

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

**UPDATING CLASS I RAIL CARRIER
REPORTING REQUIREMENTS**

DOCKET NO. EP 787

OPENING COMMENTS ON BEHALF OF CN

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Grand Trunk Corporation on behalf of itself and its U.S. rail operating subsidiaries¹ (collectively, “CN”) respectfully submits these comments on the Surface Transportation Board’s (“STB” or “Board”) notice of proposed rulemaking issued in the above-captioned proceeding.²

CN supports the Board’s proposal to eliminate the PTC Supplement but recommends that the Board not adopt a requirement to produce a PTC summary document. If the Board adopts a rule with service metrics, CN agrees with the Board’s proposals (1) to measure Original Estimated Time of Arrival (“OETA”) based on late arrivals, (2) to measure Industry Spot and Pull (“ISP”) on a per-car basis, (3) to exclude unit trains and intermodal traffic from the ISP metric; and (4) to exclude unit trains from the OETA metric.

CN also joins in the comments filed in this docket by the Association of American Railroads (“AAR”), which address additional issues raised by the NPRM.

I. THE BOARD SHOULD ELIMINATE THE PTC SUPPLEMENT REQUIREMENT

The NPRM proposes to eliminate the PTC Supplement currently incorporated into the R-1 annual reporting requirement for Class I carriers.³ CN agrees with the Board’s proposed deregulatory action to end this reporting given

¹ Bessemer and Lake Erie Railroad Company, Cedar River Railroad Company, Chicago, Central & Pacific Railroad Company, Grand Trunk Western Railroad Company, Illinois Central Railroad Company, Iowa Northern Railway Company, The Pittsburgh & Conneaut Dock Company, and Wisconsin Central Ltd.

² Notice of Proposed Rulemaking, *Updating Class I Rail Carrier Reporting Requirements*, EP 787 (STB served Sept. 30, 2025) (“NPRM”).

³ NPRM at 3.

that positive train control (“PTC”) has been fully implemented and any benefits of the supplement no longer justify the burden of generating and reporting this information. CN therefore supports the Board’s proposal to repeal 49 C.F.R. § 1241.11(b).

The NPRM also proposes to require Class I carriers to submit a one-time summary document identifying individual line items in their respective R-1 reports that contain PTC-related expenditures representing at least 15% of the line-item amounts.⁴ It is unclear from the NPRM whether the Board intends this summary document to calculate line-item amounts based on 2024 or 2025 data. If the Board intends the summary document to calculate line-item amounts based on 2025 data, railroads would need to prepare all of the PTC Supplement schedules for 2025 in order to determine which line items reach the 15% threshold. With respect to 2025, doing so would erase the reduction in burden that the NPRM identifies. The NPRM also does not state a rationale for requiring the summary document. As such, the Board should decline to adopt the proposed summary document requirement regardless of which year’s data the Board intended the railroads to use for their respective calculations.

The Board has indicated that the intent of the NPRM is to streamline and improve reporting requirements for Class I rail carriers by eliminating the now-unnecessary supplemental reporting of PTC expenditures; therefore, it is not clear

⁴ NPRM at 4.

why the Board would request another document that presents a different view of the same outdated and unnecessary data.

Finally, while not mentioned by the Board in its estimate of the net burden reduction on respondents of 238 hours, as indicated in Appendix B of the NPRM,⁵ eliminating the need to separately collect PTC-specific data would also presumably reduce the burden associated with the agreed-upon procedures for R-1 certification. As the Board is aware, all Class I railroads must submit a report from an independent public accountant stating that specified data in the railroad's R-1 Annual Report have been examined using agreed-upon procedures and have been found in compliance with the Uniform System of Accounts ("USOA") for Railroad Companies, 49 C.F.R. pt. 1201.⁶ The independent public accountant is required to perform procedures specifically on the PTC supplement schedules.⁷ Hence, repealing the PTC Supplement would ultimately result in a further reduction in burden of time and costs, through reduced audit fees, and reduced hours spent providing the independent accountant with PTC supporting information as part of the audit.

⁵ See NPRM at 8, 15-17.

⁶ See *Certification of R.R. Annual Report R-1 by Indep. Accountant*, 1 I.C.C.2d 902 (1985).

⁷ See *Agreed-Upon Standard Procs. for R-1 2024 Ex Parte 460 Certification of R.R. Annual Report by Indep. Accountant*, Dec. 1, 2024, at 20, available at <https://www.stb.gov/wp-content/uploads/STB-Ex-Parte-460-Agreed-Upon-Procedures-R-1-2024.pdf>.

This additional deregulatory benefit would result from eliminating the PTC Supplement and hence the need to perform specified procedures to determine whether PTC investments and expenses have been classified in accordance with the USOA and properly reported consistent with Docket No. EP 706, which burden rail carriers to provide various additional data to support the objectives of the specified procedures. Considering that the PTC Supplement consists of ten separate schedules and that the independent public accountant is required to review all R-1 schedules and footnote disclosures subject to supplemental reporting for PTC in addition to tracing and agreeing multiple samples to supporting documentation, it is easy to see how removing the PTC Supplement would alleviate significant time and cost burdens associated with the independent accountant's certification.

The Board would also benefit in terms of efficiency, as it would be able to reduce the hours spent reviewing the independent accountant's workpapers related to PTC data.

For these reasons, the Board should eliminate the PTC Supplement and not adopt the proposed requirement to file a summary document.

II. EARLY ARRIVALS SHOULD BE COUNTED AS ON-TIME DELIVERIES FOR OETA

The NPRM proposes an OETA metric under which arrivals before the OETA, including those more than 24 hours early, would be counted as on-time deliveries,⁸ unlike the OETA metric adopted in *Reciprocal Switching for Inadequate Service*,

⁸ NPRM at 5 n.6.

