

SURFACE TRANSPORTATION BOARD

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

UNITED STATES RAIL SERVICE ISSUES—PERFORMANCE DATA REPORTING

Summary of Ex Parte Meeting between the National Grain and Feed Association (NGFA) and
Surface Transportation Board (STB) StaffHeld November 24, 2015, 2:00 PM – 3:10 PM

NGFA Attendees: Randall Gordon (President), Kevin Thompson (Cargill, Chair of NGFA's Rail Shipper/Receiver Committee), Thomas Wilcox (GKG Law, P.C.)

STB Attendees: Katherine Bourdon, Michael Higgins, Ronald Molteni, Lisa Novins, Nderim Rudi, Jason Wolfe

NGFA explained that it is a trade association representing grain elevators, processors, handlers, shippers, and receivers of grain products. NGFA is not a farm organization per se, but represents many farmer-owned cooperatives. NGFA emphasized that the recommendations outlined in its original filings stand and provided a handout (Ex. 1.) which synthesized those comments. The information set forth in its handout and this discussion were intended to highlight crucially important elements.

Overall, NGFA supports the Board's proposal. It stated that there must be a focus on consistency and granularity in the reporting; the metrics will be very important for the long term. NGFA's members use the data in different ways. For example, some use third-party providers to transform the data into more workable formats, while others input the data into databases to compile it long-term. A benefit of the data over the long-term will be to help identify trends during periods when service is consistent versus periods when there may be rail service issues. NGFA hopes that the data will reveal what events cause changes in rail performance and which commodities are affected by which events. NGFA also hopes that data reported in a timely, consistent, standardized, and sufficiently granular format will help achieve basic transparency. (Ex. 1, at 1.) The Class I railroads vary in their communications with customers. A standardized set of metrics will help in times of poor performance. It will allow shippers to make important logistical decisions and adapt their business plans when necessary.

NGFA suggested several global improvements to the Board's data collection: consistent formatting, a more user-friendly and accessible website, and standardized spreadsheets for entry of railroad data. (Ex. 1, at 2.) It would also like to see granular data by business type encompassing significant business segments such as grain, oilseeds, grain-derived products, ethanol, fertilizer, coal, chemicals, crude oil, intermodal, and automotive. NGFA then suggested that the traffic moving to or from Canada be broken down by Canadian and U.S. service.

NGFA next discussed the possibility of better defining unit trains; some railroads classify a unit train as 110 or more railcars and others as 75 or 80 railcars or more, based on tariff rules. (See

Ex. 1, at 2.) STB Staff noted that the railroads in this proceeding suggested that the rules should allow them to use their own definitions for purposes of identifying unit trains. NGFA responded that the railroads could define unit trains at the outset using a metric such as minimum car count. NGFA noted the importance to its members of separating unit trains and manifest shipments in the reporting.

Next, NGFA highlighted several recommendations as being key priorities. (Ex. 1, at 3.) NGFA would like longer term metrics on loadings and movements of specific trains by commodity. This would address concerns such as those raised anecdotally during 2013-14 that railroads were according priority to certain traffic groups. NGFA also discussed the possibility of reporting by corridor. STB Staff questioned how best to determine which corridors to include and asked whether it would be acceptable to have the carriers identify the corridors. NGFA responded that it would be fairly easy for the railroads to define corridors with industry input. It added that this requirement might be different for the eastern and western carriers, and noted that at least one Class I railroad reports weekly trip times by corridor on its website, which has been very helpful to NGFA members for planning purposes.

STB Staff then asked whether there is overlap between NGFA's proposed modification of Request No. 9 in the Board's December 30, 2014 Notice of Proposed Rulemaking in this proceeding (NPR) and Request No. 7 in the NPR (which includes no changes from the current Request No. 7 in the October 2014 interim data order in Docket No. EP 724 (Sub-No. 3)). Upon review, NGFA noted that there could be some overlap between the metrics. However, NGFA further advised that Request No. 9 should be broken down further to include additional commodities such as soybeans, other oilseeds, oilseed meal, vegetable oil, and fertilizer. Similarly, for Request No. 7, NGFA suggested that weekly total number of grain cars loaded and billed reported by state should be modified to include additional agricultural commodities and the type of car utilized. It stated that it would more fully elaborate in written comments.

On Request No. 1 in the NPR, NGFA recommended that the Board break out system average train speeds by business unit and by subcategories within the grain unit category. (See Ex. 1, at 3.) STB Staff asked if NGFA could provide a sense of the percent of their customers' vegetable oil, oilseed, and other traffic that moves in unit train as opposed to manifest service. NGFA responded that soybeans largely move in unit trains, although it changes with the time of the year; the other products vary between single-car service and unit trains.

With regard to Request No. 4 in the NPR, NGFA recommended more delineation, including the addition of manifest traffic and other business segments, such as oilseed meal, oilseeds, and fertilizer. It then explained that transit times do not necessarily capture delay at destination if a railroad considers a shipment to be delivered when it reaches a local serving yard. Prior to being delivered to an actual facility, cars may spend additional time in a local yard. NGFA suggested that a destination dwell time metric could be derived from "industry spot and pull reports." STB Staff noted that this might generate a significant amount of data. NGFA responded that this issue is important to shippers, as origin and destination data is not complete without showing delays between the serving yard and the final destination.

NGFA next suggested that the Board include additional detail on cars ordered for Request No. 8 in the NPR and examine ways to provide a standardized approach for reporting this information. STB Staff noted that several railroads commented on having disparate car-ordering systems in their agricultural business and requested input from NGFA for other possible approaches to acquiring information on car order fulfillment.

