

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB Ex Parte No. 767

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FIRST-MILE / LAST-MILE SERVICE

**NORFOLK SOUTHERN RAILWAY COMPANY
COMMENTS**

Norfolk Southern Railway Company (“Norfolk Southern”) files these comments in response to the request for feedback made by the Board in its Decision published on August 31, 2021.

Norfolk Southern is keenly aware of the critical importance of first-mile/last-mile service delivery. Both customers and carriers rely on seamless first-mile/last-mile service, as local service is crucial to ensuring successful pipeline management. Customers need reliable schedules and predictability to meet their business demands. Railroads need adherence to their operating plans, network fluidity, and access to network resources on schedule. Norfolk Southern welcomes the opportunity to comment on the important issues raised by the Board.

In its Notice, the Board raised a number of questions regarding the data that Class I carriers maintain related to first-mile/last-mile service, what data Class I carriers make available to their customers, and the burden that would be associated with providing additional information related to first-mile/last-mile service to the Board. In these comments, Norfolk Southern reviews the panoply of data that it provides to its customers and identifies concerns with regards to the burden associated with additional reporting of first-mile/last-mile data.

1. Norfolk Southern has implemented customer experience tools.

Efforts by Norfolk Southern to continuously improve the customer experience reflect the importance of predictability and reliability to its customers. Norfolk Southern offers

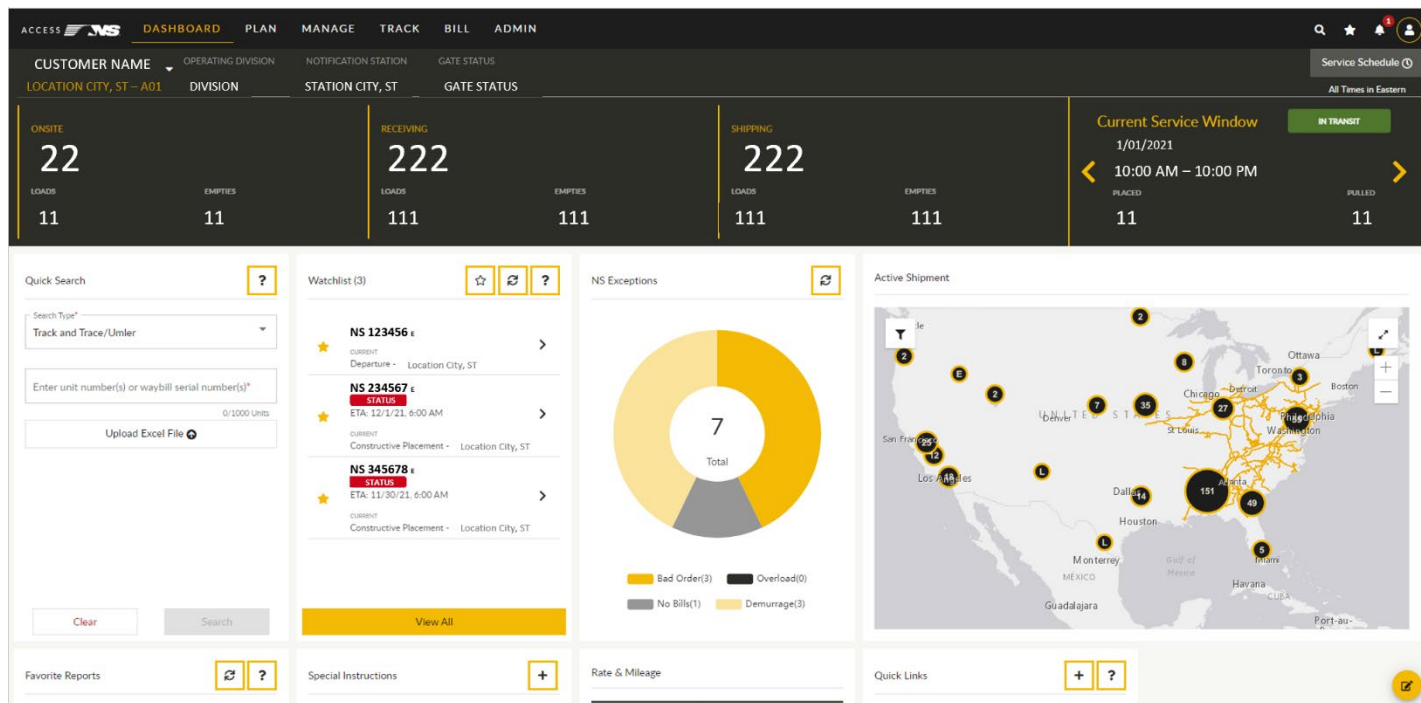
customers ever-evolving technological tools, such as AccessNS and the Trax mobile application, which provide advanced visibility into customer shipments and facilitate the identification and resolution of service issues. Norfolk Southern designed, built, and continuously improves these tools with customer feedback in mind. That feedback continues to drive Norfolk Southern's development plans. One key priority for customers is performance. To that end, Norfolk Southern considers a few key performance outcomes when developing a customer-focused platform: consistency and reliability, proactive communications, real-time accuracy, and operational transparency. AccessNS and the Trax mobile application offer Norfolk Southern's customers real-time, easy access to first-mile/last-mile data regarding each of their shipments on the Norfolk Southern system.

