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**UNITED STATES OF AMERICA
SURFACE TRANSPORTATION BOARD**

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

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

**REPLY COMMENTS OF
NORFOLK SOUTHERN RAILWAY COMPANY**

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Dated: April 29, 2015

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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Norfolk Southern joins the reply comments of the Association of American Railroads (“AAR”) in this proceeding and also files these separate comments. As stated in its opening comments, Norfolk Southern appreciates the desire for service performance metric reporting designed to monitor overall rail network fluidity as a means of identifying potential service disruptions. And Norfolk Southern does not object to reporting this kind of data on a weekly basis in perpetuity.

That said, Norfolk Southern strongly objects to service performance metric reporting that is tailored to particular commodities, train types and/or geographic locations. Such micro-level reporting imposes significant burdens on rail carriers without offsetting benefits to any rail shippers. Norfolk Southern notes that no individual rail shippers filed comments in this proceeding. Rather, the comments were filed by shipper trade groups. While individual shippers likely would find micro-level service performance metric reporting unnecessary and misleading, shipper trade groups have an interest in public dissemination of such data for rhetorical uses, as well as for use in litigation and lobbying efforts. These are not the types of goals that the Board is charged with advancing, and the railroads should not be required to shoulder the burden of generating data in support of such uses.

Many of the interest groups filing opening comments in this proceeding not only support the micro-level service performance metric reporting requirements proposed by the Board, but also request numerous additional micro-level metrics.¹ Many of these requests purport to be justified by a need for shippers to foresee looming service disruptions and plan their shipping needs accordingly.² But shippers already have the best direct evidence available for predicting service disruptions in the form of their own shipping history. There is little incremental value to be gained by a shipper from seeing shipping patterns applicable to other shippers when they already know the shipping patterns applicable to their very own shipments. To the extent shippers need insight into something more than their own shipping history to aid in predicting a looming service disruption, that need would be fulfilled by the kind of macro-level, network fluidity-based data that Norfolk Southern and the AAR have agreed to provide.

Not only is granularized, micro-level service performance metric reporting unnecessary, it also is far less predictive of rail service trends as compared to macro-level metrics. Micro-level reporting is just as likely to reveal changes in the general demand for the reported commodity, or shifts in sourcing that impact regional or even origin-destination specific demand, than it is to provide insight into rail service issues. Micro-level service performance also can be impacted severely by inaccurate shipper forecasts that do not allow the serving railroad to allocate its resources properly, meaning that trends in micro-level service performance are just as likely to indicate inaccurate planning by shippers as to indicate poor performance by railroads. The

¹ See, e.g., Opening Joint Comments of the Western Coal Traffic League, American Public Power Association, National Association of Regulatory Utility Commissioners, and National Rural Electric Cooperative Association (“Coal Shippers”), Ex Parte 724 (Sub-No. 4) at 12 (March 2, 2015) (requesting the reporting of five additional “coal-specific service metrics”).

² See, e.g., Comments of National Grain and Feed Association, Ex Parte 724 (Sub-No. 4) at 3 (March 2, 2015) (advocating for additional tailored service metrics and stating that service metric reporting will allow shippers “to make necessary adjustments to business and logistical plans, storage and marketing strategies, and customer-service responses...”).

potentially misleading picture that can be presented by micro-level rail service performance is alleviated considerably – though by no means eliminated – by macro-level service performance metric reporting, where the “law of large numbers” operates to smooth out trends in the data that are unrelated to rail service issues.

In addition to being unnecessary and misleading, micro-level reporting requirements also present a myriad of practical problems. Norfolk Southern has not undertaken an exhaustive analysis of each of the dozens of additional data elements requested on opening by the various shipper trade groups, but a preliminary analysis reveals that many of them are problematic. The following highlights a few such issues:

- Coal Shippers requested five additional data elements specific to coal.³ These newly requested data elements use undefined phrases such as “cycle times,” “coal train corridors,” and “trainsets in service” that could have many different meanings. For example, do all origin-destination pairs have “cycle times,” or is the request targeted to trains that actually “cycle” exclusively between a particular origin and destination? Further, one of the newly requested data elements asks for “[a]ny restriction on the utilization of shipper-provided equipment in coal service.” Norfolk Southern is unsure what this means, but whether or not private cars may be used in coal transportation service typically is dictated by provisions in private contracts between railroads and shippers. Not only are these contracts confidential, but the Board lacks jurisdiction over them in any event.⁴

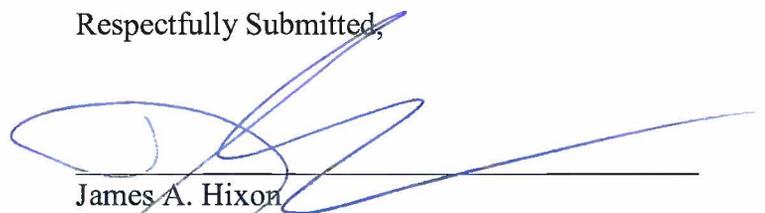
³ See, Opening Joint Comments of Coal Shippers, Ex Parte 724 (Sub-No. 4) at 12 (March 2, 2015).

⁴ See 49 USC 10709.

- The Fertilizer Institute asks for reporting of fertilizer as a separate commodity group.⁵
Norfolk Southern does not collect such data separately.
- The National Grain and Feed Association requests that many categories of data be broken out into subcategories, such as “oil seeds” and “vegetable oil” as subcategories of grain.⁶
Norfolk Southern does not collect data related to these subcategories.

The foregoing list is not comprehensive and is merely intended to be illustrative of the kinds of problems Norfolk Southern has identified with the additional data elements requested by shipper trade groups. Definitional problems plague the vast majority of such requests to the point where Norfolk Southern is unable to determine what is being requested, much less whether Norfolk Southern could comply with the request. The Board should not accept any of these requested data elements.

Respectfully Submitted,



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⁵ See, Comments submitted by The Fertilizer Institute, Ex Parte 724 (Sub-No. 4) (March 2, 2015).

⁶ See, Comments of National Grain and Feed Association, Ex Parte 724 (Sub-No. 4) (March 2, 2015).