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Testimony of Phil Ireland: Exhibits

March 25, 2014

**Before the Surface Transportation Board
In the Matter of Ex Parte No. 711, Petition for Rulemaking to Adopt Revised
Competitive Switching Rules**

Exhibit 1: Canadian Rail Network



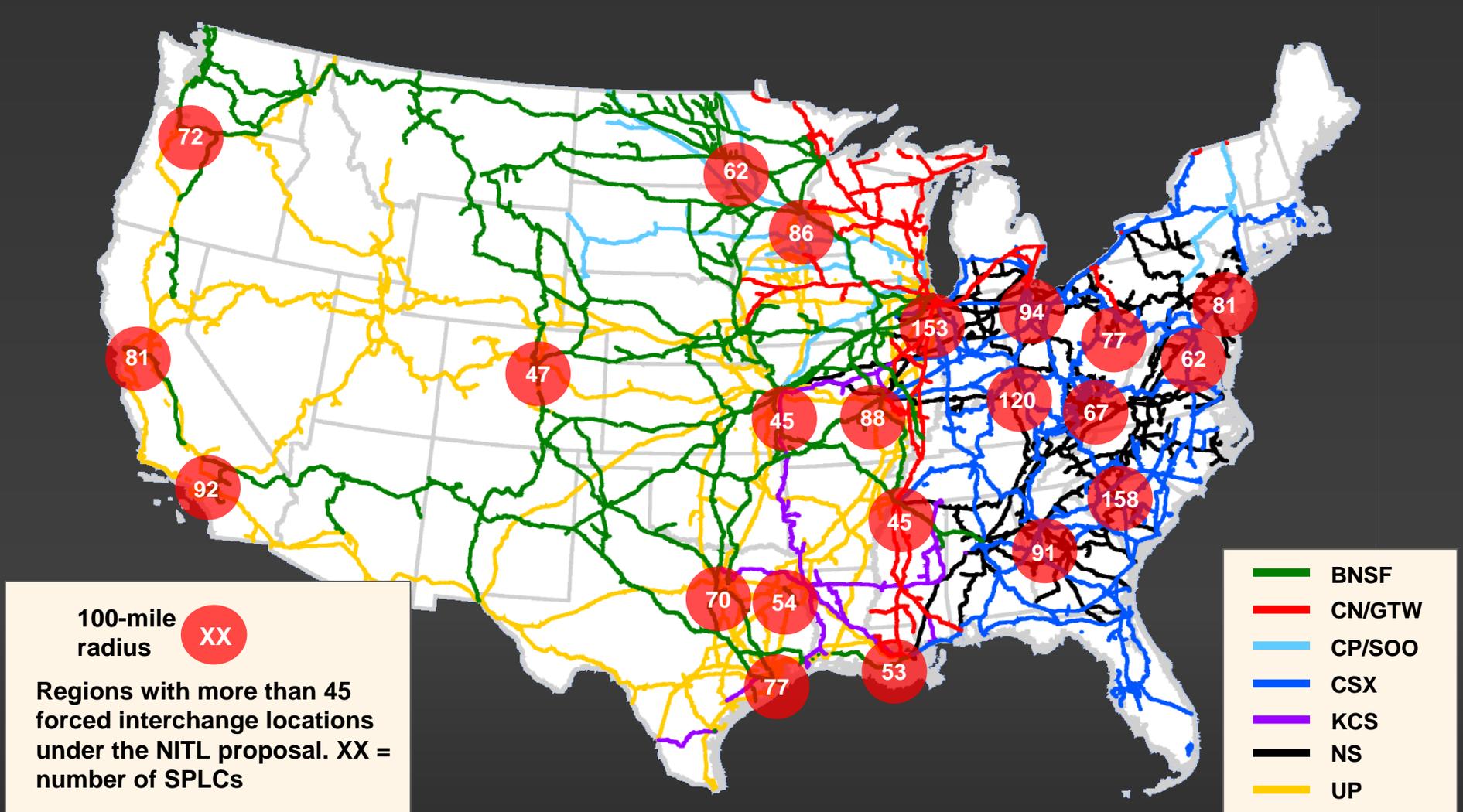
Source: Transport Canada.

Exhibit 2: U.S. Rail Network



*Non-primary Class I rail lines, as well as regional and shortline rail lines.
Source: Association of American Railroads.

Exhibit 3: U.S. Class I Rail Network with Major Forced Access Regions Under the NITL Proposal



Source: William J. Rennie Testimony, Exhibit 7.

Exhibit 4: NITL Assertions for U.S. and Canadian Switching, 2007

	Total Switching Locations	Total Non-Intermodal Carloads	Carloads Switched
US/Canada	22/1	6/1	1/2.3
United States	1,500	19,094,000	120,000 <i>(NITL projected)</i>
Canada	67	3,095,000	279,900 <i>(actual)</i>

Source: NITL Opening Submission, op. cit., pp. 60-61. 2007 data used, as this is the basis of NITL's calculations. Numbers may not add due to rounding. The NITL projected impacted carloads for BNSF, CSX, NS, and UP only.

Exhibit 5: NITL Assumption of U.S. Carload Switching

	Assumed US Carload Impact
NITL Original Assumption	120,000
NITL Assumption W/ Corrected Total Carloads	1,726,700
Magnitude of Under-Statement	14x

Source: [Cite and refer to Exhibit V-4].

