

SURFACE TRANSPORTATION BOARD**Ex Parte 711 (Sub. No. 2)****Reciprocal Switching for Inadequate Service****Summary of Ex Parte Meeting Between CSX Transportation, Inc.,
and Surface Transportation Member Robert E. Primus****November 30, 2023****ENTERED
Office of Proceedings
December 5, 2023
Part of
Public Record**CSXT Attendees:

- Arthur Adams, Senior Vice President – Sales and Marketing
- Casey Albright, Senior Vice President of Network Operations and Service Design
- John Patelli, Vice President and Chief Regulatory Counsel
- Jason Marques, Assistant General Counsel, Corporate & Transportation Law
- Matt Warren, Sidley Austin LLP

STB Attendees:

- Robert Primus, Member
- Christopher Diamond, Attorney Advisor

Meeting Summary:

CSXT thanked Member Primus for the opportunity to meet. CSXT explained that it understands the Board's focus on service and its desire to have meaningful guideposts to identify service inadequacies when they arise. CSXT explained that its main suggested improvements to the NPRM are to ensure that the Board considers the many issues that could cause a dip in a service metric over a short time frame, and relatedly to ensure that railroads have a meaningful opportunity to explain the context behind any particular metric change. While the NPRM does list four affirmative defenses and say that the Board may consider others on a case by case basis, the specified defenses are narrow, and the final rule should make clear that the Board will consider the totality of circumstances surrounding the allegedly inadequate service.

Mr. Albright explained that CSXT reviews metrics every day, several times a day to monitor the network and improve efficiency. CSXT reviews these metrics in context and does not focus on any one metric as the arbiter of good service. For example, simply increasing train velocity does not translate to improving service unless the right cars are on the right trains. The goal is for the most customer freight possible to move every day according to the service plan. CSXT's focus in using metrics is to determine the cause for any misses so that it can fix any reoccurring problems and improve network efficiency. Mr. Albright also discussed how metrics need to be considered in the light of the dynamic nature of the rail network and the particular needs of customers. For example, this year CSXT's grain customers are shipping grain further south on CSXT's network than they did last year. This impacts cycle times simply because the trains are moving further than they did in the past.

Mr. Adams gave another example from the grain market this year, in which the demand for service changed quickly, so that locomotives were pre-positioned in the Midwest for expected service but had to be re-positioned to different locations when customer needs changed. CSXT adjusts quickly and remains nimble and flexible to serve its customers' needs, but those changing needs can temporarily affect metrics.

Mr. Albright noted that short line partners were an important part of ensuring good service at the first or last mile, and that CSXT was working with its short line partners on ways to improve service.

Member Primus commented that one of the key factors in providing good service is good communication with customers, and particularly listening to customer needs. Mr. Adams agreed, and he noted that CSXT seeks to have accountability with customers to address any issues, and is proactive about identifying new business opportunities and ensuring that customers have a positive experience with CSXT. He further noted that CSXT focuses on communication with customers about planned maintenance and weather events, which allows customers to plan more effectively and manage their supply chain during those periods.

Member Primus asked about investments on the former Pan Am lines, and Mr. Adams commented that an improved interchange would open soon and provide a springboard for growth across a number of commodities. Mr. Albright added that CSXT's investments in the Pan Am lines had a positive impact on safe and effective service.

CSXT and Member Primus thanked each other for their time and insights and concluded the meeting.