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December 23, 2015

Ms. Cynthia T. Brown  
Chief, Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423

Re: EP 724 (Sub-No. 4), *United States Rail Service Issues – Performance Data Reporting*

Dear Ms. Brown:

Norfolk Southern submits this letter in response to the decision served in the above docketed proceeding on December 16, 2015, to comment on the summaries of meetings held by parties with Board staff between November 19, 2015 and December 7, 2015.

In response to the Summary of Ex Parte Meeting between the Freight Rail Customer Alliance (FCRA) and Board Staff held December 3, 2015, Norfolk Southern notes that Board staff asked how FCRA members correct for differences between railroad performance and plan data when the customer nominates trains for a period and subsequently reduces its nomination. FCRA explained to Board Staff that it would have to check how far off their forecasted needs tend to be, but noted that FCRA members rarely decrease their nominations because they can store coal in their stockpiles. Norfolk Southern points out that this assertion is patently false. Coal shippers frequently cancel permit requests and reduce coal nominations, and these practices have a significant effect on differences between railroad performance and plan data. Further, Norfolk Southern notes that FCRA's primary concern appears to center around the size of their members' coal stockpiles. In Norfolk Southern's view, rail transportation service plays a minor

role in the size of any coal stockpile as compared to the general demand for coal and the rate at which coal is produced, ordered and consumed, making stockpile size a poor proxy for determining the quality of railroad service.

In response to the Summary of Ex Parte Meeting between BASF Corporation (BASF) and Board Staff held December 1, 2015, Norfolk Southern notes that BASF appears to be focused on obtaining granulized information related to manifest rail shipments. As Norfolk Southern stated in its opening comments in this proceeding, and reiterated in its reply comments, Norfolk Southern objects to the call for micro-level reporting requirements because they impose significant burdens on rail carriers without offsetting benefits to any rail shippers. BASF appears to have expressly embraced this paradox in its meeting with Board staff, acknowledging that it does not even intend to use much of the information it seeks, but instead is interested in increasing the reporting burden on railroads in order to increase “transparency and accountability.” Norfolk Southern believes that it would be inappropriate for the Board to require railroads to spend precious time and resources gathering and reporting data that shippers do not even intend to use, merely as a means of making this unused data more “transparent” and making the railroads more “accountable” for micro-level statistics that are just as likely to be caused by changes in the general demand for the reported commodity, shifts in sourcing or faulty shipper forecasts. Even BASF appears to have acknowledged that it is better to have “fewer metrics measured, in a consistent fashion, than more metrics measured inconsistently.” With this, at least, Norfolk Southern agrees.

Summary of Ex Parte Meeting between Highroad Consulting, Ltd. (HRC) and STB Staff, held on November 30, 2015, notes that HRC expressed as general principles that they “did not want to propose metrics that would be unreasonable for the railroads to report” and that “data reported to the Board would be more helpful if it was standardized across railroads.” At the same time, HRC proposes adding a reporting requirement for “missed switches,” which would be burdensome to report and nearly impossible to standardize among various railroads. Norfolk Southern supports HRC’s general principles and notes that its specific requests are inconsistent with those principles.

In Summary of Ex Parte Meeting between the National Grain and Feed Association (NGFA) and Board Staff, held on November 24, 2015, NGFA “stressed an overarching theme as to the importance of train velocity.” And in Summary of Ex Parte Meeting between United States Department of Agriculture (USDA) Staff and Board Staff, held on December 2, 2015, USDA indicated that “the most important metric is carloadings by commodity by railroad.” Norfolk Southern lauds NGFA’s and USDA’s focus on statistics designed to monitor overall rail network fluidity. These system-wide metrics provide the most value and are a better approach

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than burdening the railroads and confusing rail service stakeholders by requiring the railroads to report data that are difficult to standardize and have marginal utility and minimal predictive value.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'James A. Hixon', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke extending to the right.

James A. Hixon

John M. Scheib

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*Counsel to Norfolk Southern Railway Co.*