Norfolk Southern recently completed an extensive redesign of AccessNS, its shipment management tool, to maximize its utility and functionality for customers. Norfolk Southern relied upon customer feedback and input to make these changes. In today's digital environment, Norfolk Southern recognizes that consumers have certain expectations, and our customers are consumers. Customers need timely data, easy-to-use platforms, and functionality that meets their needs. Consequently, Norfolk Southern overhauled the AccessNS interface to ensure consistency between the website and mobile app. Today, our customers have more up-to-date, real time data available to them than ever before. In fact, customers' supply chain visibility and data timeliness match what Norfolk Southern itself has. This visibility is especially relevant to this proceeding and illustrates Norfolk Southern's commitment to offering transparency to its customers without regulatory intervention.

Several key features within AccessNS and Norfolk Southern's mobile application allow and encourage customers to manage their inventories, which can help both railroads and customers achieve first-mile/last-mile service goals. The following Figure 1 provides a

screenshot of the AccessNS Customer Dashboard, which houses many of these important first-mile/last-mile features and tools.

Figure 1: AccessNS Customer Dashboard



The Customer Dashboard displays a summary of the customer's entire pipeline, including the cars onsite, what has been billed outbound, whether the cars are still on their property or have already left their property, and what shipments are in route to them. This includes key first-mile/last-mile data that helps facilitate and manage those movements. The top of the dashboard displays high-level information about inbound and outbound shipments, as well as real-time local service information displayed in the top right corner which details the Current Service Window, including the number of cars scheduled to be placed and pulled, and, as this example shows, the status of those cars (here, "in transit").

