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May 18, 2022

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

Re: Urgent Issues in Freight Rail Service—Railroad Reporting
STB Docket No. EP 770 (Sub-No. 1)

Dear Ms. Brown:

Pursuant to the order of the Surface Transportation Board (“STB”) dated May 6, 2022, in the above-captioned proceeding, and the statements in that order that “each reporting railroad shall provide an explanation of its methodology for deriving the data reported under Item 5 (and other Items, as needed) with its initial filing,” and “Carriers should also include similar explanations, with their initial filings, insofar as they deem them necessary to facilitate an understanding of the performance data specified in Items 2, 3, 4, 6 or 7, or the employment data specified in Item 8,” The Kansas City Southern Railway Company (“KCS”) submits the following information.

KCS Methodology, EP 770 Sub 1 Data Requests

For each of the weekly requirements, the reporting period is defined as 12:01 a.m. Saturday to 11:59 p.m. Friday.

Board EP 770 (Sub 1) #1: *“The weekly average terminal dwell times, measured in hours, for the carrier’s 11th through 20th largest terminals (to augment the system-wide data and the data currently reported for the ten largest terminals under 49 C.F.R. § 1250.2(a)(5)).”*

KCS Methodology: KCS maintains this information. The data provided will be reported in accordance with the methodology used for current reporting purposes under 49 C.F.R. § 1250.2(a)(2). Since KCS began reporting data in 2017 under the STB’s order in United States Rail Service Issues—Performance Data Reporting, STB Docket No. EP 724 (Sub-No. 4), the volume of cars processed in certain yards has changed due to changes in service design, shipper shipping patterns, and for other reasons. Consequently, KCS’s list of its top 10 yards by number of cars processed (*i.e.*, cars passing through the yard other than on run-through trains) has changed since 2017.



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The current list of the top 20 KCS yards in terms of cars processed, in order from most to fewest cars processed, is as follows: (1) Shreveport; (2) Kansas City; (3) Laredo Yard; (4) Jackson; (5) Artesia; (6) Baton Rouge; (7) Meridian; (8) Latanier; (9) Beaumont; (10) Wylie; (11) New Orleans; (12) Mossville; (13) Port Arthur; (14) Lake Charles; (15) Heavener; (16) East St Louis; (17) Gulfport; (18) Monroe; (19) Corpus Christi; and (20) Bossier City. Beginning May 25, KCS will report its current list of top ten yards by number of cars processed on Form OMB Control No. 2140-0033, and beginning May 18, KCS will report the next 10 yards by number of cars processed in this report.

Board EP 770 (Sub 1) #2: *“The weekly average number of train starts per day (to augment the weekly average number of trains held per day data currently reported under 49 C.F.R. § 1250.2(a)(5)), sorted by train type (intermodal, grain unit, coal unit, automotive unit, crude oil unit, ethanol unit, other unit, and manifest).”*

KCS Methodology: KCS maintains data from which this can be derived. A “train start” is determined by the train symbol for a linehaul train. Linehaul trains are trains that are not local trains, as defined in respect to data Item 6 below. A train symbol indicates the train type (e.g., intermodal) and origin and destination cities. A train symbol has only one start in the U.S., even if it takes more than one day for the train to reach its destination.

Train types will be identified based on the following train symbols:

- intermodal unit – I Train type
- grain unit – G train type
- coal unit – C train type
- automotive unit – A/V train type
- crude oil unit (including DRUbit^{TM1}, which trains carry the “O” symbol and will be specially reviewed and segregated from other “O” symbol trains for this reporting purpose) – defined by train symbols O-JAAR/O-ARJA/, O-SUJA/O-JASU/, O-BRCPKC/ O-KCCPBR/, and O-KCCPPA/ O-PACPKC
- ethanol unit (KCS currently does not move unit ethanol trains and has no assigned symbol for same)
- other unit (except DRUbitTM) - Q train type and all other O symbols
- manifest – M train type

Board EP 770 (Sub 1) #3: *“The following information, reported separately for privately-owned, TTX-owned, and railroad-owned cars: (i) the weekly average number of cars per day in storage; (ii) the weekly average number of cars per day in service with no mileage; (iii) the weekly average number of cars per day in service with mileage; (iv) the weekly average number of car miles per day; and (v) the aggregate number of car miles per week.”*

¹ DRUbitTM is a proprietary heavy Canadian crude oil or bitumen that ships by rail and does not meet any of the defined categories of hazardous materials by U.S. DOT Hazardous Materials regulations and Canada's Transport of Dangerous Goods regulations.



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KCS Methodology: KCS understands the terms “in storage” and “in service” to be mutually exclusive; that is, if a car is “in storage” it is not “in service”, and vice versa.