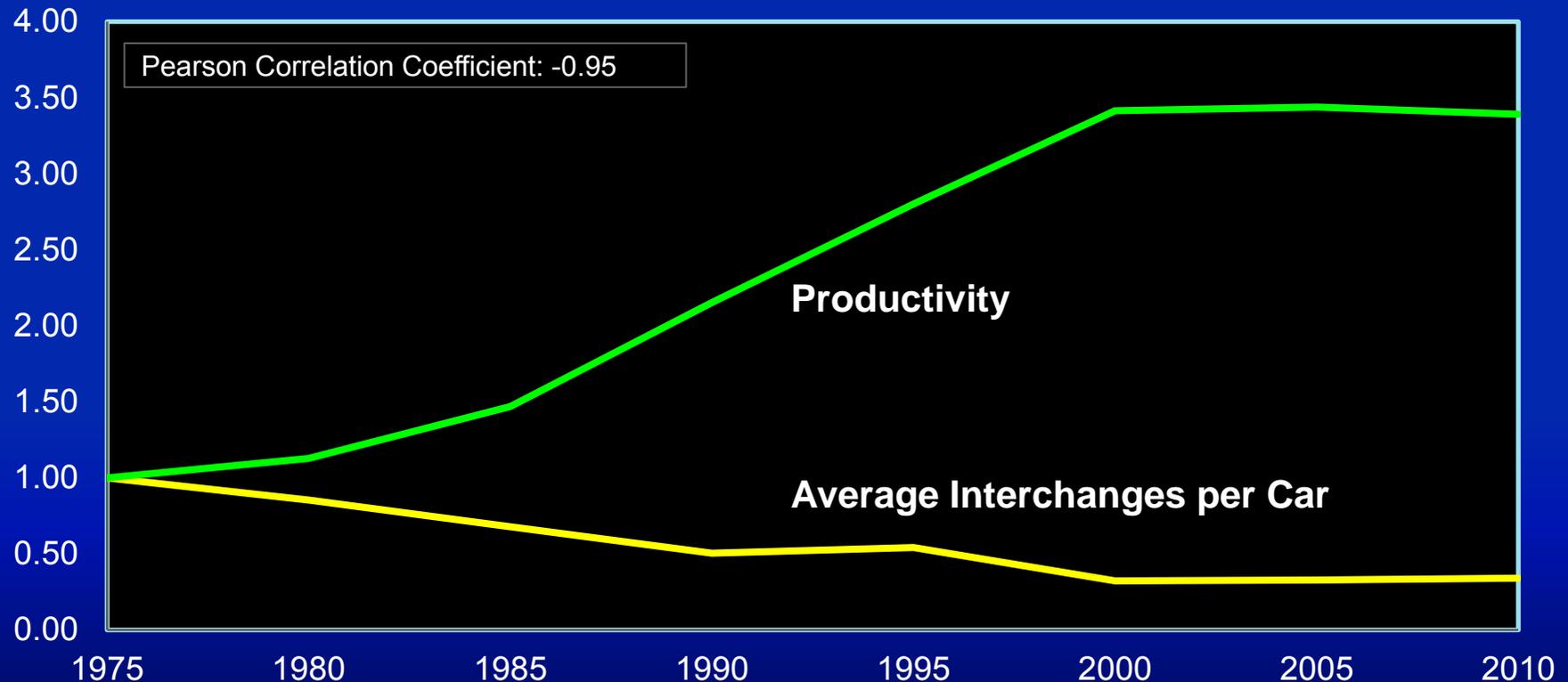
Testimony of William J. Rennie: Exhibits

March 25, 2014

**Before the Surface Transportation Board
In the Matter of Ex Parte No. 711,
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Competitive Switching Rules**

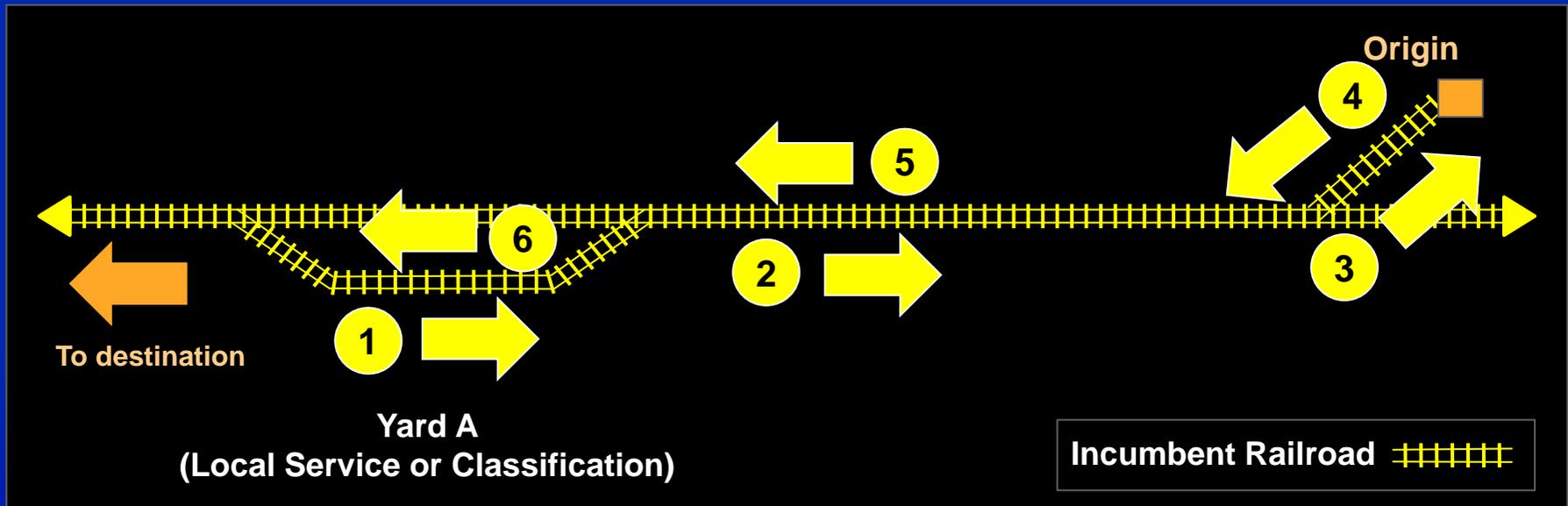
Exhibit 1: Indexed Average Interchanges per Railcar vs. Productivity, 1975-2010

