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BEFORE THE
SURFACE TRANSPORTATION BOARD

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

UNITED STATES RAIL SERVICE ISSUES –
PERFORMANCE DATA REPORTING

COMMENTS OF CSX TRANSPORTATION, INC.

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On October 8, 2014, the Board issued its order in Ex Parte No. 724 (Sub-No. 3) US Rail Service Issues – Data Collection. (The “October Order”) The Board’s approach to the October Order had several aspects that bear consideration:

- It called on the carriers to provide certain information.
- It called on each individual carrier to describe the methodology that it would use in reporting the information.
- It gave each reporting carrier reasonable flexibility to use its then-existing data sources and information systems (subject to informal oversight by the Board’s staff).
- It was not done through the mechanism of formal regulations.

CSXT respectfully submits that the Board’s approach in the October Order has worked well. It resulted in delivery of the requested information within a very short time period. It imposed not unreasonable burdens on the carriers, because each was free to use its existing data reporting

systems to the maximum extent possible. And, it remains flexible. The Board is able to informally work out issues with each carrier, and to modify or even remove the reporting should the need pass.

CSXT recognizes that there has been some concern about the process followed by the Board in adopting the October Order. (Indeed, CSXT feels that an informal discussion between the Board's staff and railroad representatives could have led to an even better outcome.) However, two central facts remain:

The Board's approach has worked.

The October Order has remained in effect since its inception.

CSXT is filing these individual comments to suggest that there is an opportunity here for Industry and Government to demonstrate an ability to work together on a voluntary basis to achieve appropriate goals, without the need for formal, inflexible, binding, and probably permanent regulations.¹ CSXT suggests that the Board temporarily postpone further action on this rulemaking, and direct its OPAGAC to meet with a delegation of the railroad industry informally to determine whether a voluntary set of reporting standards might be worked out and implemented through agreement -- without the need for command and control regulations and all their disadvantages, including the unintended consequences that might flow from them.²

The Disadvantages of Mandating Reporting through Regulation

For any agency to accomplish a goal through new regulations, it is first essential to define certain terms. This ensures a uniformity of application of rules, but at the cost of rigidity. However, here, the usual need for strict legal uniformity is absent. The goal here, as the Board has emphasized, is not to control carrier activity, but to monitor each railroad's overall network operating conditions.

For this reason, CSXT believes that a flexible, voluntary reporting arrangement would be superior to a rigid regulatory approach.

As one example, consider how the carriers will report "trains held" under the proposed rules. The Board clearly wants to gain insight into network fluidity by assessing the extent to which a carrier is delaying trains for power, crews, etc. It becomes necessary to either define what is meant by "held" or to leave it to the regulated entities to self-define in some reasonable way. Defining, by regulation, when a train is "held" might enable more precision in comparison between carriers, but CSXT submits that measuring one carrier against another is not the goal. Indeed, it could work contrary to the goal. What matters is the trend on each carrier. If CSXT

¹ CSXT also joins in the Comments of the Association of American Railroads.

² While more cumbersome, bilateral discussions between OPAGAC and individual Class I roads might also be considered.

reports “trains held” the same way week after week, the Board and the public will see trends on CSXT and can evaluate the state of the railroad. Comparing one railroad’s “trains held” to another railroad’s “trains held” will add no useful information since their networks are so different. So, allowing each carrier to determine how to measure “trains held” based on its current information systems and internal reporting processes has accomplished the Board’s stated goals – with minimal additional expense to anyone.

In the event that the Board adopts new definitions, comparisons with prior reporting under the October Order will, of course, become impossible. That would have the potential to confuse stakeholders, and reduce the value of the new reports considerably.