KCS will not count cars at shipper locations as “in storage” as KCS does not always have information on the shipper’s intent for private cars. “Shipper locations” include tracks leased to shippers outside their plant facilities and cars stored in transit, as well as shipper-owned facilities. Accordingly, the total number of cars reported “in storage” and “in service” may not equal the “Cars On Line” totals shown on Form OMB Control No. 2140-0033, Item 3.

TTX-owned cars will be identified by car reporting marks assigned to TTX. All other cars with reporting marks ending in “X” will be identified as privately-owned, even though some such cars may be leased to railroads. Cars marked with reporting marks not ending in “X” and not assigned to TTX will be reported as railroad-owned, which may be either foreign or domestic railroads.

“Mileage” and “miles” will be defined as miles traveled by local (including road switchers) and linehaul trains outside of yards. Cars that do not leave a yard and which are not “in storage” will be treated as “in service, no mileage”, even if being switched in the yard. The number of cars “in storage” will be determined by a snapshot count taken on Monday each week.

KCS does track average car miles per day which can be averaged to calculate (iv), and maintains data from which aggregate car miles per week can be determined for (v), but that data is not tied to the ownership of cars. KCS can do a temporary special study for purposes of this temporary reporting requirement, identifying cars with reporting marks ending in “X” (other than TTX reporting marks) as private, using TTX’s reporting marks to identify TTX cars, and designating all other reporting marks as railroad-owned for purposes of (iv) and (v).

Board EP 770 (Sub 1) #4: *“With respect to recrews, for each operating division and for the system: (i) the weekly number of unplanned recrews due to compliance with federal hours of service regulations, and (ii) the recrew rate measured as a percentage of total crew starts.”*

KCS Methodology: KCS has four Transportation divisions: Midwest (East St. Louis and Cockrell, IL to Kansas City to Shreveport, LA); Speedway (Counce, TN and Tuscaloosa, AL to Meridian, MS,² to Shreveport, LA³ to Fort Worth, TX, plus Hattiesburg, MS to Gulfport, MS); Southeast (Shreveport, LA to New Orleans, LA and Shreveport, LA to Beaumont and Port Arthur, TX); and Border (Beaumont, TX, to the Rosenberg, TX area (via trackage rights), to Victoria, TX, to Robstown and Corpus Christi, TX (via trackage rights), and Corpus Christi to Laredo, TX).

² The majority of the Tuscaloosa, AL to Artesia, MS portion of the Speedway Division is operated by Watco’s Alabama Southern Railroad, LLC, subsidiary. Reporting will not encompass data for that portion of the Speedway Subdivision or for operation of any other KCS lines leased for operation by other carriers.

³ The Meridian, MS to Shreveport, LA line is owned by Meridian Speedway, LLC, and operated by KCS. Data from operation of the Meridian Speedway will be included in data reported.



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All recrews are treated as unplanned due to compliance with federal hours of service regulations, including recrews made in anticipation (including at instruction of the Spring, TX Joint Dispatch Center) that a train on line of road will not reach its next crew change point prior to the lapse of the crew's hours of service. KCS does not keep a systemwide metric of recrew rate as a percentage of total crew starts and usually only tracks that in area(s) with high recrew rates, but KCS can temporarily calculate that metric for these temporary reporting requirements.

Board EP 770 (Sub 1) #5: *"For each operating division and for the system, the percentage of scheduled spots and pulls that were fulfilled. (This is sometimes referred to in the industry as 'Industry Spot and Pull.')*"

KCS Methodology: For this metric, KCS will use the Transportation divisions explained in relation to Item 4 above. For this metric, which KCS maintains and utilizes, percentage fulfilled means the percentage of work on a crew's work order that is completed during a shift.

Board EP 770 (Sub 1) #6: *"For each operating division and for the system, the weekly average number of local trains cancelled per day, and the aggregate number of local trains¹ cancelled per week, broken down by cause (crew, locomotive power, or other)."*

¹ *"Local trains serve customers in the vicinity of the local yard, spotting (i.e., placing for loading or unloading) inbound cars and pulling (i.e., picking up) outbound cars from each customer facility."*

KCS Methodology: For this metric, KCS will use the Transportation divisions explained in relation to Item 4 above. KCS will identify "local trains" based on their designations as either local or road switcher in KCS's Management Control System (MCS), which distinguishes locals and road switchers from linehaul trains. Linehaul trains operate between terminals without working customer locations en route.

KCS does not record cause codes for local train cancellations, as most cancelled local trains are due to shippers cancelling or delaying pickup or delivery, but for purposes of this temporary reporting requirement, KCS will investigate the cause of each canceled local train and provide a designation as due to crew, locomotive power or other (including shipper request).

