



KANSAS CITY SOUTHERN

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December 17, 2021

VIA E-FILING

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

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ENTERED
Office of Proceedings
December 17, 2021
Part of
Public Record

Re: STB Ex Parte No. 767, First-Mile/Last-Mile Service
Opening Comments of The Kansas City Southern Railway Company

Dear Ms. Brown:

In accordance with the decisions of the Surface Transportation Board served in the above-captioned matter on September 2 and September 21, 2021, enclosed are the Opening Comments of The Kansas City Southern Railway Company. If there are any questions concerning this filing, please contact me by telephone at 816-983-1387, or by e-mail at dreeves@kcsouthern.com.

Sincerely,

/s/ David C. Reeves

David C. Reeves

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Ex Parte No. 767

FIRST-MILE/LAST-MILE SERVICE

OPENING COMMENTS OF THE KANSAS CITY SOUTHERN RAILWAY COMPANY

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BEFORE THE
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STB Ex Parte No. 767

FIRST-MILE/LAST-MILE SERVICE

OPENING COMMENTS OF THE KANSAS CITY SOUTHERN RAILWAY COMPANY

The Kansas City Southern Railway Company (“KCS”) submits these comments in response to the Surface Transportation Board’s (“Board’s”) September 2, 2021 notice in this proceeding, as amended September 21, 2021 (together, the “Decision”), requesting comments on first-mile/last-mile (“FMLM”) service issues. The Decision requested information on topics including the current data tracked by carriers and the costs and benefits of any suggestions.

KCS hereby adopts and joins the comments being filed by the Association of American Railroads. KCS adds these further brief comments on several questions posed by the Board, and reserves the right to address these and other issues as necessary in the reply comment phase of this proceeding.

Summary

FMLM data is, by definition, location specific, and Board collection of such data on a systemwide basis – even where the data may exist - is necessarily much less useful than the systemwide metrics collected pursuant to Ex Parte 724 (Sub 5). Moreover, attempts to standardize and collect FMLM data risks freezing data collection and reporting in a fashion that is less responsive to customer needs than if data is allowed to evolve as needs change. Absent a strong showing of need for discrete types of data, KCS suggests that the Board not burden the industry with unnecessary production of data.

Discussion

KCS, the smallest of the Class 1 railroads, operates a railroad system of approximately 3,300 route miles in ten midwestern and southern states, including approximately 640 miles of trackage rights on other carriers. KCS served roughly 700 separate shipping/receiving locations on its network in 2020-2021, while other locations that were inactive in that timeframe have in the past, and may in the future, ship or receive freight. Roughly 80% of KCS's shipments are interline movements with other carriers.

KCS does not have a metric that focuses particularly on FMLM. The primary data tracked by KCS that relates to FMLM are AP/Pull% and trip plan compliance. AP/Pull% measures the number of cars that were scheduled to be spotted at or pulled from a customer facility in a given day as compared to the number that actually were spotted or pulled. Trip plan compliance is based on comparing the time between the opening event and final delivery for a car or container to the shipment's initial trip plan transit time based on KCS's transportation service plan. The trip plan takes into account cut-off times, the customer's days of service, total transit time for each train in the route and scheduled yard dwell time. In other words, each trip plan is highly individualized, and data about one customer's shipments has little relevance to another shipper. Moreover, because such a high percentage of KCS's traffic is interline and because some of KCS's most important routes utilize trackage rights on other carriers, shipper experience with moves handled by KCS is often affected by matters KCS does not fully control and cannot necessarily forecast.

AP/Pull% and trip plan compliance are the data that KCS currently tracks relevant to FMLM performance. However, KCS has found that shippers often calculate AP/Pull% differently than KCS does. Accordingly, KCS is looking at whether there is a better way to provide this information to meet customer needs.

One downside to any proposal to collect FMLM data is that doing so could freeze the data in a form that is not as useful to customers as it could be, and potentially not as accurate. For example, after the Board began collecting data in Ex Parte 724, KCS determined that some of the data the Board wanted was not the most accurate reflection of our operations, so we changed how those metrics are reported on the KCS website. See <https://www.kcsouthern.com/media/news/news-releases/kansas-city-southern-announces-revised-service-metrics-to-provide-a-more-complete-view-of-customer-service-and-operational-performance> . This has resulted, however, in KCS preparing one set of metrics for the Board and another – we think more useful – for our website. Any prescribed collection by the Board risks locking in a data methodology that may later be shown to be less than optimal or less useful, or risks railroads having to do extra work to satisfy the Board while satisfying their customers.

KCS believes that there are differences among Class 1's in how they provide data to customers. For example, KCS provides trip plan compliance data to its customers, as do other carriers. However, KCS believes that differences exist among carriers on measuring intermodal performance at the container level versus by the well car; defining 'on-time' as within a certain period of the actual delivery target; whether non-revenue units are counted, and measurement of non-scheduled unit trains. Any sort of standardization of trip plan compliance data collected by the Board would require different carriers to rework their information systems, without any obvious benefit, while creating confusion for their customers who are accustomed to how their serving carrier provides performance information.

Finally, KCS notes that it and other Class 1's have regularly scheduled conference calls with the Board's Office of Public Assistance, Governmental Affairs and Compliance ("OPAGAC") staff. During KCS's calls with OPAGAC staff, KCS Operations personnel review the performance of KCS's network, and answer specific questions about interchange operations, scheduled track maintenance, weather-related issues, and even specific questions about individual customer service. These calls present the

perfect opportunity for Board staff to explore specific FMLM issues based on individual shipper concerns. KCS submits that such discussions would far better satisfy any need to remedy a specific problem than would aggregated data about hundreds or thousands of location-specific issues.

Conclusion

KCS currently has no metric that focuses particularly on FMLM. The metrics that KCS does use relating to end-to-end performance are highly individualized, and the data for one shipper has little relevance to other shippers. KCS believes that the Board's existing mechanisms through OPAGAC are the best way for individualized service issues to be addressed, and that aggregating a multitude of highly-individualized trip performance data would not yield useful information. For these reasons, KCS recommends that the Board not pursue creating standardized FMLM data.

Respectfully submitted,

/s/ David C. Reeves

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