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**Before the U.S. Surface Transportation Board**

ENTERED  
Office of Proceedings  
March 2, 2015  
Part of  
Public Record

**STB Docket No. EP 724 (Sub-No. 4)**

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

**Comments**

**of**

**National Grain and Feed Association**

**March 2, 2015**

The National Grain and Feed Association (“NGFA”) strongly commends the Surface Transportation Board (“Board” or “STB”) for instituting this proceeding and for proposing to make permanent the reporting of rail service performance data by Class I rail carriers on a weekly basis.

The NGFA, established in 1896, consists of more than 1,050 grain, feed, processing, exporting and other grain-related companies that operate more than 7,000 facilities and handle more than 70 percent of all U.S. grains and oilseeds. Its membership includes grain elevators; feed and feed ingredient manufacturers; biofuels companies; grain and oilseed processors and millers; exporters; livestock and poultry integrators; and associated firms that provide goods and services to the nation's grain, feed and processing industry. The NGFA also consists of 26 affiliated State and Regional Grain and Feed Associations, has a joint operating and services agreement with the North American Export Grain Association, and has a strategic alliance with the Pet Food Institute.

The Board's proposal would make permanent its October 8, 2014 order that imposed such reporting on an interim basis for Class I railroads and Class I railroads whose tracks transit or interchange through Chicago. This proceeding has immense importance to shippers and receivers of grains, oilseeds and processed agricultural products in serving domestic and export markets.

The NGFA strongly endorses the Board's statement in this proceeding that "permanent collection of (rail service) performance data on a weekly basis would allow continuity of the current reporting and improve (the Board's) ability to identify and help resolve future regional or national service disruptions more quickly, should they occur." As the Board rightly observes, such reporting also will assist in building a baseline of factual information on rail service performance that can be used as a barometer for comparative analysis by carriers, rail customers and the Board itself to evaluate future trends. There is no way to accomplish this core objective without having such data being collected and compiled on an ongoing basis.

However, such data collection also can serve the extremely valuable role of providing an "early alert" to both rail customers and the government of impending service disruptions before they reach the kind of crisis proportions that occurred during 2013-14. Such alerts could enable rail shippers with no other transportation alternatives to take steps to try to mitigate the business harm caused by having sporadic, or even no, rail service for an extended period of time. In addition, for other rail customers that have access to alternative transportation modes or other business options available, the ability to monitor railroad service performance data and to take

preemptive action earlier in the process may have the benefit of reducing the overall adverse impact of such rail service disruptions in the future.

Further, the NGFA particularly supports and affirms the Board's statement that such "transparency" in data reporting "would benefit rail shippers and other stakeholders by helping them to better plan operations and make informed decisions based on publicly available, near real-time data, and their own analysis of performance trends over time."

As the NGFA articulated in its statement presented during the Board's April 10, 2014 public hearing on U.S. rail service issues, as well as in statements submitted subsequently to the Board in this proceeding, accurate rail service performance metrics provided in a timely and uniform format are critical for the agricultural industry to be able to make necessary adjustments to business and logistical plans, storage and marketing strategies, and customer-service responses (including to farmer-customers) if there are disruptions in reliable, predictable rail service. The ability to do so is critical to minimizing as much as possible the economic harm to the operations and revenues of our industry, and to the upstream and downstream customers it serves. The same applies to other industries – be they within or outside the agricultural sector.

### **Overarching Recommendations on Rail Service Performance Data**

While the NGFA supports the current data-collection activities already implemented by the Board in this proceeding, it also believes the modifications proposed by the Board to its existing rail service performance data requirements represent a significant improvement. We believe such data exist and are readily available, and offer specific comments on each in the next section of these comments.

But before doing so, the NGFA wishes to make several overarching recommendations that it believes are fundamentally important if the rail service performance data being reported is to have utility and value to agricultural shippers and receivers, as well as to rail customers and policymakers as a whole.

- First, the NGFA believes it is extremely important that the data being submitted be very specific in terms of how it is to be reported so it is applied consistently across all affected rail carriers. In that regard, we suggest that the Board consider modifying the format of

the reporting so that the data can be viewed and compared relative to other previous reporting periods (e.g., the previous week, previous month and the week/month year-over-year). Doing so in a bar graph or other standardized graphic format indicating service performance trends – whether they be improvements or degradations – would be particularly useful to rail customers, particularly smaller shipper and receivers.

