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May 20, 2022

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

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

Dear Ms. Brown:

Enclosed for electronic filing please find CSX Transportation, Inc.'s response to the Board's order served May 6, 2022 in the above-captioned proceeding.

Sincerely,

A handwritten signature in blue ink that reads "John P. Patelli". The signature is written in a cursive, flowing style.

John P. Patelli

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

URGENT ISSUES IN FREIGHT RAIL SERVICE—RAILROAD REPORTING

Docket No. EP 770 (Sub-No. 1)

**RESPONSE OF CSX TRANSPORTATION, INC.
TO THE MAY 6, 2022 ORDER**

The Board's May 6, 2022 order in this proceeding directed CSX Transportation, Inc. (CSX) and three other Class I carriers to provide service recovery plans on May 20, 2022. The Board requested that the service recovery plans identify actions each carrier will take to improve service and the specific metrics by which each carrier will evaluate its progress toward such improvement over a 6-month period.

The Board's order explained that the 6-month period of reporting will commence on June 3, 2022 in the form of service progress reports, which will include both current data and 36 months of historical data.

Pursuant to the Board's order, CSX herein provides the requested information for its service recovery plan, which includes service performance indicators and specific responses on other matters requested by the Board.

Service Performance Indicators

The Board requested the reporting of service performance indicators that at a minimum include trip plan compliance and first-mile/last-mile, as defined in metrics 5 and 7 of the Board's order. CSX is providing information for four service performance indicators: trip plan compliance, first-mile/last-mile, velocity, and dwell.

1. Trip Plan Compliance (TPC) Metric 7 - Placement Within 24 Hours

CSX submitted an explanation of its methodology for the temporary service reporting on May 18, 2022, including how CSX derives data for TPC metrics 7(i) (manifest) and 7(iii) (intermodal).¹ For TPC, the Board's metric addresses manifest and intermodal in the following manner:

¹ As CSX explained in its methodology document with respect to unit train reporting at metric 7(ii), CSX does not schedule unit train service to destination in the same manner it does for manifest traffic and does not have a corresponding TPC metric for unit trains. Customers for unit trains have access to a work plan which includes train profile information, as well as other

- Metric 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, with the expectation that carriers would use the estimated and actual times for actual placement for open-gate facilities and the estimated and actual times for constructive placement for closed-gate facilities. CSX explained in its methodology document that its reported data reflects CSX trip plan compliance measurement plus 24 hours for shipments scheduled to placement and arrival, and excludes shipments destined for interchange.
- Metric 7(iii): For intermodal traffic, the percentage of trains that arrive at destination within 24 hours of the original estimated time of arrival. CSX explained in its methodology document that its reported data provides the percentage of intermodal trains arriving within 24 hours of their scheduled final arrival time.

System-wide TPC (manifest) for CSX pursuant to metric 7(i) is 69% for week 19 (the week ending May 13, 2022). CSX reviewed historical data in conjunction with current expectations for crew markups over the reporting period to determine an appropriate target. At the end of the six-month reporting period, CSX expects that TPC (manifest) pursuant to metric 7(i) will be at or above 80%.

TPC (intermodal) for CSX pursuant to metric 7(iii) is 98% for the week ending May 13, 2022. CSX reviewed historical data in conjunction with current expectations for crew markups over the reporting period to determine an appropriate target. At the end of the six-month reporting period, CSX expects that TPC (intermodal) pursuant to metric 7(iii) will remain above 95%.

2. First-Mile/Last-Mile (FMLM) Metric 5 – Industry Spot and Pull

CSX’s methodology document explains how CSX derives data for FMLM metric 5, which asks for the percentage of scheduled spots and pulls that were fulfilled. CSX explained that it evaluates performance against its operating plan by measuring the percentage of customer place, pull, intra-plant, or interchange delivery work successfully completed within the planned work window. Because the Board’s metric only requested information for spots and pulls, CSX explained that the reported data excludes intra-plant switches and cars planned to an interchange junction.

System-wide FMLM based on metric 5 is 83% for the week ending May 13, 2022. CSX reviewed historical data in conjunction with current expectations for crew markups over the reporting period to determine an appropriate target. At the end of the six-month reporting period, CSX expects that this figure will be at or above 85%.

detailed information about their transportation service. For the purpose of weekly reporting, CSX has made a good faith effort to provide data for arrival of unit trains within 24 hours of their profiled runtime to destination. However, as CSX does not otherwise track or analyze this data, CSX is unable to provide a target for this metric.

3. Velocity

In addition to the two required indicators above, CSX is also selecting the STB's velocity metric as a performance indicator. Velocity is particularly indicative of network performance, as discussed in detail at the April service hearing. CSX's methodology document describing its approach to reporting pursuant to 49 C.F.R. pt. 1250 provides information regarding CSX's reporting of this metric.²

System-wide velocity is 22 miles per hour for the week ending May 13, 2022. CSX reviewed historical data in conjunction with current expectations for crew markups over the reporting period to determine an appropriate target. CSX expects that, at the end of the six-month reporting period, velocity will be at or above 23.5 miles per hour.