Productivity = revenue ton-miles/\$ of inflation-adjusted operating expense



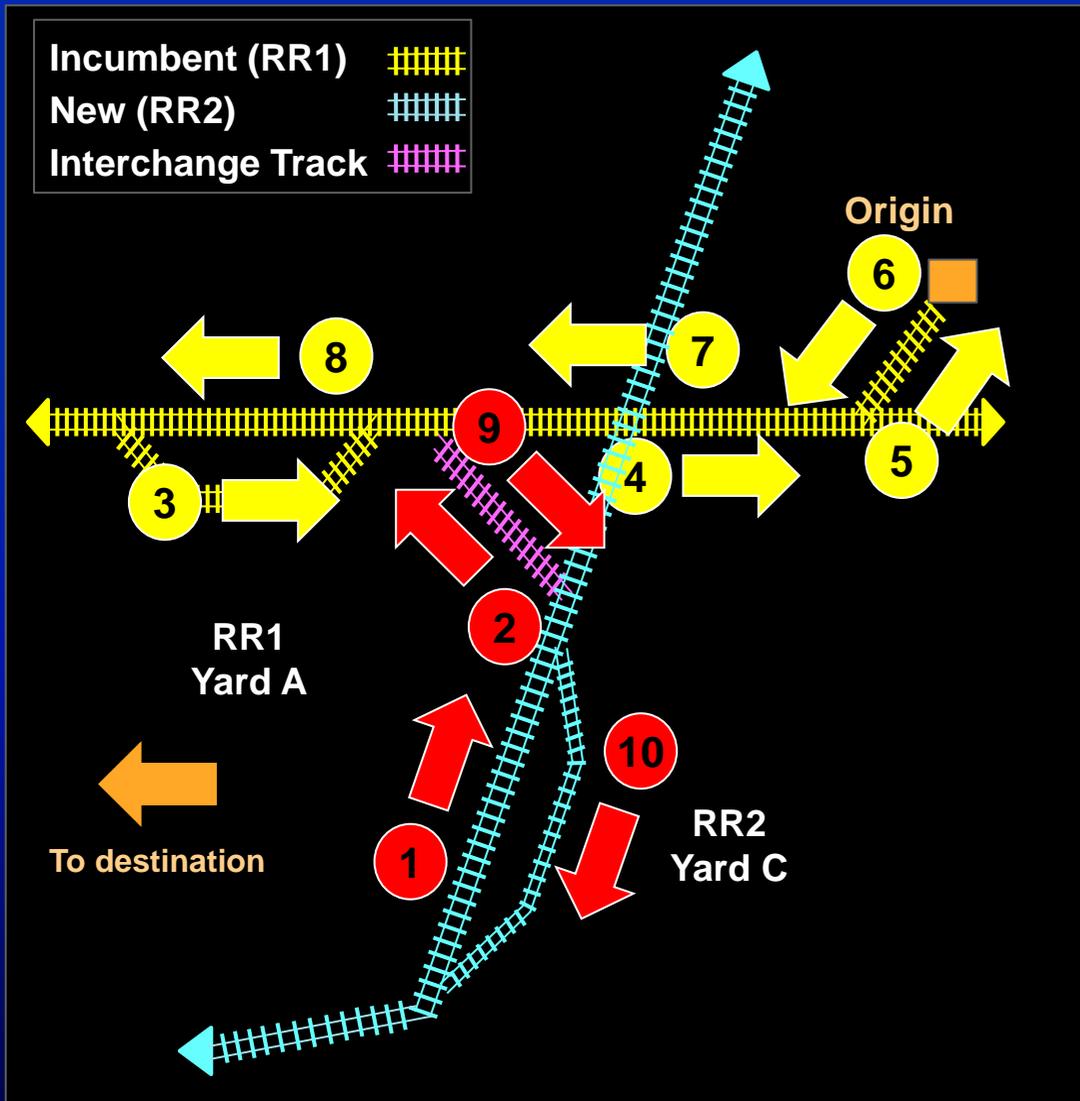
Source: Rail Fact Book, 2012 edition, Association of American Railroads, pp. 14 and 27 (opex and RTM); Association of American Railroads email (avg. interchanges); <ftp://ftp.bls.gov/pub/special.requests/cpi/cpiat.txt> (CPI); Oliver Wyman analysis. The correlation coefficient was generated from actual values, not indexed values