- Second, the NGFA believes that the rail service performance data required to be reported needs to encompass all significant business segments served by rail, including grains, oilseeds and products derived therefrom; coal; chemicals; crude oil; intermodal; automotive ; and other relevant categories of traffic. As has been communicated previously to the Board, the NGFA believes it is unwise and counterproductive for any segment of rail traffic – including agriculture – to seek a general regulatory preference or priority designation over other industry sectors. But neither does the NGFA believe rail service for agricultural commodities or processed products should be disadvantaged at the expense of other industry sectors, particularly those that may be more profitable for rail carriers to serve.

In that vein, even during periods not characterized by the type of severe service disruptions experienced during 2013-14, agricultural rail users often find that when rail capacity is in tight supply, rail service appears to suffer more for the agricultural sector than for other sectors that may be viewed as “higher-priority” by railroads, such as energy, coal and intermodal, all of which are some of the most profitable business sectors for Class I railroads. Although the most severe service disruptions of 2013-14 have been reduced, there still is projected to be an extended period of freight transportation capacity challenges across multiple modes – including rail and motor carrier. The NGFA believes that these expected capacity constraints necessitate the Board requiring the Class I railroads to submit sufficient amounts and types of data to enable the Board, industry stakeholders and other policymakers to determine whether and to what extent, in a highly concentrated rail marketplace characterized by regional duopolies in the East and West, rail carriers are skewing their resource allocations (e.g., locomotives, crew, cars and track investment) toward certain commodities that maximize their profits versus their traditional statutory obligation to provide reasonable service upon reasonable demand across all customer segments.

- Third, the NGFA strongly urges the Board to modify its website to make the required rail service performance data much easier to locate, and to provide such data in much more user-friendly formats. The arcane, complicated and difficult-to-navigate nature of the STB's website continues to be a significant source of frustration for many rail shippers and receivers, as well as other stakeholders and organizations that represent them. Thus, the NGFA recommends strongly that the Board accelerate its ongoing efforts to upgrade and reorganize its website to standards of other federal agencies, and to create a separate, easy-to-locate portal on its website home page where users can easily locate and work with the rail service performance and infrastructure data that would be made permanent under this proposal.

Further, the NGFA recommends strongly that the format in which the rail service performance data is provided be standardized in comprehensive Excel spreadsheets versus the current hodge-podge of differing spreadsheet formats and basic PDF files, the latter of which are impractical for extracting, analyzing and comparing data in a useful format.

- Fourth, what matters most to companies storing, handling, processing and shipping and receiving agricultural commodities is the quality and consistency of service they are receiving at the facility level. To our knowledge, all of the Class I railroads already measure local service, which they often refer to as an "Industry Spot and Pull (ISP) Reports." In the next section of this statement, the NGFA makes a specific recommendation on how to add this new data to those required under the Board's proposal.
- Finally, the NGFA recommends strongly that the Canadian National Railway Co. ("CN") and Canadian Pacific Railway Ltd. ("CP") be required to delineate separately (if not submit separately), to the maximum degree possible, their respective rail performance data associated with their U.S. and Canadian rail operations. In that regard, our concern is that Canadian government-imposed mandates on service performance for Canadian agricultural shipments may well have contributed to service disruptions associated with these carriers' U.S. operations through their reallocation of available locomotives, crews and cars to Canada. We submit that data requirements imposed on the CN and CP should

be designed to enable the Board and industry stakeholders to recognize if Canadian governmental actions are having an adverse effect on the ability of CP and CN to fulfill their common-carrier obligations to U.S. rail shippers and receivers, so that the Board and other policymakers may take corrective action, if necessary.