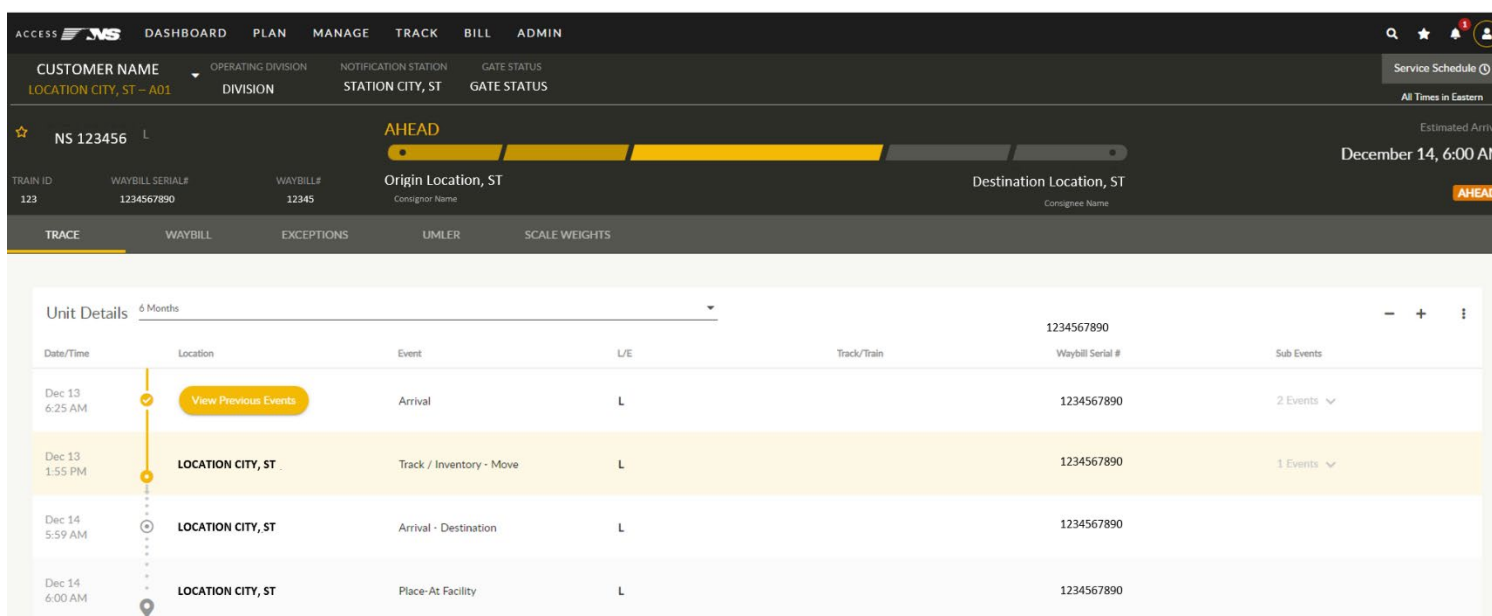
The Customer Dashboard also highlights other key information, which can be customized to suit the customer's business needs. Several of the tools included on the Customer Dashboard facilitate pipeline management, including a shipment Watchlist, active

shipment maps, and exceptions (e.g., identification of bad ordered cars, cars which are incurring demurrage, or cars with no waybill associated).

The shipment Watchlist allows a customer to identify certain key shipments that will be displayed prominently on the Dashboard. Norfolk Southern recently introduced this functionality based on customer feedback. The Watchlist appears on the Customer Dashboard, as illustrated above in the second column, providing easy access to detailed information about those key shipments. In Figure 1 above, the customer has quick access to information regarding three cars it has identified for its Watchlist. In this example, the first car has departed its location, while the second and third cars are showing as delayed, and currently in constructive placement. The customer is also provided with an ETA for both cars in constructive placement. The customer could select any one of the cars to drill down to receive additional information as illustrated in Figure 2 below.

Figure 2 provides a screenshot of the screen displayed when a customer clicks a shipment on the Watchlist.