Exhibit 2: Single-Line Car Origination



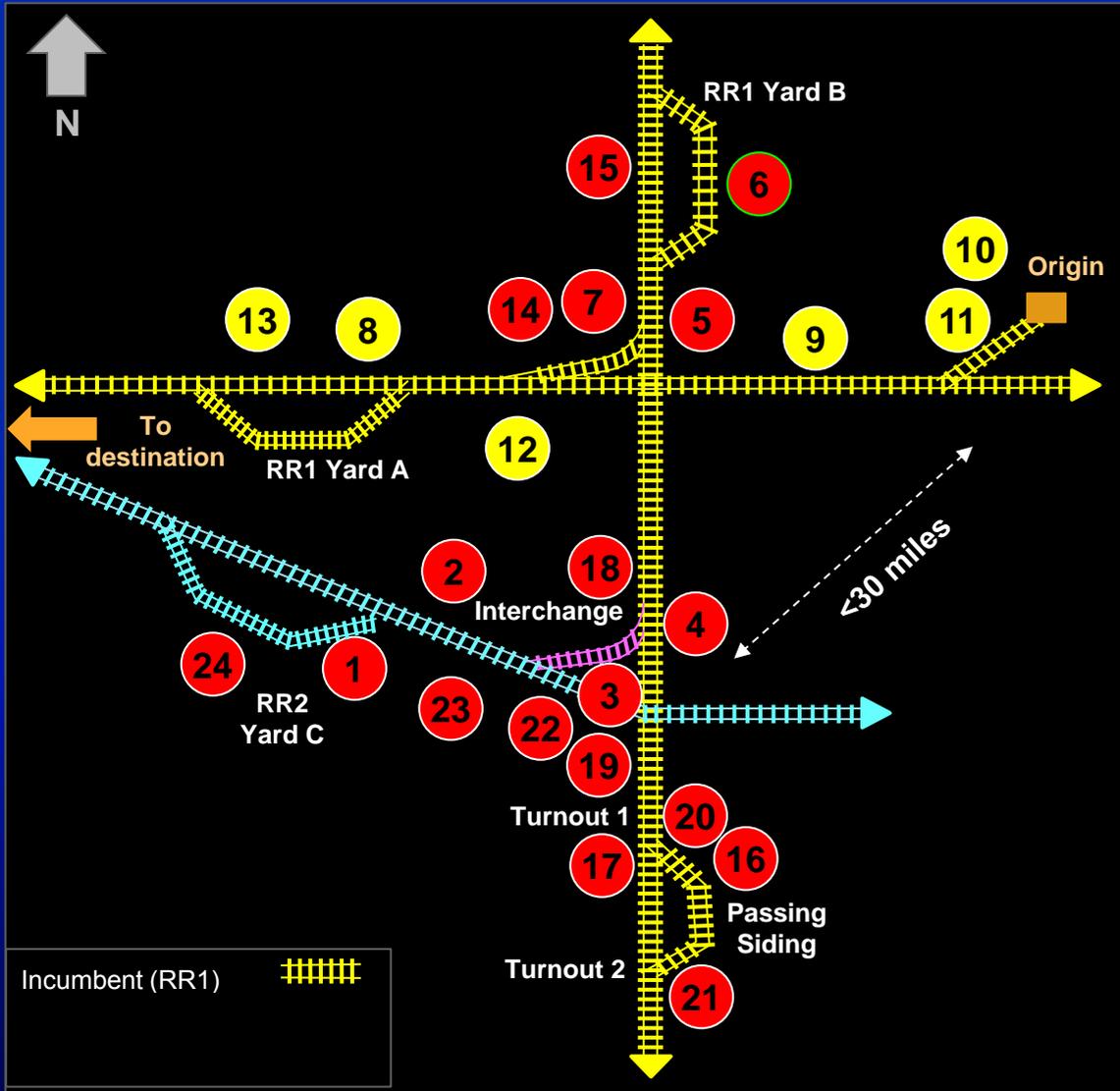
Step	Description
1	Yard switch to move empty car to way train
2	Way train moves empty car to Consignor
3	Industry switch to spot empty car at Consignor for loading
4	Industry switch to retrieve loaded car from Consignor
5	Way train moves loaded car to yard
6	Yard switch of loaded car to outbound road train

Exhibit 3: Several Additional Car Handlings Are Required for Even the Simplest Forced Switch



Step	Description
1	Yard switch Yard to move empty car to interchange train at Yard C
2	Interchange train moves empty car from Yard C to Yard A
3	Yard switch to move empty car to way train at Yard A
4	Way train moves empty car to Consignor
5	Industry switch to spot empty car at Consignor for loading
6	Industry switch to retrieve loaded car from Consignor
7	Local service way train moves loaded car to Yard A
8	Yard switch to move loaded car to interchange block at Yard A
9	Interchange train moves loaded car from Yard A to Yard C
10	Yard switch to move loaded car to outbound road train at Yard C