Comments on Specific Proposed Reporting Requirements

Reporting Week

The Board proposes that carriers report based on a Sunday to Saturday week. The majority of CSXT systems are designed around a Saturday to Friday reporting week. CSXT would have to establish, at a minimum, redundant data extraction processes to capture the right data for the proposed Sunday to Saturday week. In some cases, systems might have to be redesigned. The Board’s assessment of burden on CSXT is far understated. Not only would CSXT spend resources for no operationally relevant reason, such a burden would divert resources from other, commercially and operationally important projects. Further, CSXT would continue to use its current internal reporting processes for the management of the railroad, so there would be discrepancies between numbers monitored by the STB and the numbers used by CSXT management.

Substituting a revised week definition now would result in a lack of comparability between the new proposed reporting and historic data.

CSXT suggests that each road be given the option to use a reporting week that matches its internal reporting processes. Again, what matters is trends, not numbers in the abstract.

Trains held for six or more hours

CSXT urges the Board to continue to allow carriers to report a “snap-shot” picture of the daily situation of trains held at some given time of day. CSXT has been reporting trains held as of the 0400 report from the field, together with the reason. This is a report that CSXT management has found useful for many years, and will continue to be a report that is reviewed daily in its assessment of the overall condition of the railroad.

The Board, on the other hand, proposes to require the railroads to measure and report every train “held” for more than six hours anywhere on the system in the course of an operating day.

It may be possible, with the expenditure of considerable Information Technology resources, to build a report that identifies every train that departs a terminal more than six hours after its arrival. However, that would not really measure a train “held” as the term is commonly understood. The time in terminal could well be exactly as planned, or be due to circumstances totally unrelated to network fluidity. It is essentially impossible to distinguish between a train that stays in a terminal greater than six hours due to network problems versus a train that stays in a terminal for greater than six hours by plan or due to normal accommodation of other trains.³ What CSXT may be able to measure in compliance with the Board’s proposed rule will thus not be what the Board has actually asked for.

Note, further, that “cause” is a subjective opinion. It cannot be measured from data, even with the expenditure of extensive IT resources. This means that if the Board were to mandate reporting of each train “held” more than six hours throughout the day with a “cause”, a human being would have to be tasked with the job of contacting field operations personnel, determining the “reason /cause” and manually entering that “cause” into a report. CSXT submits that this result would be counter-productive and undermine the Board’s goals rather than furthering them. The Board clearly does not want to distract managers from running the railroad, or to impose more bureaucracy on field operations personnel to answer questions merely to complete a new regulatory report.

CSXT’s reporting to the Board today requires some human intervention and input each week, but CSXT’s reporting has been made possible because it had a standing practice of reporting this kind of information each morning based upon field reports as of a time certain. CSXT urges the Board to allow it to continue to report this early morning snap-shot of trains held (and the reasons) without adding additional burdens. That will enable the Board to continue to monitor trends and to compare to data reported since the October Order was issued.

Definition of “Unit Train”

CSXT appreciates that the Board is striving for more clarity in proposing a regulatory definition of “unit train.” Unfortunately, the definition proposed would impose a tremendous programming burden on CSX’s IT resources.

CSXT has been reporting line of road velocity based on train ID. Each category of train operated on CSXT has an alpha-numeric code. For example, Q123 is an intermodal train that operates

³ Just as an air traveller may need a long “lay-over” to make a connecting flight, a train may be scheduled to depart to allow another train to arrive and make connections. This is, of course, only one example.

daily from Syracuse, NY to Columbus, OH. Train P030 is Amtrak's Eastbound Capitol Limited. Loaded coal trains are identified as T###, N###, or U###.⁴

CSXT's data systems track trains closely by train ID number, and it has not been an unreasonably burdensome task to do the programming to retrieve the information required in the October Order on that basis. Unfortunately, to attempt to design data systems to retrieve each train's car count, scan the waybills for origins and destinations to ensure that each waybill's origin matched each other origin, etc. would be a difficult task. Further, if the customer has billed cars using somewhat different terms for the same origin, we risk concluding (erroneously) that a unit train does not meet the STB's definition. For example, a clerical employee on first shift could prepare shipping instructions showing that the destination is "Framingham", while a different clerical employee might enter the destination as "FRMGHM." A computer system will recognize the two entries as different destinations.