### **Specific Recommendations on Rail Service Performance Data**

The NGFA strongly supports the Board's proposed new regulations to be codified at 49 CFR §1250.1 through 1250.3, and offers the following specific comments, recommendations and refinements to each of the proposed weekly railroad performance data reporting requirements proposed in §1250.3:

- §1250.3(a)(1): The NGFA believes that the weekly reporting of system-average train speeds delineated by the business segment categories proposed by the Board (“intermodal,” “grain unit,” “coal unit,” “automotive unit,” “crude oil unit,” “ethanol unit,” “manifest” and “all other”) is appropriate, extremely important and should be required. However, within the “grain unit” category, the NGFA recommends that “soybeans,” “other oilseeds,” “oilseed meal,” “vegetable oil” and “fertilizer” be added as subcategories to the business segment data to be reported.
- §1250.3(a)(2): The NGFA believes that reporting of weekly average terminal dwell time as proposed by the Board is appropriate, has great value and should be required. We further recommend requiring that such dwell times be reported by traffic category as recommended in §1250.3(a)(1) above, expanded to include “oilseeds,” “oilseed meal,” “vegetable oil” and “fertilizer.”
- §1250.3(a)(3): The NGFA believes that reporting weekly average cars on line (i.e., in service) by the car types listed by the Board [“box,” “covered hopper,” “gondola,” “intermodal,” “multilevel (automotive),” open hopper,” “tank,” “other” and “total”] is appropriate, important and should be required. However, we recommend that “tank cars” should be delineated further in a business segment subcategory by specifying the number of cars used to haul hazmat and non-hazmat materials. Further, we recommend that this element of the reporting also provide a weekly summary of cars that are “on-line,” as well as “industry-placed.”

- §1250.3(a)(4): The NGFA believes that reporting weekly average dwell time at origin or interchange location for loaded unit train shipments for “grain,” “coal,” “automotive,” “crude oil,” “ethanol” and “all other unit trains” is appropriate, important and should be required. However, we recommend that additional business segment categories, such as “oilseeds,” “oilseed meal,” “vegetable oil” and “fertilizer,” should be added, as should “manifest” traffic. Further, we recommend that “destination dwell time” be added to this requirement as a reporting metric for each of the specified business segment categories, in addition to “dwell time at origin” and “interchange location.”

In addition, pursuant to one of the overarching recommendations made previously regarding “Industry Spot and Pull (ISP) Reports,” it is our understand that most rail carriers already have local service plans for the industries they serve, and the carriers measure their performance in terms of the percent of the plan they fulfill. For this reason, and because such information would be particularly useful to shippers of single cars and manifest traffic, the NGFA recommends that data reporting should be expanded to require reporting of the weekly percentage of a rail carrier’s local service design plan that has been fulfilled for all manifest traffic, broken down by business traffic category. This service performance metric should capture the percent of local industry switches (manifest traffic) that actually occurred during the time window in the local operating plan for the pertinent reporting week. As an example, if “Company A” had a local service design that indicated the facility will be switched between 2 p.m. and 8 p.m., and the rail carrier only spots and pulls cars within this time frame for 20 of the 30 days of a monthly period, the ISP performance would be 67 percent for that month. It is this percentage figure that would be reported under the NGFA’s proposal.

- §1250.3(a)(5): The NGFA believes that reporting the weekly total number of loaded and empty trains held short of destination or scheduled interchange for longer than six consecutive hours, sorted by train type is an appropriate and important metric, and should be required. We again believe this proposed requirement should be expanded to include the business traffic categories previously cited, and also should include unit train service.
- §1250.3(a)(6): The NGFA believes that reporting the daily average of loaded and empty cars operating currently in service, including those loaded and billed to an origin or

destination is a good performance metric and should be required. The NGFA believes the Board should apply this service performance reporting requirement to include each of the business segment categories previously cited.

- §1250.3(a)(7): The NGFA believes that reporting the weekly total number of grain cars loaded and billed, reported by state and aggregated by the Standard Transportation Commodity Codes, as proposed by the Board, is appropriate and extremely important performance metric, and should be required. However, the NGFA recommends that these data be further delineated by car type – specifically “covered hopper car” and “tank car.” We also recommend that consideration be given to expanding the listing of STCCs covered to include “other oilseeds.”
- §1250.3(a)(8): The NGFA believes that reporting the total number of overdue orders, average number of days late, total number of new orders received during the past week, total number of orders filled during the past week, and number of orders canceled by the shipper and carrier, respectively, aggregated by the STCCs proposed in subsection (7), also is appropriate, important and should be required. In this regard, given what we believe are different practices by rail carriers on how and when car orders are deemed to have been “received,” the NGFA recommends that the Board examine ways to provide a more standardized approach as to how this data metric is defined so that the data are more directly comparable. Further, we believe the Board also should require rail carriers to report whether the railroad placed or pulled the cars that were ordered or canceled. This would capture instances in which railroads spot more cars at a facility than requested, which affects facility efficiency and traffic congestion.