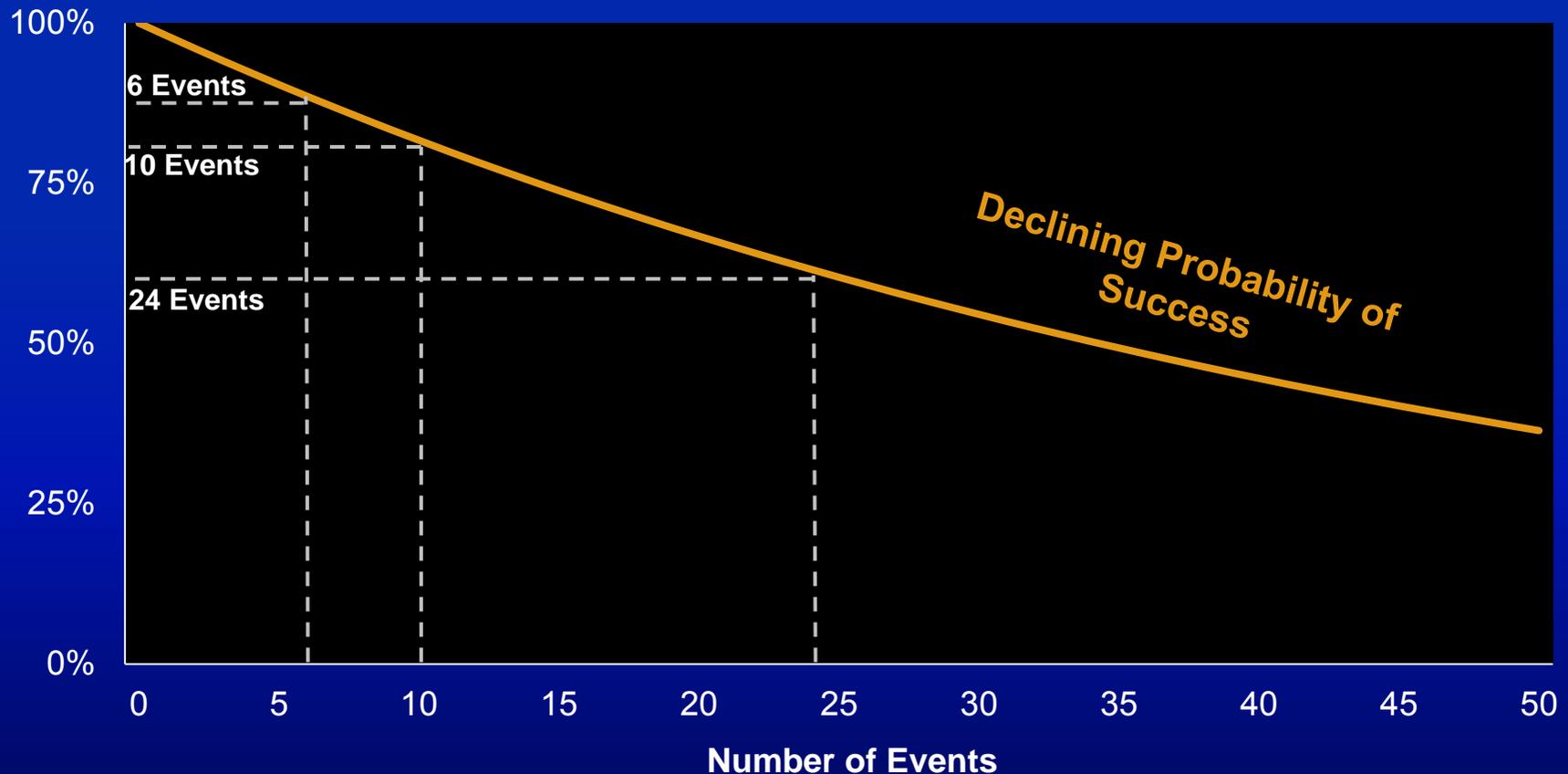
Exhibit 4: Many Forced Switches Will be Much More Complex



Step	Description
1	Yard switch to move empty car to way train at Yard C
2	Way train moves empty car to interchange track
3	Interchange switch to spot empty car on interch. track
4	Interchange switch to retrieve empty car from interchange track
5	Way train moves empty car to Yard B
6	Yard switch to move empty car to way train serving Yard A
7	Way train moves empty car via Connection to Yard A
8	Yard switch to move empty car to way train serving Consignor
9	Way train moves empty car to Consignor
10	Industry switch to place empty car into Consignor's siding
11	Industry switch to retrieve loaded car from Consignor's siding
12	Way train moves loaded car to Yard A
13	Yard switch to move loaded car to way train serving Yard B
14	Way train moves loaded car to Yard B
15	Yard switch to move loaded car to way train serving interchange
16	Way train moves loaded car to passing siding
17	Way train locomotive runs around train and couples to the end of the train
18	Way train moves to clearance point beyond interchange
19	Interchange switch to spot loaded car on interch. track
20	Way train backs to passing siding
21	Way train locomotive runs around way train, couples to front and proceeds
22	Interchange switch to retrieve loaded car from interchange track
23	Way train moves loaded car to Yard C
24	Yard switch to move loaded car into outbound road train

Exhibit 5: The Probability of Successfully Executing a Trip Plan Decreases as the Number of Switch Events Increases

If probability of each individual event being successful = 98%



Note: A 98 percent probability of performing each individual switching event according to plan is above levels normally experienced by the Class I railroads. The probability of meeting a trip plan is equal to the probability of performing each individual switching event according to plan, raised to the power of the number of switching events.
Source: Oliver Wyman analysis.

