

## SURFACE TRANSPORTATION BOARD

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

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## UNITED STATES RAIL SERVICE ISSUES—PERFORMANCE DATA REPORTING

Summary of Ex Parte Meeting between BASF Corporation (BASF) and  
Surface Transportation Board (STB) StaffHeld December 1, 2015, 3:00 PM – 3:50 PM, via telephoneBASF Participants: David Eggermann, Lynn Kuney, Stephanie O'DonnellSTB Participants: Michael Higgins, Stephanie Lyons, Ronald Molteni, Lisa Novins, Nderim Rudi, Jason Wolfe

BASF explained that its presentation would address various items in the Board's Notice of Proposed Rulemaking (NPR) in this proceeding.

BASF began with Request No. 1 in the NPR, noting that most categories in this request typically move in unit trains and that additional breakdowns in the "Manifest" category (including a chemical grouping) would be useful. Request No. 7 of the NPR breaks down into barley, corn, and oats. BASF suggested that the same could be done for various commodities in a manifest train. STB Staff asked BASF to elaborate on what metric could be used to achieve this, such as tank car miles per day, or train speed. BASF responded that it could be difficult to break out train speed in a manifest train but suggested that average train speeds by geographic region could be useful. BASF then suggested that the easiest way to report this data might be by Standard Transportation Commodity Code, as that leads to a car number, which leads to a train, which has an average train speed per day. BASF noted that all of its waybills are submitted electronically to the railroads, making it easier to track this information.

BASF next addressed Request No. 2, regarding weekly average terminal dwell time for a carrier's 10 largest terminals. BASF emphasized that this geographic measurement is critical and said it is used to alter BASF's production and movement. BASF suggested that resources, such as crews, engines, and end of train devices, should also be measured and reported in relation to terminals. Over time, this reporting could allow for a more transparent cause and effect analysis of changes in terminal dwell. For example, if dwell times increased and crews decreased, one might see a cause and effect correlation between those two metrics.

STB Staff asked how measuring resources helps BASF's business. BASF recognized that the information may not be used specifically for its operations, but emphasized that the reporting increases carrier transparency and accountability. BASF indicated that the data would be helpful to assess whether there was a short-term problem, such as locomotives out of position, or a long-term problem, such as crew shortages. BASF added that, in addition to weekly reporting, it would be ideal to have trends reported, perhaps over a 12-month period, to further increase transparency and accountability. BASF later suggested that the Board consider imposing

additional reporting requirements should the resource metrics show a drop in performance beyond a certain threshold.

BASF next addressed Request No. 4 in the NPR, regarding weekly average dwell times at origin or interchange for loaded trains. BASF requested that manifest trains be added to that category. BASF similarly requested that manifest trains be added to Request No. 5, regarding the number of loaded and empty trains held short of destination for more than six hours. BASF asserted that the “Other” category should require greater detail and cited an example where one railroad placed 187 out of 273 trains in the “Other” category without further explanation. This fails to provide meaningful data.

BASF next requested that manifest trains be added to Request No. 6 in the NPR, concerning cars held for 48 hours, and up to more than 120 hours. BASF commented that it would be useful to further break down categories to include a chemical category. BASF again recognized that it could be difficult to break down a manifest train by commodity, but said there would be value in doing so. BASF commented that five days was a long time for a train to be held; while 48 hours was a reasonable time. STB Staff clarified that the current metric addresses a delay over 48 hours, up to five days; anything held more than five days is reported separately. BASF generally agreed that this metric provided the information needed.

BASF next discussed the NPR’s infrastructure project data request. Although some carriers objected to this requirement, BASF viewed quarterly reporting as reasonable and not onerous. It is valuable for BASF’s planning to know where infrastructure projects are taking place.

STB Staff asked whether the public reporting available on Class I carriers’ websites, such as on-time performance and locomotive miles per day, are valuable metrics and ones that the Board should consider requiring. BASF responded that it is difficult to find data across numerous websites and that the railroads likely measure performance in different ways. BASF would rather see fewer metrics measured, in a consistent fashion, than more metrics measured inconsistently. BASF also noted that there is value in uniform data reported by the carriers, rather than searching different carriers’ websites. STB Staff pointed out that the Board recently published a consolidated data spreadsheet on its website showing the service performance data reported for all of the carriers currently reporting data pursuant to the Board’s order in Docket No. EP 724 (Sub-No. 3).

BASF explained that it uses the data to understand trends and conditions across the network, and for informing rate negotiations. They do not use the data on a daily basis, but more generally to assess how the market is moving. BASF relies on a third-party data collector who “breaks the data up.” There would be an incentive for BASF to utilize the data if it were more uniform. It is under increasing pressure to offer reliable service, and rail is an area where it lacks the ability to get the data it needs to offer reliable service. If BASF cannot offer reliable service, customers will choose other providers. Data reporting is an important way to help support the industry.

In closing, BASF explained that, in many cases, it does not receive timely communication from the railroads, and that creates problems. For example, if a railroad plans to abandon a particular

lane, the railroads often do not communicate that in advance of the embargo, which means BASF is unable to timely plan movements around the embargo. BASF explained that it would benefit from more proactive communication from the railroads concerning certain issues such as embargoes, because information from the railroads impacts the way BASF runs its business. A lack of up-to-date information can create conflict both with customers and internally. In that vein, BASF stated that if there could be qualitative measures added to the reporting requirements addressing these topics; all shippers would benefit from it.