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May 31, 2016

240816

Surface Transportation Board  
Attn: Docket No. EP 724 (Sub-No.4)  
395 E Street, S.W.  
Washington, DC 20423-0001

ENTERED  
Office of Proceedings  
May 31, 2016  
Part of  
Public Record

Re: STB Ex Parte No. 724 (Sub-No. 4), UNITED STATES RAIL SERVICE ISSUES  
– PERFORMANCE DATA REPORTING

Ladies and Gentlemen:

Attached please find Comments of CSX Transportation, Inc. in the above proceeding.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul R. Hitchcock".

Paul R. Hitchcock

PRH/jsr

Attachment

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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

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UNITED STATES RAIL SERVICE ISSUES –  
PERFORMANCE DATA REPORTING

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COMMENTS OF CSX TRANSPORTATION, INC.

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CSX appreciates the Board's receptiveness to comments by the industry about many of the details of this complicated exercise in finding the right balance between information and burden. In particular, the Board's approach in permitting direct staff discussions with knowledgeable railroad managers steeped in the complexity of service measurement reporting will greatly improve the likely outcome of this proceeding.

CSX joins in the comments of the Association of American Railroads (AAR) and will avoid repeating those comments, except where CSX feels it has additional insights to add.

**General Comments on Fertilizer Reporting Requirements**

While CSX recognizes the interest in separate reporting for fertilizer data, the fact is that "fertilizer" is just one sub-category of chemical products within the STCC groups identified by the proposed regulation. For example, STCC 28-18X-XX is a category of chemicals that includes – but is not limited to – some products used as fertilizers. Further, some of the products that are commonly used as fertilizers are also used for other purposes. For example, anhydrous ammonia is used as a fertilizer as well as in scrubbers of coal-fired power plants. Urea is used as a fertilizer, but also finds its way into chemical production processes to make swimming pool water treatment chemicals, as well as resins. In short, the proposed "fertilizer" STCCs are too broad; and any attempt to list only products used as fertilizers will also encompass shipments of products with non-fertilizer uses.

Some of the information sought by the Board with respect to "fertilizer" can be accommodated for trains moving as CSX-designated fertilizer trains, but trying to segregate data for STB-designated STCCs will be both difficult and misleading. If the

Board does proceed down this path, CSX urges the STB to annotate any public reports so that the public will fully understand that the STCC groups definition includes large numbers of chemical products that are never used as fertilizers as well as products that are used both for fertilizer and other non-fertilizer purposes.

AAR comments on changing the long-standing CS-54 car loading reports to add a fertilizer category. CSX, though, would like to underscore a particular concern. Breaking certain STCCs out of established categories and creating a new category will undermine the comparability (and therefore the usefulness) of decades of data. CSX urges the Board to reconsider how and whether it may decide to require information about "fertilizer" transportation by rail.

### **CSX Comments on Specific Information Requirements by Number**

#### **1 System Average Train Speed –**

*Change: Add system average and fertilizer unit trains*

The Board has accepted the suggestion that railroads can use Train ID's to identify categories of unit trains for reporting purposes. CSX welcomes this decision. It will improve the accuracy and effectiveness of our reporting versus the original proposal by permitting us to report the trains we self-identify as "fertilizer trains." (CSX could not apply the STCC definition to unit trains with any confidence.) Because CSX has Train ID's unique to what we identify as fertilizer train movements, CSX will be able to meet the proposed reporting requirement number 1 for fertilizer trains.

#### **4 Weekly average dwell time at origin or interchange for loaded unit trains –**

*Change: Delete the interchange location and add fertilizer unit trains*

Again, because the Board is now proposing to allow carriers to report based on Train ID, CSX can comply with this requirement as proposed.

#### **5 Weekly total number of loaded and empty trains held –**

*Change: Delete Six hour delay condition, delete "all other" and add "manifest"  
Add fertilizer unit trains  
Limit causes to locomotive and crew*

The Board's proposed requirement is a tremendous improvement and CSX greatly appreciates the Board's receptiveness to our concerns about the original proposal. We felt that discussions with Staff were exceedingly productive in building an understanding of CSX's current practices, its practical capabilities, and the unworkability of the original proposal.

CSX can comply with this requirement, although it is, as we explained, a highly manual process and likely will continue to be so. Permitting a snapshot report of trains currently holding is an excellent fit with the internal reporting process that CSX has long used to measure this situation on our railroad. Limiting the attributed causes to locomotives and crews is both very helpful and much more in keeping with the way that CSX has long measured trains held for the purposes of managing our network.

Again, because CSX has unique Train ID's for fertilizer trains, we can meet the proposed reporting of fertilizer trains held.