Figure 2: Track and Trace for Key Shipments

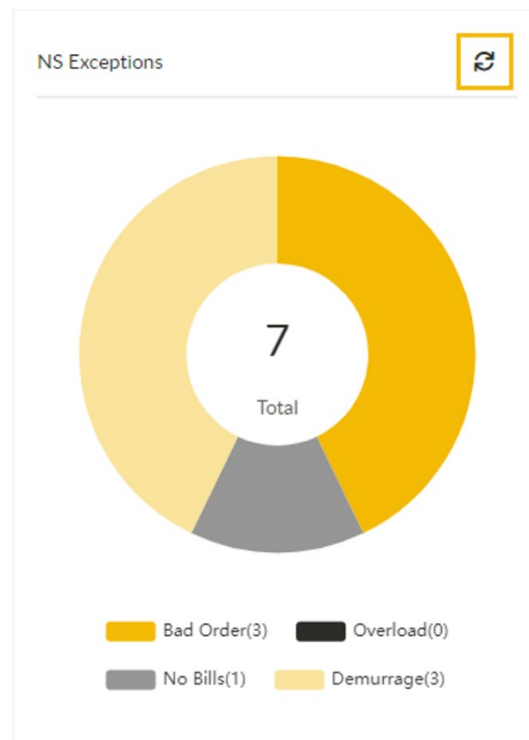


Here, a customer can view a detailed movement history of the selected car. This track and trace detail is available for all shipments in the customer's pipeline (it is not limited to those on the Watchlist). As a shipment moves through the network, its location is logged in the movement history. This allows a customer to see where the shipment is on the Norfolk Southern system throughout the move, much like the typical shipment tracking available to consumers through UPS or FedEx. This example shows a shipment in local service to its destination. On this screen, the customer can see that the shipment made certain inventory moves on the Norfolk Southern system prior to arriving at destination and was placed at the customer facility on December 14th at 6:00 AM.

The ability to track and locate incoming shipments is increasingly important to customers and is key to successful first-mile/last-mile service implementation. With the information provided on the Track and Trace page, a customer can ensure its facility is prepared to accept incoming shipments. This helps Norfolk Southern and customers meet local service goals. From this screen, customers can access additional information about the shipment, including waybill information, exceptions, and weights where applicable.

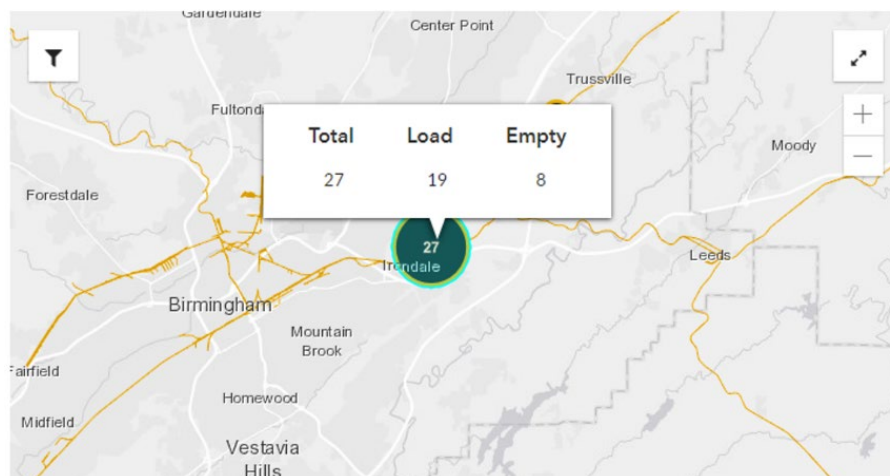
The exceptions graphic on the Customer Dashboard, see Figure 3, below, shows a snapshot of the number of current exceptions, such as cars accruing demurrage, bad ordered cars, or cars with no waybill. Clicking on this graphic will display detailed information about the shipment exceptions noted on the Dashboard, which may alert the customer to issues that could impact the next incoming shipment. The customer can then work with Norfolk Southern personnel to resolve any exceptions that could impact their shipment deliveries.

Figure 3: Exceptions



Another tracking feature available on the Customer Dashboard is the system map. The active shipment system map provides a visual summary of where the customer's shipments currently are on the Norfolk Southern network. The following Figure 4 shows the information displayed when a customer clicks a location on the system map.

Figure 4: System Map



Here, a customer can view the total number of customer shipments and the number of loaded and empty cars at that location. Viewing this network-wide summary of shipment locations allows customers to plan and prepare for incoming shipments.