In addition, concerning this reporting requirement, the NGFA believes the Board should consider the appropriateness of requiring a modicum of reporting of these categories of car-order data by shortline railroads, particularly those hauling significant quantities of commodities and products. Our concern is that the total absence of any such reporting by shortline carriers could lead to erroneous conclusions when evaluating the data reported by the Class I carriers with which shortlines interchange traffic.

- §1250.3(a)(9): The NGFA believes that reporting weekly total coal unit train loadings or car loadings for the reporting week by coal-production region is appropriate, important

and should be required. However, we believe this reporting requirement, for comparison purposes, should be expanded to grains, oilseeds and other business traffic categories that ship commodities or products by unit train. In addition, the NGFA recommends that the Board add a requirement for weekly reporting on velocity and cycle times by shipping corridor (e.g., Pacific Northwest, Texas Gulf, etc.) for grains and oilseeds shipped by unit train, as well as appropriate corridors for other business segment categories that ship by unit train.

Concerning the Board's proposed reporting requirements applying to Class I railroads operating at the Chicago gateway, the NGFA observes that the only service performance data appear to involve "trains being held" and "car volume inventories" in Chicago-area yards. We believe it would more valuable to have reporting of performance metrics concerning traffic that: 1) originates in the Chicago gateway; 2) is destined for the Chicago gateway; and 3) arrives to and subsequently departs from the Chicago gateway for further destinations.

For these reasons, we recommend that the Board in §1250.3(b) require reporting of data on:

- Origin Chicago Traffic: The number of cars idled for more than 48 hours in a Chicago-area yard.
- Destination Chicago Traffic: The number of cars idled for more than 48 hours in a Chicago-area yard.
- Chicago Beyond Traffic: The number of cars idled for more than 48 hours awaiting interchange (to capture the number of cars arriving to and subsequently departing from the Chicago gateway for further destinations).

Finally, the NGFA strongly supports the Board's proposed requirement in §1250.3(d) that Class I rail carriers report on a quarterly basis all rail project work-in-progress, major rail infrastructure projects (including project location by state), the planned completion date for each project, the percent to which the project is completed at the time of reporting, and a description of the project and its purpose. We concur with the Board's proposal to define "work-in-progress" as projects on which ground-breaking has occurred, as well as its proposed definition of "major rail infrastructure projects" as referring to projects designed to expand or enhance capacity

(excluding maintenance-of-way projects) that are budgeted to cost \$25 million or more over the life of the project.

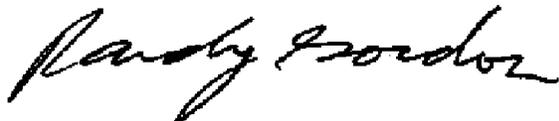
The NGFA believes there is merit in the Board also requiring carriers, as part of this infrastructure reporting requirement, to also report any scheduled curfew hours on traffic movement that could cause stoppages in traffic and thereby reduce the volume of rail movements across affected tracks.

### **Conclusion**

In conclusion, the NGFA believes strongly that the Board's proposal to require a more standardized, timely, user-friendly and permanent reporting of rail service performance data will be invaluable to rail users and their customers, as well as to the Board and other relevant policymakers. Such service metrics would facilitate shippers' and receivers' ability to better manage rail-dependent business obligations and operations in a more market-based and anticipatory manner than occurred during the severe rail service disruptions of 2013-14, when rail carriers clearly did not anticipate, communicate or respond well to service degradation.

The NGFA strongly supports the Board's proposal to make rail service performance data reporting permanent, and appreciates the opportunity to articulate its views and recommendations concerning the specific proposals articulated by the Board. We commend the Board for its proactive efforts in this proceeding, and would be pleased to respond to any questions the Board may have. The NGFA looks forward to providing reply comments in this important proceeding.

Sincerely yours,



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Randall C. Gordon  
President