Inadvertently designing a regulation that may well generate incorrect data would be a mistake. That undesired result can be avoided by continuing the reporting process already in place, or working out a voluntary agreement between the Board's oversight staff and the railroads.

Cars Held

Today, CSXT's methodology reports cars that have dwelled in terminals for over 120 hours, and between 48 and 120 hours. (This is done as a historical "look-back" and not as a "snap-shot".) The October Order gave CSXT the flexibility to report with minor changes to its existing reporting process. The technical wording of the proposed regulation would require extensive new programming.

CSXT's individual car monitoring systems are highly oriented toward yard and terminal operations. Tracking individual cars within a yard or a terminal gives more "actionable" data than attempting to track them in trains along line of road. On the other hand, on line of road, the "actionable" data are train-related. The Board's proposed rule, as written, does not distinguish between yards / terminals and line of road. Thus, strict compliance with the proposed rule would not permit CSXT to use the same process it uses today to report to the Board, and would require considerable data systems design and programming to capture data about cars on line of road that do not move within the prescribed time periods.⁵ That information would be of no particular

⁴ For an informative discussion of each major carrier's train ID system, see *Trains Magazine*, February 2015 at 46-53.

⁵ It is rare for a train to stop for 48 hours on line of road. Typically, when this does happen, it is related to a sudden, unplanned closing of a route, as might occur with a track washout. Creating the programming to prepare a report to capture such outliers would not be productive, or useful to the Board.

utility in managing the railroad, since train line of road velocity is the central interest outside of terminals. Accordingly, CSXT urges the STB to limit any reporting requirement regarding cars not moving for certain times to yard and terminal activity only. Line of road velocity should be sufficient to assess train operations, and indeed that is what CSXT managers monitor.

Again, these are the kinds of subtle, technical distinctions that might well be worked out more effectively through a voluntary arrangement between the rail industry and the Board's OPAGAC staff.

Transparency and Open Communication

CSXT communicates constantly with our customers. Account managers act as a daily interface with their assigned accounts. The company's website issues customer advisories. Our customer councils provide senior managers with detailed input from the customers' overall perspective. The ShipCSX web site provides a large number of tools for our customers to use. The Jacksonville customer service center handles specific transportation issues that arise. CSXT, of course, participates in the various STB customer /carrier councils. In short, service measurements are just one aspect of the already-extensive communications network between the company and its customers.

CONCLUSION

CSXT respectfully submits:

- The current process is working – there is no need to adopt formal regulations.
- Changing the reporting standards would undermine the value of the reports that have been filed to date, by creating an apples-to-oranges comparison between new reporting standards and the original reports under the October Order.
- There are substantial and unnecessary costs associated with some of the proposed regulations, with no added value in understanding the condition of railroad operations.
- A better approach – worth at least trying – would be to see if OPAGAC and the railroads could work out a voluntary Government-Industry reporting framework as an exercise in cooperation in lieu of regulation.

If the Board ultimately determines to adopt these regulations as proposed, CSXT respectfully requests that it give the industry twelve months from the date of the order to comply. This will enable CSXT to budget for the expenses, and re-align internal IT priorities and implement the

programming. Otherwise, worthwhile IT projects now planned will have to be foregone to accommodate the mandate of the new regulations.

CSXT fully appreciates the Board's desire to gain fuller insight into network operating conditions in the wake of last winter's difficulties and the substantial increase in business that the railroads are being called upon to handle today. If the Board determines that there is sufficient merit in the proposal to convene a meeting of OPAGAC staff and the railroads to see if a Government-Industry agreed-upon voluntary framework for reporting can be reached, CSXT pledges its full support and cooperation to that effort.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul R. Hitchcock". The signature is written in a cursive style with a prominent initial "P".

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