In addition to this summary, easily accessible links on the Dashboard direct the customer to even more detailed information. For example, the “Receiving Inventory” link brings up key information about cars in route to the customer, such as whether individual cars are loaded or empty, the tonnage and footage of those cars, the car identifiers, and the car’s current location, current train, and the position in the train. The customer can also view both the original NS ETA and the current ETA of the cars.

Figure 5: Available for Placement Screen

ACCESS

DASHBOARD

PLAN

MANAGE

TRACK

BILL

ADMIN

CUSTOMER NAME

LOCATION CITY, ST – A01

OPERATING DIVISION

DIVISION

NOTIFICATION STATION

STATION CITY, ST

GATE STATUS

GATE STATUS

Service Schedule

All Times in Eastern

Receiving Inventory

Totals:

Cars: 2

|

Loads: 2

|

Empties: 0

|

Tons: 274

|

Feet: 134

AVAILABLE FOR PLACEMENT

PIPELINE

IN PROGRESS

Available For Placement

Advanced Search

–

+

⌵

⌶

⌂

A

A

✕

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★ ☆	Equipment ID	Current Location	Track/Train	Position	L/E	Tons	Class	Hide Cd	Lcd	Commodity	Current ETA	NS Original ETA	Car Type	Status	Request	L	Shipper	Consignee
☆	NS 123456	Location City, ST	SNY01	1	L	136	A01			FRGHT	12/14/2021 06:00 AM	12/15/2021 06:00 AM	C214	NOPA			CONSIGNOR	CONSIGNEE
☆	NS 123456	Location City, ST	SNY01	5	L	138	A01			FRGHT	12/14/2021 06:00 AM	12/10/2021 06:00 AM	C214	NOPA			CONSIGNOR	CONSIGNEE

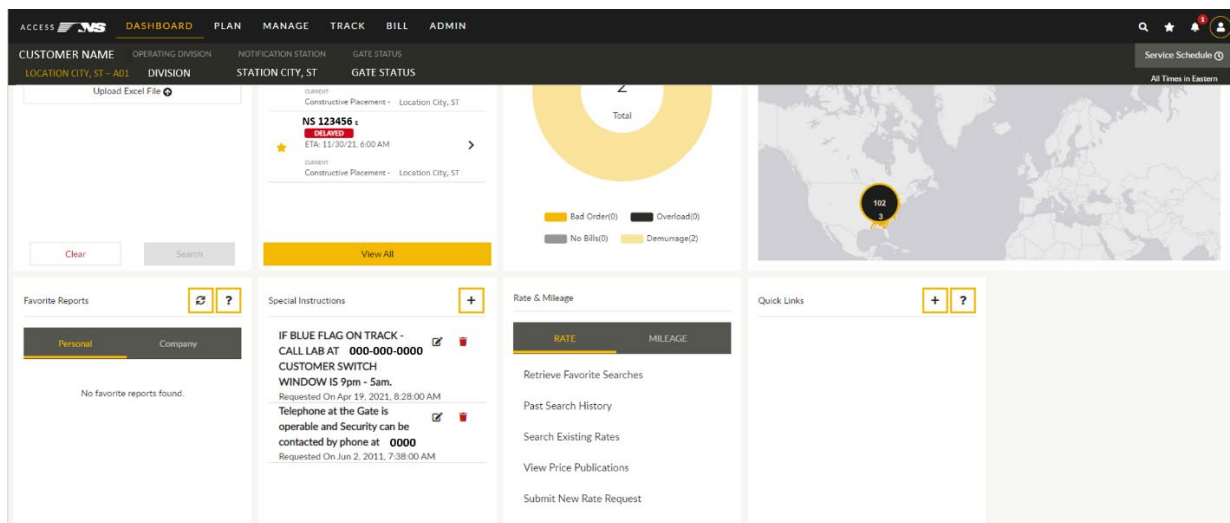
In Figure 5, the customer has two shipments in local service which are expected to arrive one day early.¹ A separate, but easily accessible, “Pipeline” screen shows detailed information about the cars near, but not yet in, local service. A customer can use this detailed information on these screens to prepare for upcoming shipments, making any necessary arrangements to ensure seamless delivery. Additionally, customers can filter this information, as well as create and schedule customizable reports to suit their needs. This visibility is important as railroads seek to be competitive with trucks, and customers seek to be competitive in their respective fields. The ability to proactively manage inbound and

