



National Grain and Feed Association

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May 6, 2014

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The Honorable Daniel Elliott, Chairman
The Honorable Ann Begeman, Vice Chairman
The Honorable Debra Miller, Commissioner
Surface Transportation Board
395 E St., S.W.
Washington, DC 20423-0001

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RE: Docket No. EP 724, U.S. Rail Service Issues

Dear Members of the Board:

The National Grain and Feed Association (NGFA) wishes to advise that it takes exception to several erroneous and misleading assertions contained in an April 28, 2014 letter submitted to the Board by the Burlington Northern Santa Fe (BNSF) Railway regarding the testimony presented by NGFA during the April 10, 2014 public hearing on rail service issues (EP No. 724).

Further, NGFA respectfully wishes to reiterate herein its request made during the public meeting, as well as in a subsequent April 17, 2014 statement filed with the Board, that several affected Class I rail carriers provide to the Board, for subsequent dissemination to the public, additional information and data on their respective service metrics, at least until such time as service is restored to predictable, reliable levels that existed prior to the early fall of 2013.

In its April 28 letter, BNSF infers that the reason NGFA has requested reporting of such service-related metrics is to gain some sort of preference for agricultural shippers. Further, BNSF contends that such reporting in-and-of-itself somehow would “have the potential to skew service recovery towards the favored shippers (e.g., grain and feed shippers under the NGFA’s proposal) at the expense of shippers of other commodities, which would not be appropriate.”

To the contrary, NGFA’s statements contain no such service-preference “proposal.” In fact, NGFA specifically and emphatically stated just the opposite at both the public hearing and in its subsequent written statement – namely that it is “**not seeking to create preferences for agricultural shipments**,” but merely asking the Board to exercise “vigilant oversight during this period of service recovery to prevent rail carriers from allocating limited available capacity to serve new business from non-agricultural

sectors, such as coal and energy, **to the detriment of agricultural customers.**”
[Emphasis added.]

Thus, we find it curious as to why BNSF believes that requiring more “granular corridor-specific and commodity-specific” reporting of service metrics “at the level of individual commodities or specific geographic sub-levels publicly on a regular basis” would somehow be “counterproductive” to its “efforts to address the flow issues affecting (its) network as a whole.” Indeed, NGFA believes that reporting additional meaningful data provides an opportunity for the BNSF and other carriers to be even more transparent in documenting improvements in rail service performance. It also enables the carriers to demonstrate to the Board and the diverse array of affected rail shippers, receivers and other stakeholders that they indeed are not preferencing certain types of product traffic at the expense of others. Further, NGFA believes requiring that carriers report some service metrics starting prior to the fall of 2013 would provide an important context for measuring the degree to which service recovery is being achieved.

Equally important, as NGFA has stated previously and reasserts herein, additional reporting of service metrics is critical for agricultural rail users – and we suspect other sectors – to plan logistics, minimize economic harm to operations and revenues (to the degree possible) and serve customers (to the extent possible) during what is expected to be lengthy service-recovery period. Frankly, we don’t believe that’s too much to ask of the BNSF or other carriers.

Thus, NGFA again encourages the Board to require the BNSF, Canadian Pacific, Canadian National, Norfolk Southern and CSX railways to report and make publicly available the following service metrics:

1. Real-time information on train velocity and cycle times, as well as realistic projections restoring service.
2. Weekly car loadings by product and state.
3. Weekly average dwell times for trains hauling grain and grain products, coal and crude oil from January 2012 onward.
4. Weekly averages for miles-per-day transited for grain, coal and crude oil since January 2012 going forward.
5. The level of capacity utilization by rail corridors, including the heavy grain corridors of the Pacific Northwest and Texas Gulf. For example, if a Class I carrier’s capacity is 40 trains per day within the Pacific Northwest corridor, what percentage of that capacity currently is being utilized and what is the product mix?
6. Real-time data on the number of grain/oilseed, coal and crude oil sets transported by quarter starting in January 2012 and into the future.

7. Breakouts of capital spending by Class I carriers. NGFA again commends rail carriers for investing in their infrastructure, particularly investments that add to capacity to serve growing demand. But we believe it would be advisable for carriers to report the share of capital spending being directed to new infrastructure capacity, such as new track and equipment, versus replacement of existing infrastructure. The NGFA also recommends that the STB require carriers to report on a quarterly basis **net** crew and locomotive changes so rail users can assess these barometers of potential service improvement.

The NGFA appreciates this opportunity to correct the record, and again commends the Board for initiating the public hearing on rail service issues and the efforts of its Rail Customer and Public Assistance Program to further address shipper-specific service issues with their carriers.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Gordon". The signature is written in a cursive, flowing style.

Randall C. Gordon
President

cc: Lucille L. Marvin, Esq., Director STB Office of Public Assistance, Governmental Affairs and Compliance

Thomas J. Brugman, Deputy Director, Public Assistance and Compliance,
RCPA, NGCC, Tariff and Summary Filings