8 For grain STCC's, total "overdue" car orders, "average days late", total new orders in the past week, total orders filled in the past week, number of orders cancelled in past week

*Change: Car orders 1-10 days past due  
Car orders 11+ days past due*

CSX believes that its current internal management systems generate data that would comply with this requirement to the extent that the requirement does not in some way intend to include unit train placements as "car orders". (CSX would not consider a request to place a unit train at a given loading location as a "car order".) However, in the interest of full transparency, we note that caution must be used in making comparisons between railroads. The commercial approaches to the grain markets appear to differ substantially from carrier to carrier. CSX assigns trains to individual customers and permits them to direct those trains, when empty, to the customer's chosen supplier for loading. The vast preponderance of CSX grain movements are under contract to large agricultural entities and move by unit train. Relatively few single or multiple car moves occur in manifest service during the course of a season. For this reason, car orders do not "roll-over" from week to week. Unfilled car requests, if still needed the following week, are simply re-ordered for the following week. Accordingly, CSX's report will not show any orders in the 11+ days category.

10 Average grain train trips per month for the total system and by region, and “planned” TPM

*Change: Grain “shuttle” or dedicated grain trains – trips per month*

CSX will be able to report average trips per grain train per month system-wide, but cannot break that down by “region” as we do not manage grain transportation “regionally”. Further, the CSX business model in this market is designed to allow customers to determine the origin and destination of grain trains based on their own planning requirements. Accordingly, CSX does not develop a “plan” or “goal” of a certain TPM target that can be reported. The Board’s proposed waiver (if it permits system-wide reporting) should enable CSX to meet this requirement.

11 Weekly originated carloads by commodity

*Change: Add CS-54 Reports, but change them to break out specified “fertilizer” STCCs*

CSX anticipates that AAR can report this for the industry through its CS-54 reports. However, CSX urges the Board not to go down the path of changing the data categories reported to add a sub-category of fertilizer STCC’s. Doing so would require changes to those long-standing reports to remove the designated STCC’s from Chemicals and Non-metallic Minerals categories. (See AAR comments.) Those required changes would compromise the usefulness of a long-standing economic indicator that has been followed – and relied upon – by researchers, market analysts and others for decades.

12 Car Order Fulfillment

*Change: New Proposed Requirement*

CSX urges the STB not to adopt this proposal. The process of getting empty cars to customers for loading is an extraordinarily complicated subject, and this proposed reporting requirement has great potential to mislead the public user. Indeed, in a considerable number of car supply scenarios, it is wholly unworkable.

As a new proposal, the industry did not have the opportunity to discuss this in the face-to-face question and answer exchanges with Staff that proved so valuable in other areas of this complicated world of service measurements. That is unfortunate, as this proposal has many defects that should lead the Board to drop it from the final rule.

To begin with, “due to be placed” is not a meaningful term given CSX’s car supply processes. Other carriers may have entirely different approaches, but for CSX’s commercial / car supply practices today, this term really has no meaning. CSX tries to meet all customer car orders, but our process contains no determination that a particular order will or won’t be filled. And, CSX certainly does not establish a schedule of dates to place cars to fill particular orders.

There are many other difficulties with this proposed requirement. Many of the car types listed in the proposal are not even owned by railroads. There are virtually no intermodal cars owned by railroad companies, as TTX provides the vast preponderance of this car type. Similarly, rail customers and leasing companies own virtually all tank cars. As the Board notes, it is not seeking data on private cars.<sup>1</sup>

Furthermore, customers do not order intermodal cars. They order containers through trucking companies, intermodal middlemen, or through a railroad program. The concept of “order fulfillment” is thus unknown in the world of intermodal cars.

CSX, of course, furnishes empty cars to customers we physically serve. However, in a great many instances, CSX provides empty cars for customers it doesn’t directly serve. Short lines and switching carriers (occasionally including Class I roads that provide switching for CSX under reciprocal arrangements) provide the pick-up and delivery of empties that are furnished by CSX, in the expectation that CSX will be called upon to provide the long-haul movement. While our data systems would contain information about those cars delivered in interchange to the other carrier, CSX has no way of knowing when the cars are actually placed, or when (or even if) they go onto constructive placement.

Many customer car needs are fulfilled using customer-assigned pools. Under these arrangements, a set of cars is dedicated by the carriers participating in a customer’s line haul business. These cars automatically return to the customer’s origin once made empty. No “car orders” are placed. Instead, the customer’s needs are supplied by the returning empties.

CSX has relatively little insight into the details of other railroads’ car order / fill processes. But, it seems to us highly likely that the practices, terminology, and data each measures will differ considerably, especially at the detail level. CSX urges the STB not to advance this new, unworkable proposal.

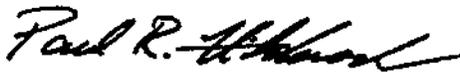
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<sup>1</sup> To the extent that the Board might in the future consider requiring that data on private cars be reported, it is important to understand that most empty private cars automatically move back to the point of origin. Accordingly, for CSX at least, car orders are not placed for these cars the way that they are for railroad owned/controlled cars.

## Conclusion

CSX appreciates the Board's receptiveness to informal discussions between Industry and Staff. We believe that this process has resulted in a more workable, more effective set of service measurement reports than the Board could have reached otherwise. Once the regulations are finalized, CSX stands ready to explain and further discuss with Staff the details of the reporting process.

Respectfully submitted,



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May 31, 2016