¹ Note that Norfolk Southern will provide a service credit for early shipments.

outbound shipments can facilitate smoother first-mile/last-mile service for both Norfolk Southern and its customers.

Within AccessNS, customers can post special instructions to the local switch crew and view the status of their local service. The option to provide special service instructions allows for narrative text, offering customers greater flexibility and further enhancing the communication between Norfolk Southern and its customers. The following Figure 6 shows special instructions displayed on the Customer Dashboard.

Figure 6: Special Instructions on AccessNS Dashboard



In this example, the customer has provided specific contact information in the event of a blue flag on the track, contact information for access at the security gate, and information regarding the customer's switch window. These instructions are accommodated to the extent possible. This communication allows customers to tailor their local service to their business and operational needs, allowing both the customer and Norfolk Southern to meet their first-mile/last-mile service goals.

Norfolk Southern has devoted significant resources to developing and continuously improving these tools because they can facilitate network fluidity and service performance, including first-mile/last-mile service. To encourage customers to utilize these tools, Norfolk

Southern has taken steps to increase engagement. For example, although AccessNS is intuitive and user-friendly, Norfolk Southern provided extensive training to ensure that customers could leverage its full functionality, especially the features that facilitate inventory and pipeline management. AccessNS facilitates communication between the customer and Norfolk Southern and provides extensive data to Norfolk Southern's customers regarding first-mile/last-mile service. Norfolk Southern recently released functionality allowing customers to open a case directly with Norfolk Southern via AccessNS without needing to seek out contact information for appropriate Norfolk Southern personnel. This communication allows for the identification and resolution of pipeline management issues, including non-railroad supply chain issues, as well as coordination regarding local service.

Additionally, in recognition that customers need flexibility to access these important tools, Norfolk Southern updated its TRAX Mobile App to include the most sought after, most frequently used functions in AccessNS. These functions include Pipeline Management, Exception Management, Track and Trace, Order and Release, Local Service, and Watch List.

2. First-Mile/Last-Mile Service is customer-specific and should be treated accordingly.

First-mile/last-mile service is unique for each customer. Every customer facility is different: they have different hours of operation; some customers require intra-plant switching, while others simply ask that cars are left on a specific lead track within their facility. Critically, some customers are "open gate" facilities who are able to accept any and all cars in the local serving yard, while others are "closed gate," requiring specific cars, and only those specific cars, to be placed. The unique location, hours of operation, and local job requirements of any given customer will all play a factor in their first-mile/last mile service.

To be useful and provide accurate data regarding first-mile/last-mile service, each of these unique factors must be considered. A one-size-fits all data set would not provide any

stakeholder a clear picture of any particular customer’s first-mile/last-mile service experience. Indeed, one customer’s first-mile/last-mile service experience has no bearing upon the next customer’s experience. Each is guided by a unique set of operational requirements—both from the rail and customer perspective. For these reasons, first-mile/last-mile service reporting cannot be aggregated without the risk of becoming misleading and the critical context surrounding the data being lost.

The following example illustrates the challenges with taking a data-only approach to first-mile/last-mile service evaluation. Figure 7 shows the “Available for Placement” screen within AccessNS, displaying shipments in local service and available for placement at a customer facility.