EP 711 (Sub-No. 2) (STB served Apr. 30, 2024) (“*Reciprocal Switching*”), *vacated and remanded*, *Grand Trunk Corp. v. STB*, 143 F.4th 741 (7th Cir. 2025). If the Board adopts an OETA metric, CN supports this change. The Board is correct that treating early arrivals as on-time better serves the Board’s purpose in monitoring network-wide performance to detect developing trends and changes in service levels.

The proposed OETA metric excludes unit trains,⁹ as did the OETA metric adopted in *Reciprocal Switching*. As the Board notes, some railroads do not currently produce trip plans for unit trains; CN is among them.¹⁰ Accordingly, CN supports this continued exclusion.

In addition to the changes recommended in AAR’s comments, the Board should exclude cross-border traffic from the OETA metric. In *Reciprocal Switching*, the Board explained its inclusion of cross-border traffic in OETA by reference to the Board’s underlying service adequacy goal¹¹—but that rationale does not apply here, where the Board’s goal instead relates to monitoring. On the contrary, incorporating movements that take place partially (and, in some instances, mostly) outside the United States would provide less informative data regarding United States network performance.

⁹ NPRM at 13 (OETA is based on shipments that moved in manifest service).

¹⁰ CN Comments 44-45, Nov. 7, 2023, *Reciprocal Switching for Inadequate Serv.*, EP 711 (Sub-No. 2).

¹¹ *See Reciprocal Switching*, EP 711 (Sub-No. 2), slip op. at 41.

III. PER-CAR MEASUREMENT OF ISP PROVIDES BETTER ACCURACY

The ISP metric adopted in *Reciprocal Switching* considered the proportion of local service windows in which the carrier successfully spotted or pulled all requested traffic.¹² The NPRM, by contrast, proposes an ISP metric calculated by comparing the number of cars for which the carrier successfully completed the requested placements or pick-ups to the number of cars for which the shipper or receiver, by the applicable cut-off time, requested a placement or pick-up.¹³ CN agrees with the Board that the per-car measurement would provide more informative data about each carrier's overall performance in spotting and pulling cars within designated service windows,¹⁴ and if the Board adopts an ISP metric, CN supports the use of the per-car measurement.

CN also supports the Board's proposal to exclude unit trains and intermodal traffic from the ISP metric. As the Board correctly observes, unit trains are not switched or spotted and pulled in the same manner as manifest traffic, and for intermodal movements, when traffic is transferred between a rail carrier and another mode of transportation, those transfers do not involve local service similar to other traffic.¹⁵

¹² See *id.*, slip op. at 52.

¹³ NPRM at 6.

¹⁴ *Id.* at 6 n.7.

¹⁵ *Id.* at 6-7.

In addition to the changes recommended in AAR's comments, the Board should base ISP on the local operating plan as described in CN's *Reciprocal Switching* comments.¹⁶

IV. THE BOARD SHOULD CONTINUE ITS ASSESSMENT OF EXISTING METRICS

CN supports the Board's efforts to improve its data collection as part of its broader data modernization initiative, including additional data visualization and reducing data elements associated with reporting.¹⁷ CN would welcome the use of automated collection techniques or other forms of information technology in the future if it reduces the burden of the collection of information. For example, completing the R-1 Annual Report requires a number of time-consuming manual processes and allocations.

In particular, the Board's assessment of the utility of existing metrics that are not widely used could lead to beneficial regulatory changes that are consistent with federal policy.¹⁸ As part of this evaluation, the Board should reassess the current data elements required within the R-1 report; the Board should consider which ones are truly essential to fulfil its regulatory responsibilities and should consider eliminating in their entirety any data elements that are not relevant

¹⁶ CN Comments 38-40, Nov. 7, 2023, *Reciprocal Switching for Inadequate Serv.*, EP 711 (Sub-No. 2).

¹⁷ NPRM at 5.

¹⁸ See, e.g., Exec. Order No. 14219, 90 Fed. Reg. 10,583 (Feb. 25, 2025).

anymore. CN recommends that the Board consider modifying or eliminating the following R-1 schedules:

R-1 Schedule(s)	Comments
410, 710, and 755	Modify to present consolidated data – these are overly granular, time-consuming to prepare. Regarding 410, preparing the allocations requires a significant amount of time. For 710, multiple reports must be run from systems and preparation requires many manual adjustments. 755 requires significant validations of data source inputs.
720	Eliminate density data as it offers limited value to stakeholders and, as far as CN is aware, it is not widely used
245	Eliminate – this schedule merely collects information from other schedules.
332, 342, 352A and 352B, 412 and 415	These schedules are either breakdowns of specific categories of assets or breakdowns of leased vs. owned equipment – either eliminate schedules or remove reporting on leases. These schedules are often very manual to prepare and require input from various departments, increasing burden on reporting teams to collect and validate the data.

Performance Data Reporting

The Board should revisit the reporting under 49 C.F.R. part 1250, which was established in Docket No. EP 724. A number of these data reporting elements relate to the particular circumstances that the Board faced in Docket No. EP 724 and no longer provide any significant benefit. Based on this reassessment, the

Board should eliminate part 1250 reporting to the extent its costs are not outweighed by its benefits.¹⁹

CONCLUSION

For the reasons set forth above, CN respectfully requests that the Board amend the NPRM as recommended in these comments. In addition, CN requests that if the Board adopts adjusted OETA and/or ISP metrics, it provide 60-90 days between issuance of the final rule and its effective date. CN would need that time to stand up the adjusted metrics, incorporate the new reporting template, and perform quality assurance.

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¹⁹ *See id.*