Board EP 770 (Sub 1) #7: *"(i) For rail cars moving in manifest service, the percentage of cars constructively or actually placed at destination within 24 hours of the original estimated time of arrival.² (ii) For the following types of unit trains (grain unit, coal unit, automotive unit, crude oil unit, and ethanol unit), the percentage of trains constructively or actually placed at destination within 24 hours of the original estimated time of arrival. (iii) For intermodal traffic, the percentage of trains that arrive at destination within 24 hours of the original estimated time of arrival. For movements involving more than one rail carrier in each of the specified categories, the destination for the upstream carrier shall be treated as the interchange location with the subsequent railroad."*

² *"The Board expects carriers to use the estimated and actual times for actual placement*



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for open-gate facilities and the estimated and actual times for constructive placement for closed-gate facilities.”

KCS Methodology: KCS understands this to be a week-by-week metric. KCS will use its existing trip plan compliance metric to measure arrival at shipper destination or interchange location, or at the holding yard for constructive placement or if the interchanging carrier delays receipt of interchanged traffic. Because trip compliance is a car-by-car metric in KCS’s system, not a train-by-train metric, KCS will use the STCC codes associated with the car for identifying trip plan compliance for cars in grain, coal, automotive, and crude oil (including DRUbit™) unit trains. KCS does not operate unit ethanol trains at this time.

Board EP 770 (Sub 1) #8: *“For each category of employees covered in the Monthly Report of Number of Railroad Employees (Form C) submitted to the Board’s Office of Economics under 49 C.F.R. § 1246.1: (i) total employee count; (ii) how many employees were added; (iii) how many employees were separated (with a breakout of those employees who separated by voluntary resignation); (iv) how many employees have been furloughed but are potentially available for recall; (v) the number of “extra-board employees”; and (vi) for categories 300, 400, 500, and 600, how many employees are working in active service (as opposed to completing training courses). Carriers should report these data for each railroad operating division to the maximum extent practicable, and should also report these data on a system-wide basis.”*

KCS Methodology:

KCS understands that this report is a monthly report, with data reported on the 15th of the month beginning June 15 to be data from the prior month. Metrics will be reported consistent with the mid-month reporting period used in completing STB Form C; namely, utilizing a 15th day of the month (“mid-month”) snapshot employee count in each of the various job classifications, to be further broken down according to the various criteria requested by the STB.

Employee counts will be reported on both a systemwide basis and on a division-by-division basis. Most employee records maintained by KCS’s Human Resources department do not show the division to which a person is “assigned”. The Transportation, Engineering and Mechanical departments each have their own, different divisions, and management employees (Categories 100 and 200 on Form C) are not assigned to a division. Accordingly, for purposes of this temporary reporting, KCS will use Transportation divisions described in Item 4 above, will “assign” employees to the division in which their principal work reporting location identified in Human Resource department records lies. For example, an employee whose principal work reporting location is Kansas City would be assigned to the Midwest Division.

The mid-month snapshot employee count is based on the number of employees paid in the period between the first and 15th days of the month, inclusive. It excludes employees who are on unpaid leave of various sorts (e.g., FMLA leave) or on furlough. It includes persons who were paid during the surveyed period even if they are suspended for disciplinary reasons as of the 15th of the month, so long as their disciplinary process has not, as of the mid-month snapshot, resulted in involuntary separation from the company.



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Metric (ii), employees added, will be the increase in the number of employees in each job category from the prior month's report to the current month's report. This category will include employees who were separated from the company for disciplinary reasons but who are subsequently reinstated as a result of arbitration or litigation processes.

Metric (iii), employees separated, will be two categories: employees separated from the company at KCS's volition, and those who cease working for the company for other reasons, the latter being identified as voluntary resignations. Voluntary resignations will include at least people who retire, people who leave KCS to take a job elsewhere, people who resign for unspecified reasons, and people who die.

Metric (iv), furloughed but potentially available for recall, will include all furloughed employees.

KCS's Human Resources department does not maintain records of extra board employees but will work with KCS's Labor Relations department to understand and provide a count for the temporary reporting of Metric (v).

Metric (vi), employees listed in Categories 300, 400, 500 or 600 on Form C who are in active service other than training, will include the employees reported in each category on Form C less any who are in a craft requiring certification pursuant to a Federal Railroad Administration-approved certification program (e.g., engineers and conductors) and have not yet achieved that certification. KCS will not exclude from active service persons simply because they are newly hired or may be in a probationary period for their particular job.

Finally, KCS does not maintain data in comma-separated values file (CSV) in the American Standard Code for Information Interchange (ASCII) encoding format so that data can be transferred to the STB's preferred filing format, and so will be required to transcribe data from other sources to that format.

If there are any questions concerning this description or concerning the filings submitted using this methodology, please contact the undersigned.

Sincerely,

DocuSigned by:

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 David C. Reeves