Exhibit 6: Post-Staggers Improvements vs. Service Impacts of the NITL Proposal

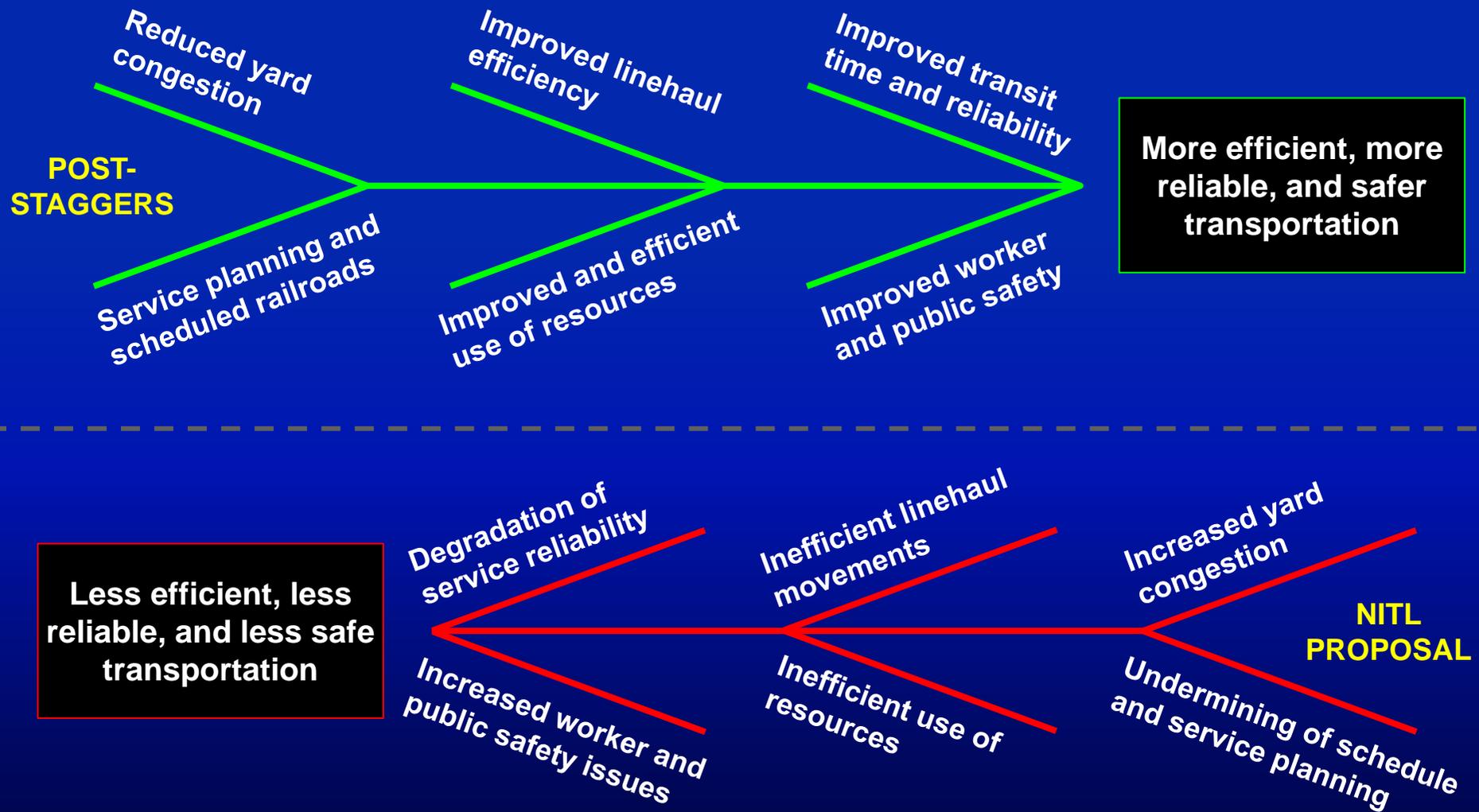
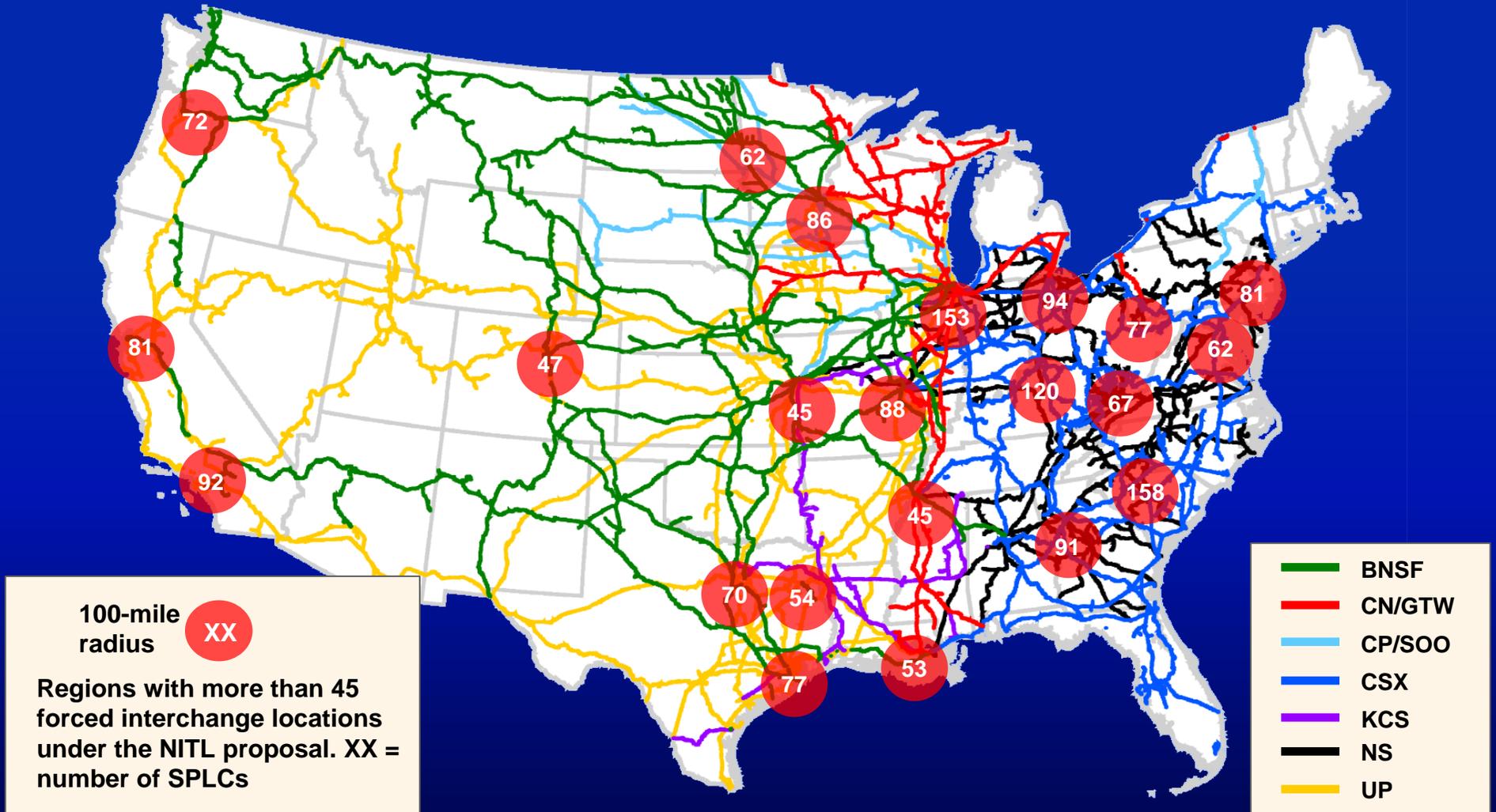