Figure 7: Local Service Example

Equipment ID	Current Location	Track/Train	Position	L/E	Tons	Class	Hdg Cd	Ldl	Commodity	Current ETA	NS Original ETA	Car Type	Status	Request	Shipper	Consignee
NS 123456	Location City, ST	ALOC	8	L	110	A01			FRGHT	11/30/2021 06:00 AM	11/16/2021 06:00 AM	A402	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	ALOC	1	L	132	A01			FRGHT	11/30/2021 06:00 AM	11/17/2021 06:00 AM	A406	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	ALOC	3	L	119	A01			FRGHT	12/15/2021 06:00 AM	11/17/2021 06:00 AM	A405	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	ALOC	9	L	131	A01			FRGHT	11/30/2021 06:00 AM	11/17/2021 06:00 AM	B435	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	ALOC	2	L	125	A01			FRGHT	11/30/2021 06:00 AM	11/23/2021 06:00 AM	A635	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	ALOC	5	L	102	A01			FRGHT	12/15/2021 06:00 AM	11/24/2021 06:00 AM	A402	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	ALOC	6	L	104	A01			FRGHT	12/15/2021 06:00 AM	11/24/2021 06:00 AM	A402	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	CT08	9	L	131	A01			FRGHT	12/14/2021 06:00 AM	12/02/2021 06:00 AM	A405	PCON	L	CONSIGNOR	CONSIGNEE
NS 123456	Location City, ST	CT08	10	L	120	A01			FRGHT	12/14/2021 06:00 AM	12/02/2021 06:00 AM	A605	PCON	L	CONSIGNOR	CONSIGNEE

In this example, the Current ETA appears very delayed compared to the Original NS ETA. For example, on the first line, the car reports an NS Original ETA of 11/16/2021 at 6:00 AM. The Current ETA for that car is reported as 11/30/2021 at 6:00 AM. Without context, someone might reasonably conclude that Norfolk Southern is several weeks behind. However, that conclusion lacks additional, important context. The following Figure 8 shows the same screen when the user hovers over the “L” icon, which indicates a local service issue.

Figure 8: Updated Local Service Example

ACCESS

NS

DASHBOARD

PLAN

MANAGE

TRACK

BILL

ADMIN

CUSTOMER NAME

LOCATION CITY, ST – A01

OPERATING DIVISION

DIVISION

NOTIFICATION STATION

STATION CITY, ST

GATE STATUS

GATE STATUS

Service Schedule

All Times in Eastern

Receiving Inventory

Totals: Cars: 15 | Loads: 15 | Empties: 0 | Tons: 1780 | Feet: 890

AVAILABLE FOR PLACEMENT

PIPELINE

IN PROGRESS

Available For Placement

Advanced Search

Although this Figure 8 shows the same delay between the Current ETA and the NS Original ETA, it also shows that the customer’s tracks are full (“Track Full”). This additional context is crucial to understanding the data. In this example, Norfolk Southern attempted to deliver these cars multiple times but was unable to do so because the tracks at the customer facility were full. These facts are specific to these deliveries to this customer. Aggregate local service data would fail to account for this context and lead to inaccurate conclusions.

Beyond customer-related facts, such as the customer capacity issue described in the example above, many other factors impact local service. Many of those factors are beyond a carrier's control. Railroads operate as part of the global supply chain. A single shipment often involves more than one railroad carrier and multiple modes of transportation. A disruption or issue with any supply chain participant can impact a railroad’s local service. Additionally, unforeseen circumstances, like wildfires, flooding, washouts, hurricanes, or severe weather events that arise might delay or otherwise impact first-mile/last-mile service. This is true whether the unforeseen event impacts the railroad or any of the previous supply chain participants. Given that each instance of local service comes with its own individual set of facts, aggregate data would paint an incomplete picture.