NGFA also recommended that reporting of weekly average terminal dwell time be broken down by business-segment traffic categories, and that weekly number of grain cars loaded and billed be further delineated by car type.

In response to STB Staff questions about NGFA's requests for more granular data, NGFA stressed an overarching theme as to the importance of train velocity. NGFA members want to understand railroad velocity in order to properly plan for changes in rail service. They also want to understand what is changing throughout the fleets. The granular level of detail and transparency are necessary for that type of analysis. NGFA also noted the importance of reporting on the Chicago area.



Rail Service Performance Reporting Metrics – Perspectives of National Grain and Feed Association (NGFA)

**Presented to Surface Transportation Board Staff
November 24, 2015**

Bottom Line Takeaway:

- NGFA strongly supports STB's proposal to make permanent the weekly reporting of rail service performance data by Class I rail carriers and carriers interchanging freight in Chicago.

Benefits of Mandatory Rail Service Performance Reporting:

- Continuity of rail service data reported in a timely, consistent, standardized and sufficiently granular format provides the necessary baseline data that rail customers, the STB and others can use to compare service performance trends across time. There is no way to accomplish this core objective of basic transparency without having such data being collected, compiled and reported on a regular basis. Grain and processing companies are reviewing and utilizing existing reports to develop a database by which future service trends can be measured.
- Rail service metrics provide an early alert to both shippers and government of impending service disruptions before they reach crisis proportions; and gives shippers and receivers advance warning to make alternative logistics plans to mitigate business harm and economic loss if and when future disruptions occur.
- Rectifies different levels of service reporting among carriers to their customers.
- Most of the data being requested already are maintained by rail carriers.

Data Needs of Rail Customers – Macro Observations:

- Need standardized, consistent, user-friendly format for data reporting to allow comparisons between carriers and between different time periods (*e.g., NGFA’s proposal to use excel spreadsheets with columns of standardized information; bar graphs or other standardized graphic formats, etc.*).
- For comparison purposes, reported data needs to be sufficiently granular by business type to encompass significant business segments served by rail (including grains, oilseeds and grain-derived products), coal, chemicals, crude oil, intermodal, automotive and other relevant categories of traffic.
- Need to improve the STB website to make it much more user friendly to make the required rail service performance data easily accessible. We believe it should be available through a portal on the STB website home page. The arcane, complicated and difficult-to-navigate nature of the Agency’s current website continues to be a significant source of frustration for rail customers.
- Require the Canadian National and Canadian Pacific Railways to delineate separately the service performance data associated with their U.S. and Canadian operations to provide a truer indicator of the service being provided in both countries.
- Definition of Unit Train Shipments: As noted in its Reply Comments in this proceeding, the NGFA believes the definition of unit trains to distinguish such traffic from manifest traffic should be revised. NGFA suggests that consideration be given to defining manifest trains as those containing less than 80 to 90 cars, versus the Board’s proposed unit train definition as meaning any train comprised of 50 or more cars.

Major Rail Service Performance Metrics for Grain, Feed, Processing, Export Sector:

While the NGFA believes a good argument can be made that each of the rail service performance data elements cited in the STB’s proposal and NGFA’s recommendations in its original and Reply Comments are important and have utility and relevance for rail customers, we want to use this opportunity to highlight several that we believe are absolutely critical and indispensable:

- **§1250.3(a)(9):** Require reporting of weekly unit train loadings or car loadings, but not just for coal or for coal-production region (as proposed by the STB). Rather,

the NGFA urges that this reporting should be expanded to include service data for grains, oilseeds and other business traffic categories that ship commodities or products by unit train, and not be limited to coal. Instead, 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.

- **§1250.3(a)(1):** Require reporting of system-average train speeds, broken down by business segment traffic categories proposed by the Board (“intermodal,” “grain unit,” “coal unit,” “automotive unit,” “crude oil unit,” “ethanol unit,” “manifest” and “all other”). Further, within the “grain unit” category, the NGFA continues to recommend that reporting subcategories be added for “soybeans,” “other oilseeds,” “oilseed meal,” “vegetable oil,” and “fertilizer.”
- **§1250.3(a)(4):** Require reporting of 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.” However, we recommend that additional business segment categories, such as “oilseeds,” “oilseed meal,” and “fertilizer,” should be added, as should “manifest” traffic. Further, we continue to recommend that “destination dwell time” post-billing 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, we continue to recommend that Class I rail carriers report data delineated by business segments that are contained in their existing “Industry Spot and Pull (ISP) Reports,” which would provide a better indicator of service actually being provided at the local facility level. These reports are particularly important to smaller single-car and manifest train shippers.
- **§1250.3(a)(8):** Require reporting of 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 above. Further, given different practices now used by rail carriers to determine how and when car orders are deemed to have been “received,” the NGFA recommends that the STB 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 agency also should require rail carriers to report whether the railroad placed or pulled the cars that were ordered or canceled. This would help capture instances in which railroads spot more cars at a facility than requested, which affects facility efficiency and traffic congestion.

- **§1250.3(a)(2):** Require reporting of weekly average terminal dwell time, as proposed by the Board. The NGFA further recommends requiring such dwell times be reported by business-segment traffic categories [e.g., “intermodal,” “grain unit,” (expanded to include “oilseeds,” “oilseed meal,” “vegetable oil” and “fertilizer.”); “coal unit”; “automotive unit”; “crude oil unit”; “ethanol unit”; “manifest”; and “all other.”]

- **§1250.3(a)(7):** Require reporting of 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. However, the NGFA recommends these data be delineated further 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.”

Conclusion:

The NGFA again appreciates the STB’s consideration of its views, and would be pleased to respond to any questions.