

November 3, 2014

Via E-Filing

The Honorable Daniel R. Elliot, III
Chairman
The Honorable Deb Miller
Vice-Chairman
The Honorable Ann D. Begeman
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

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Office of Proceedings
November 3, 2014
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**Re: STB Ex Parte No. 724 / United States Rail Service
Issues—Data Collection**

Dear Chairman Elliott, Vice-Chairman Miller and Member Begeman:

I am writing in response to the letter filed on October 24, 2014 on behalf of The Fertilizer Institute (“TFI”) asking the Board to expand its new reporting metrics to include data specific to shipments of fertilizer. Union Pacific opposes this request and asks that the Board refrain from imposing any new reporting metrics without notice and comment consistent with the Administrative Procedure Act (“APA”) and Paperwork Reduction Act (“PRA”).

As a general matter, the Board should not impose reporting requirements in the piecemeal fashion urged by TFI. No reporting should be required without prior discussion of whether the data is needed, if the data exists, how the data would be used, the resources required to compile the data, and whether shippers already have access to useful information. Compliance with the APA and PRA will prevent unnecessary and burdensome expansion of reporting that produces information with little or no practical utility.

In this specific matter, TFI has made no showing that additional reporting is needed from any railroad, let alone from Union Pacific, or that the requested data would serve a useful purpose. To the contrary, TFI’s request for data from Union Pacific is unjustified and its requests for Items 4, 5 and 7 will not provide the Board with any additional, meaningful data because fertilizer



mainly moves in a fleet consisting of shipper-supplied equipment and in carloads, not trainloads.

Fertilizer Volumes On Union Pacific Are Strong. TFI makes no attempt to show widespread service failures for fertilizer that warrant new reporting by all Class I railroads. In fact, Union Pacific is on track in 2014 to move nearly 6% more fertilizer than in 2013 and 5% more than we averaged over the last ten years.¹ Even last spring when some shippers did show fertilizer deliveries were not meeting their needs, the Board ordered only certain railroads, whose service was identified as inadequate, to report for a limited period corresponding to the planting season. Requiring all railroads to provide data on commodities that have not been shown to be suffering from service failures will add to the burden on the railroads without providing any additional value to customers or the Board. Granting TFI's broad request would also makes it more difficult for the Board to refuse similar requests by other shipper groups who express concern that reporting requirements for some commodities increases the risk that they will somehow be short-changed.

TFI's Requests Ignore Fertilizer Shipment Characteristics Which Make the Requested Information Largely Irrelevant. TFI argues for separate fertilizer reporting based on its unsubstantiated fear that the Board's reporting requirements *may* cause railroads to prioritize grain car loadings over fertilizer. Setting aside that Union Pacific is already moving more fertilizer than usual, TFI's rationale rests on the incorrect assumptions that grain and fertilizer shipments use the same car fleets and move in similar operations. Although grain and some fertilizer move in covered hoppers, over 70% of fertilizer on UP moves in shipper-supplied equipment which is dedicated to fertilizer and controlled by fertilizer shippers. In contrast, nearly 100% of our grain moves in Union Pacific railroad cars. This difference in who supplies the equipment means that car information requested in Item 7 would provide no useful comparisons between fertilizer and grain and will not address TFI's stated concern.

¹ Union Pacific is not suggesting that the TFI-requested reporting should be required for any railroad. We rely on Union Pacific fertilizer volumes and operating characteristics to show there is no need and no useful purpose for adding a fertilizer reporting requirement for Union Pacific and we lack similar information for other railroads. Our point is that TFI has not proven the need for reporting by any railroad let alone all seven Class I railroads.

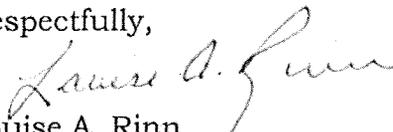
TFI also asks the Board to extend the unit train metrics (Items 4 and 5) reporting to fertilizer. But the majority of fertilizer on UP moves in carload service, not in trainloads. Less than 10% of phosphate and only 12% of urea moves in trainloads. Potash is the only fertilizer where the majority moves in trainload quantities and even then roughly two of every five loads moves in general freight service. Accordingly, specific reporting on trainload quantities would be of little use in evaluating overall movement of fertilizer relative to grain.

Union Pacific Customers Already Have Access to More Useful

Information. We already provide extensive current and historical shipping information to our customers to assist their transportation planning and to track their deliveries. Our Marketing and Sales personnel provide supplemental information and are available to answer specific questions or to address problems that may arise. TFI has not even attempted to address why public reporting is needed or how it can be used by the Board or customers – especially in light of the differences between grain and fertilizer equipment and operations. Additional public reporting of data in a format that is not representative of the majority of fertilizer shipments will not improve service or enhance the customer's experience. It will serve only to enlarge the burden on the railroads of complying with the Board's reporting requirements and divert resources from increasing network velocity.

TFI's request reinforces the importance for the Board to reject piecemeal requests for expanded reporting. Before expanding the current weekly reports, the Board should initiate a rulemaking on whether to retain the existing reporting requirements. A rulemaking will allow all interested parties to be heard and allow the Board to weigh the utility of proposed metrics relative to the resources required to provide the data. Granting TFI's unfounded request will encourage other commodity interests to request similar breakout of their data.

Respectfully,



Louise A. Rinn
Associate General Counsel