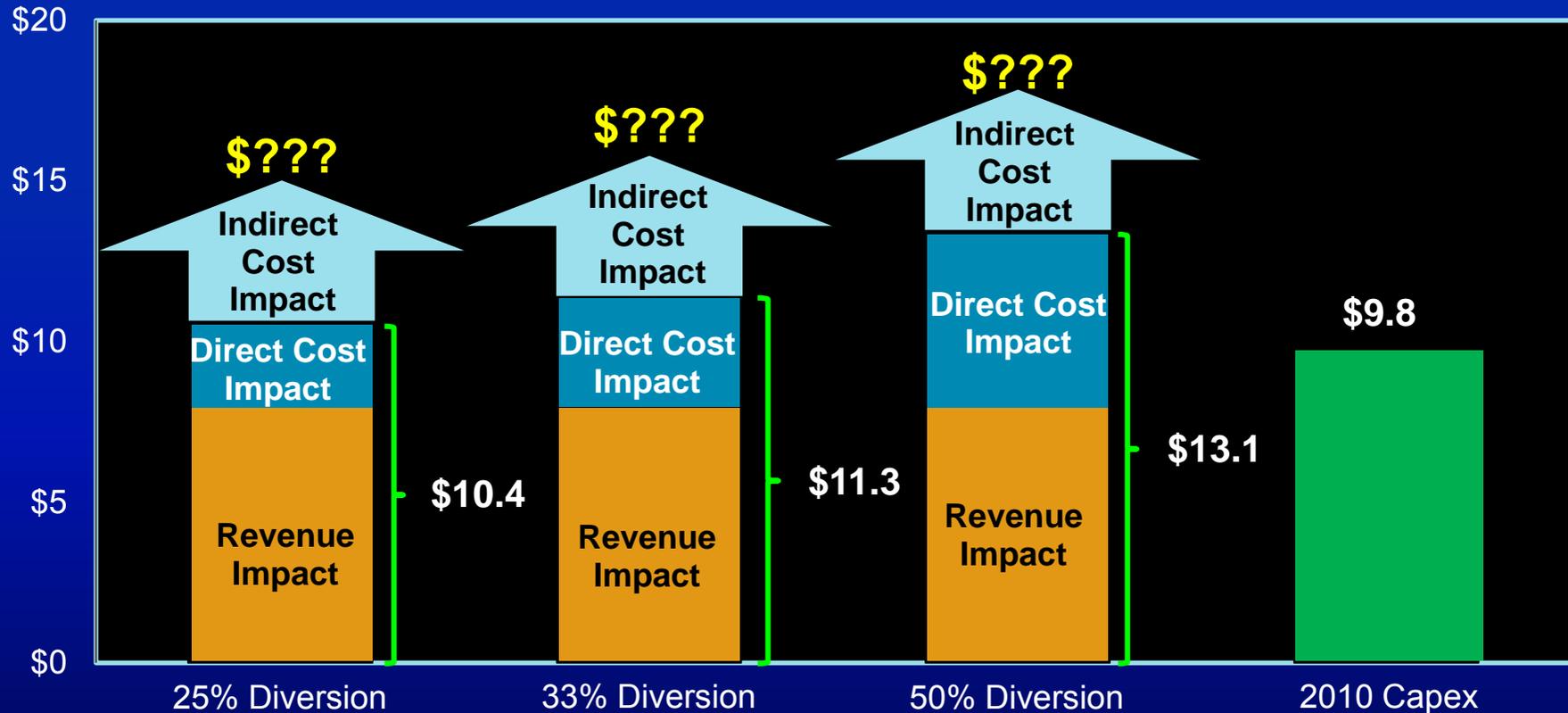
Exhibit 7: U.S. Class I Rail Network with Major Forced Access Regions Under the NITL Proposal



