern is not entirely sure what the phrase “cars due to be placed” means, but it appears to contemplate some form of car ordering. The following present the issues Norfolk Southern is aware of with calling for a reporting of “cars due to be placed”:
  - i. Norfolk Southern only operates a small portion of its grain transportation services on the basis of car orders. For the vast majority of its grain transportation services, Norfolk Southern allocates its available railcars by service type (export grain, export meal, domestic processors, poultry feeders, etc.), based on expected demand. Accordingly, although grain cars generate actual and constructive placements that are captured by Norfolk Southern data systems, only a small percentage of these grain cars are “due to be placed” on Norfolk Southern in any given week.
  - ii. Norfolk Southern has only one customer that places orders for Intermodal flatcars. Thus, any reporting of Intermodal flatcars “due to be placed” would directly identify that single customer’s car orders. All other intermodal flatcars are provided based on expectations of demand. For example, Norfolk Southern Intermodal trains arrive at ports on a schedule and load whatever containers are in need of transportation without any order for such trains or the Intermodal flatcars thereon. Similarly, domestic intermodal shipments are loaded in Intermodal terminals without any order for Intermodal flatcars by customers. Accordingly, although such cars generate actual and constructive car placements, they do not have corresponding car orders.
  - iii. Norfolk Southern moves significant numbers of cars in industrial pools pursuant to Rule 16 of the Code of Car Service Rules. These cars simply cycle back and forth between a particular origin and one or more destinations, with either a standing order which is rarely adjusted or without any cars ordered or “due to be placed” in any given week. As a result, these cars can generate weekly actual and constructive placements without any corresponding car orders.
  - iv. Unit trains cycling between an origin-destination pair result in actual and constructive car placements without any associated car orders or cars “due to be placed.”

4. The requirement to report actual and constructive car placements raise the following issues for Norfolk Southern:
  - i. The vast majority of cars that are constructively placed on Norfolk Southern end up in a later actual placement. Therefore, calling for both cars constructively placed and cars actually placed will result in a double-counting of many cars. On the other hand, counting only actual placements would be misleading because it would understate weekly car deliveries. Eliminating double-counting by, for example, not reporting actual placements for cars that previously were constructively placed, would be a manual, time-consuming process for Norfolk Southern because our systems are not designed to capture data in that manner.
  - ii. Norfolk Southern does not technically “constructively place” multilevels for automotive service since these cars do not accrue demurrage, but does keep track of cars that were available to fulfill demand despite not being actually placed. We would anticipate including these available cars as being orders that were fulfilled.
5. Norfolk Southern does not know what is meant by “governing tariff.” Norfolk Southern does not maintain a tariff governing cars due to be placed, nor is it aware of any reason to maintain such a tariff.
6. Norfolk Southern owns or leases exactly two tank cars that are in revenue service. Reporting a car order fulfillment percentage on these two cars would be extremely misleading.
7. The discussion of 1250.3(a)(12) in the SNPR indicates that it is intended to cover railroad “owned or leased” cars, which does not appear to contemplate TTX cars.
8. As described above, many cars are placed without having been ordered, meaning that fulfillment percentage easily could exceed 100% for certain weeks and for certain car types.
9. Due to all of the issues described above, Norfolk Southern believes that reporting data as called for by 1250.3(a)(12) would give an incomplete and misleading picture of Norfolk Southern’s service with respect to car order fulfillment.

**VERIFICATION**

I, Steve W. Ewers, declare under penalty of perjury that the foregoing is true and correct.

Executed on May 31, 2016

  
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Steve W. Ewers