In light of the unique features that drive first-mile/last-mile service, the Board should support carriers' continued efforts to innovate in this space and to seek technology-driven solutions to provide individual customers the information they may seek regarding their own service. If the Board wants carriers to provide specific information to their customers, they could direct the carriers to include that information—to the extent not already provided—on the platforms already developed to provide customers with up-to-date data regarding their shipments, such as AccessNS. This would allow carriers to continue to innovate and develop customer-friendly datasets and interfaces while also ensuring that the data the Board may decide is necessary is provided to our customers.

3. Burdens and Paperwork Reduction Act obligations should be considered.

Should the Board determine that public reporting is required in this area, the Board must be mindful of the potential burden on the regulated industry and the Board's paperwork reduction obligation. The Board's statutory obligations require it to consider the economic consequences of its regulations. The policy of the Federal government is "to minimize the need for Federal regulatory control over the rail transportation system and to require fair and expeditious regulatory decisions when regulation is required". 49 U.S.C. § 10101(2). Further, 49 U.S.C. § 10502(a) expresses Congress's policy judgment in favor of minimizing unnecessary regulatory burdens. Before the Board imposes any new burdens on the railroad industry it should consider the costs and benefits of a new rule, including an assessment of the cumulative burden existing regulations already impose, whether the burden is too great, and whether a new rule is the most effective way to achieve the Board's goals.

A rule mandating reporting of first mile last mile data would impose burdens on the industry. A new reporting regulation would impose direct and indirect compliance costs. In assessing the anticipated burden associated with potential data collection and reporting, the Ex Parte No. 724 reporting requirements serve as a useful example. Complying with those

requirements is deceptively costly for a railroad, requiring manual information gathering and confirmation, as well as highly specific formatting. And these burdens would be entirely unnecessary because railroads like Norfolk Southern already provide customers substantial information about first-mile/last-mile service as detailed in section 1, above.

The cumulative burden of adding first-mile/last-mile data reporting to the current reporting requirements also should be considered. Railroads already provide a significant amount of data to the Board. Much of it must be done manually, which is time-consuming. An additional reporting requirement would also increase the burden on the Board, particularly considering the data-intensive nature of first-mile, last-mile service metrics.

An additional reporting regulation would also require the diversion of railroad resources from customer support activities to regulatory compliance. The time and resources expended on an expanded regulatory reporting scheme could conflict with efforts to create or improve customer experience tools like those described above. The Board should not implement a rule that would require the diversion of resources from carrier-initiated projects that are designed to improve service and benefit our customers. A rigid, prescriptive regulatory scheme would stifle the technological innovation that has allowed Norfolk Southern to develop and continuously improve its customer experience tools. Given their value in planning for local service, this could have negative impacts on first-mile/last-mile service goals for Norfolk Southern and its customers.

If the Board initiates a rulemaking requiring additional reporting, it will be subject to the requirements of the Paperwork Reduction Act. *See* 44 U.S.C. 3501 et seq. The burden activities used to estimate burden pursuant to the Paperwork Reduction Act offer a useful framework here and indicate that such a rulemaking would impose excessive burden on railroads. *See* ESTIMATING BURDEN | A GUIDE TO THE PAPERWORK REDUCTION ACT, <https://pra.digital.gov/burden/> (last visited Nov 24, 2021). For example, such a rulemaking

would likely require costly and time-consuming updates to carrier technology and systems, ongoing collection and review of this information, and manual compilation and submission on the prescribed periodic basis. If the Board does order more reporting, they should allow the carriers to report the data as they maintain it in the regular course, like in Ex Parte No. 724, because each railroad keeps this data differently. Additionally, the Board should seek to modernize its data portals given the large quantity of data they would receive, and to allow carriers greater flexibility in the format of their submissions.

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Rather than attempting to address this issue with prescriptive regulation or additional reporting, the Board should encourage carriers to continue to innovate and develop platforms that give customers real-time shipment information and provide customers with advanced tools to manage their rail pipelines. Such technological tools allow for early identification of issues, including local service issues, and facilitate customer-friendly solutions that keep the rail network moving.

Respectfully submitted,

December 17, 2021

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