Source: Data: Rennie Verified Statement, op. cit., p. 97. Map: Source: U.S. Department of Transportation, Bureau of Transportation Statistics, *National Transportation Atlas Database 2011*.

Exhibit 8: Potential Impacts of Mandated Switching Due to Revenue Loss and Increased Direct and Indirect Costs

\$ billions

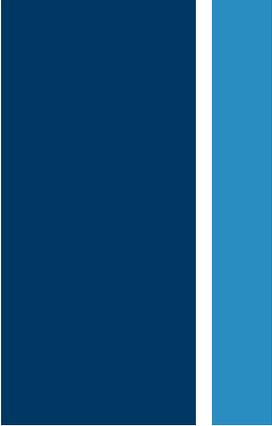


Source: Revenue impacts based on Oliver Wyman analysis of the NITL and FTI data contained in the EP 711 filing, Uses the FTI projection of 7.5 million impacted carloads. March 1, 2013. 2010 capex is from Railroad Facts, 2011 edition, op. cit., p. 44.

Association of American Railroads

AAR's Key Points

- Vague and incomplete proposal
- Adverse effect on freight and passenger service
- Undermine future capacity investment
- No public benefits
- Canadian experience is irrelevant
- This proceeding should be terminated

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Ex Parte 711 Public Hearing Charts for Michael R. Baranowski

Figure 1: Carload Estimates Developed from Non-Revenue and Revenue Screens

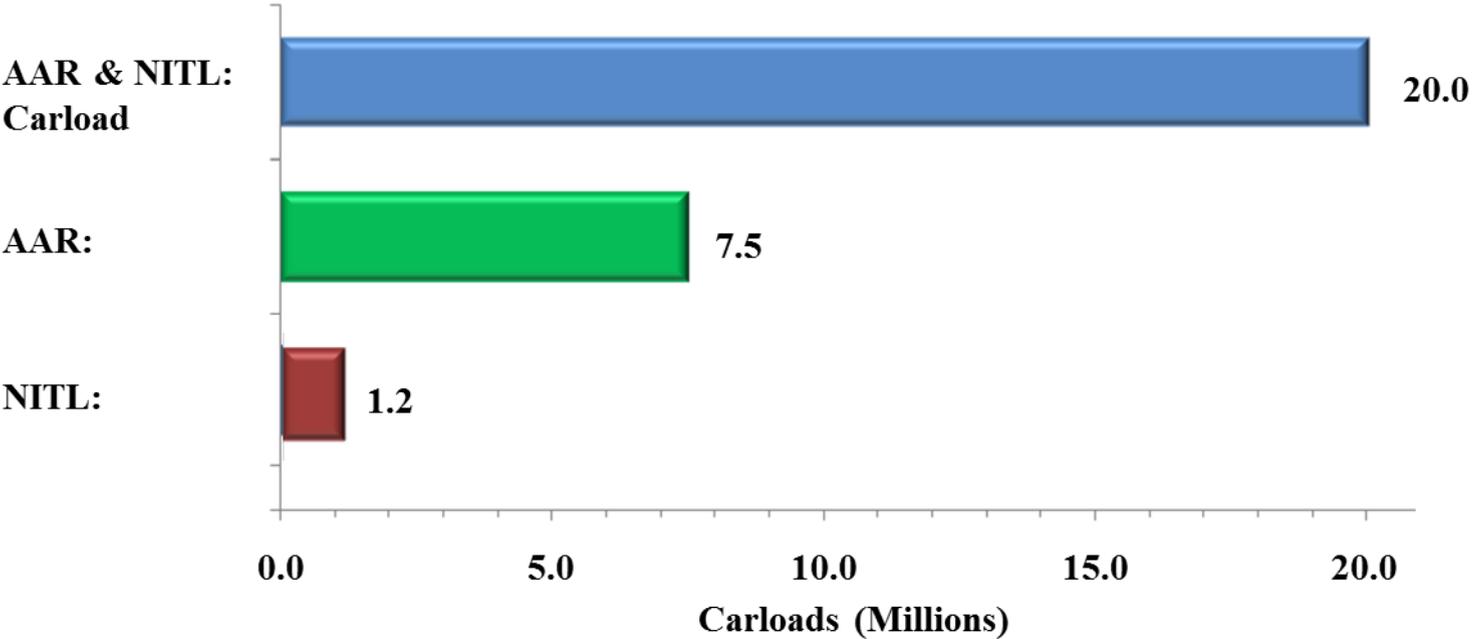


Figure 2: Carload Estimates Developed from Non-Revenue and Revenue Screens