4. Dwell

CSX is also selecting the STB's dwell metric as a performance indicator. Dwell is also an appropriate indicator of network performance. CSX's methodology document describing its approach to reporting pursuant to 49 C.F.R. pt. 1250 provides information regarding CSX's reporting of this metric.³

System-wide dwell is 24.4 hours for the week ending May 13, 2022. CSX reviewed historical data in conjunction with current expectations for crew markups over the reporting period to determine an appropriate target. At the end of the six-month reporting period, CSX expects terminal dwell to be at or below 22 hours.

Labor

The Board's May 6 order requested the carriers to address their plans to remedy current labor shortages and avoid future labor shortages. As CSX explained at the service hearing, CSX has faced hiring challenges over the past two years as a result of the pandemic and a tight labor market. The labor shortage has compelled CSX to be more creative and determined in its approach to recruiting, staffing, and engaging employees.

To meet its hiring goals, CSX has modified recruitment initiatives to expand the pipeline and access a broader pool of talent to fill conductor positions, and to retain applicants and trainees. As explained at the hearing, CSX has reevaluated the requirements for the conductor role by eliminating unnecessary prerequisites, and has expanded its presence across several types of media as part of its recruitment initiatives. CSX is encouraging current employees to recruit qualified people by offering a referral bonus. To effectively compete with other industries, CSX worked with SMART-TD to provide a 40% increase in pay for trainees. CSX enhanced its applicant experience and its training experience. For example, the CSX training center now has expanded class sizes that accommodate 40 or more trainees per class and CSX has reduced the burden of expense reimbursement by providing trainees with gift cards.

² CSX's explanation of methodology is available on the Board's website, at https://www.stb.gov/wp-content/uploads/CSX_Methodology.pdf.

³ CSX's explanation of methodology is available on the Board's website, at https://www.stb.gov/wp-content/uploads/CSX_Methodology.pdf.

With respect to retention of current employees, CSX is working to incentivize commitment through voluntary programs, such as opportunities to earn cash prizes and a truck giveaway for good attendance. As described at the hearing, CSX also worked with labor to implement voluntary temporary transfers to challenged locations, where T&E employees who fill these critical roles receive bonuses both for qualifying on the new territory and again at the end of the six-month transfer, as well as lodging or stipends to offset temporary housing expenses.

CSX is engaged with its T&E employees to support work-life balance and total well-being. As part of this engagement, CSX offers training programs, safety improvements, financial planning assistance, child and dependent care support, mobile devices and other modernized work tools. CSX continues to evaluate its employment offerings and resources that strengthen the overall employee experience. CSX is committed to developing better working relationships with our employees.

Although the Board's order does not ask for a specific employment target, CSX previously informed the Board at the hearing that it believes it will be back to pre-pandemic T&E levels in the third quarter of this year. Additionally, after the hearing, CSX voluntarily provided the Board with information on T&E employee hiring projections through year end. CSX will continue to hire to stay ahead of attrition and to meet the needs of its business growth.

The Board's order also encouraged carriers to include data on the number of train, engine, and yard employees that began and completed training in 2022. As of May 18, 2022, CSX had 675 T&E employees begin training in 2022, and 436 who had completed training. CSX would note that, of those employees that completed training in 2022, many began training in 2021; likewise, many of those employees who began training in 2022 have not yet had time to complete their training this year.

Velocity and Power

The Board's May 6 order stated that it expected CSX and the other three Class I carriers to report on any plans to lift current velocity restrictions, as well as any plans to increase the power on through trains so that each such train has the capacity to travel at track speed. The Board further stated that it expected carriers without plans to lift velocity restrictions or increase power to explain why.

With respect to velocity, CSX has no system-wide velocity restrictions in place. Localized velocity restrictions may be used where necessary for operational or safety reasons, as train speed can be impacted by various factors including geography, track condition, and train mix, among others. It is CSX's intention to move at track speed whenever appropriate.

With respect to power on through trains, CSX has already placed additional assets, including locomotives, on the network in order to handle current traffic levels. CSX's service recovery focus is primarily on conductor hiring and resolving crew shortage issues in certain locations on the network. Adding more power to through trains would not improve service performance for CSX.

* * *

CSX is committed to providing safe and reliable transportation to its customers. As part of that commitment, a major priority for CSX is increasing T&E employee hiring and retention. CSX expects its initiatives on these fronts to continue to be successful during the 6-month reporting period. As the crew situation normalizes, CSX expects that its service will be restored to pre-pandemic levels and continue to show progress thereafter.