

SURFACE TRANSPORTATION BOARD**Docket No. EP 711 (Sub. No. 2)*****Reciprocal Switching for Inadequate Service*****Summary of Ex Parte Meeting Between CN
and Surface Transportation Board Member Patrick Fuchs****November 28, 2023**ENTERED
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CN Attendees: Greg Hartley, Director, Asset Planning and Quality, Network Operations; Kathryn Gainey, Deputy General Counsel; Allison Davis, Sidley Austin LLP

STB Attendees: Patrick Fuchs, Board Member; Lisa Novins, Attorney Advisor

CN thanked Member Fuchs for the opportunity to meet to discuss CN's use of metrics. CN also encouraged the Board to hold a technical workshop on the metrics, in which CN would be an active participant.

Mr. Hartley explained that high-level measures are useful for understanding overall fluidity and trends, but do not include enough information to shed light on underlying causes and potential solutions for any developing trends. He explained that as part of CN's efforts to run its network fluidly, CN will do a deep dive into such high-level measures to understand what is going on and why the network is being impacted. As an example, Mr. Hartley explained that while cycle time (the amount of time for cars to move from origin, to destination, and back to origin) is a useful measure to understand supply chain fluidity at a high level, CN breaks that metric down into multiple components, such as loaded v. empty, online v. offline, on train v. in yard, by commodity, by car type, etc., and that these subcomponents help CN understand factors that could be impacting the high-level metric of cycle time for a particular lane in a particular supply chain.

Mr. Hartley also explained that CN's measures can be impacted by a number of external factors that vary year by year, such as grain season. Mr. Hartley explained that in high grain season with larger volumes, CN looks to optimize performance through short-term opportunities, such as by having manifest traffic transported on unit trains, thus resulting in that manifest traffic having a faster transit time. In a subsequent year, if there is a poor grain season, transit time would return to normal, but that would not indicate a service inadequacy. Member Fuchs stated that he understood CN's concern that the metrics may not tell the whole story.

Member Fuchs asked for CN to explain its concerns with the metrics, and whether certain metrics are more likely to have potential false positives. Member Fuchs and CN discussed the three metrics. With respect to OETA, Member Fuchs asked whether CN updates trip plan during periods of maintenance. Mr. Hartley explained CN's process for its mega work blocks, and how those work blocks move day-to-day based on conditions on the ground. Mr. Hartley explained that, due to the nature of the work block season, CN is generally unable to adjust the plan except in limited situations.

Member Fuchs and CN also discussed the transit time metric, and potential ways to address CN's concerns about year-over-year variability. Member Fuchs and CN also discussed the impact of the transit time metric on shorter moves, and whether there would be ways to modify the metric to address CN's concerns that a change of only a few hours for shorter moves could trip the metric.

Member Fuchs and CN discussed the ISP metric and whether that should be measured on a service window basis or a per car basis. Member Fuchs acknowledged that most carriers appear to measure their local service performance on a per car basis.

Member Fuchs and CN discussed how the proposal could allow for a qualitative assessment while preserving the values of accessibility and certainty. They also discussed the proposed affirmative defenses, and CN offered to address those further in its reply comments.

CN and Member Fuchs thanked each other for their time.