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ADVISORY · OPERATIONS · IN THE FIELD

EXPOSURE READ 20

THE BOOK OF BUSINESS

Seven questions for the railroad that has to win its traffic, and keep it.

A read of a short line's traffic, customer by customer: what the line inherited, what it keeps, what it lost and why, and where new carloads come from. Seven questions to run on your own book, the book on one page, and the book's clocks.

07

QUESTIONS

Run them on your own line. Your score is the reading.

10

WHAT TO DO WITH THE ANSWERS

Reading the book, in order.

THE NUMBER NOBODY COMPUTES

The carloads your line lost in the last five years, and how many of the customers who stopped sending them were ever asked why. § 03

ISSUED BY

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THE RECORD 49 CFR Part 1251 · 49 CFR Part 1333 · 49 CFR Part 1300 · 49 CFR Part 1152 · 16 CFR Part 255 · 49 U.S.C. 11101 · 26 U.S.C. 45G · 15 U.S.C. 44

Animis opibusque parati.

INSIDE THE READ

A SHORT LINE'S TRAFFIC IS A LIST OF NAMES.

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§ 01 A SHORT LINE'S TRAFFIC IS A LIST OF NAMES

WHY THIS EXISTS

> *What you came here for:* How do we find new traffic for our line?
>
> *The question this Read asks:* **How many carloads did we lose in the last five years, and how many of the customers who stopped sending them did anyone ask why?**

A Class I railroad's book of business is a market. A short line's is a list of names. *Every name on it is a share of the year, and the line is paid for by whoever is still on the list.* The law asks a railroad to carry what is offered to it: a rail carrier "shall provide the transportation or service on reasonable request" (49 U.S.C. 11101(a)). The traffic a short line inherits came with the line. The traffic it keeps, it earns, one switch at a time, and the traffic it adds, it goes out and gets.

WHERE THE RULES STOP, FOR THE RECORD

Every Class I reports to the Board each week how often it spots and pulls customers' cars inside the planned window, by division (49 CFR 1251.2), and nothing federal counts a short line's. A Class I's demurrage invoice must carry the dates of each car's stay, and its customers must be able to read them by machine (1333.4, 1333.5); below Class I neither rule reaches. What the law does fix is a floor: rates and service terms in writing or electronically on request, and twenty days' notice before a common carrier rate rises, to anyone who formally asked for it, or arranged a future shipment under it, in the past year (49 U.S.C. 11101(b), (c); 49 CFR 1300.4(a)). *Everything else that brings a customer to a short line, and keeps him there, is the railroad's own choice.*

The end of the list has a rule of its own. A line that has carried no local traffic for at least two years is open to the Board's class exemption from the abandonment application, on the railroad's certification and a notice filed with the Board, where its overhead traffic can be rerouted and no formal complaint by a user of the line, or a government acting for one, alleging an illegal embargo or other unlawful impediment to service is pending or has been decided for the complainant in that time (49 CFR 1152.50(b), (d)). **A short line does not lose its track all at once. It loses it a customer at a time.**

These are answerable from your own records: the carload history by customer, the waybills, the complaint file and the calendar. Run them on your own line. They take an afternoon and they require nobody's help, which is why they are yours to run.

Nothing in it asks a railroad to go and find the request.

THE RECORD 49 U.S.C. 11101(a) · 49 CFR 1251.2 · 1333.4 · 1333.5 · 49 U.S.C. 11101(b) · 49 CFR 1300.4(a) · 1152.50(b)

§ 02 RUN THEM ON YOUR OWN LINE · YOUR SCORE IS THE READING

THE SEVEN

A question you could not answer is not a verdict. It is a piece of work with a known first step. Here is what a competent person does with each one: the record to pull, the conversation to have, and what the same item costs early against what it costs late.

01 The concentration 05
How much of your traffic comes from your three largest customers, and what becomes of the line if one of them leaves?

02 The ones who left 06
Who has left the line or shrunk in five years, and was any of them asked why?

03 The freight on the highway 07
Who within reach of your line moves freight by road today, and what would it take to put it on your rails?

04 The open door 08
Can a customer see his own cars, ask for a switch and read his own charges without picking up the telephone?

05 The complaint 09
When a customer complains, who owns it, how fast is the answer, and where is it written down?

06 The review 10
When did you last sit down with each customer's plant manager, with his volumes and your service on one page?

07 The page a prospect reads 11
What does a prospect find when he looks you up, and whose words does he read?

READ THIS FIRST

A book of business moves six ways: a customer kept, a customer grown, a load won back from the highway, a plant built on the line, a customer off the line reached by transload, and a customer lost. The seven below read all six, and they start with the one that ends lines.

The book is read one name at a time. Read it before a customer closes it for you.

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§ 02 THE SEVEN · QUESTION 01 OF 07

THE CONCENTRATION

How much of your traffic comes from your three largest customers, and what becomes of the line if one of them leaves?

WHAT YOU ARE LOOKING FOR

Take five years of carloads by customer, rank them and add the top three. Then take the largest away and spread the line's fixed cost over the cars that remain: the track, the locomotive, the crew on call, the insurance, the lease. A line that lives on one plant lives on that plant's next capital decision, and nobody at the plant is obliged to tell the railroad first.

IF THE ANSWER WAS NO

Pull: five years of carloads by customer.
Talk to: your largest customer's plant manager, about his next five years.
The curve: known now, a dependence is a plan; learned from a closing notice, it is a fact.

That figure is the price of losing one name, and it lands on every customer still on the line.

ANSWERED FROM OUR OWN RECORDS ☐ held in writing ☐ known but not written ☐ not held

§ 02 THE SEVEN · QUESTION 02 OF 07

THE ONES WHO LEFT

Who has left the line or shrunk in five years, and was any of them asked why?

WHAT YOU ARE LOOKING FOR

List every customer whose carloads fell by a quarter or more, or stopped. Beside each, write the reason, and the name of the person at the railroad who heard it from the customer. A reason the railroad guessed is not a reason. The ones who left over service tell you what to fix; the ones who left over price tell you where the rate sits (The Rate, Door 21, reads it); the ones who left over their own business tell you what is coming for the rest.

IF THE ANSWER WAS NO

Pull: the names whose cars fell.
Talk to: each of them, by telephone, this month.
The curve: asked while the reason is fresh, a customer may say what would bring him back; asked a year later, he has signed with someone else.

A customer who leaves without being asked takes the only explanation with him.

ANSWERED FROM OUR OWN RECORDS ☐ held in writing ☐ known but not written ☐ not held

§ 02 THE SEVEN · QUESTION 03 OF 07

THE FREIGHT ON THE HIGHWAY

Who within reach of your line moves freight by road today, and what would it take to put it on your rails?

> *"any person who transports property using the rail facilities of a Class II or Class III railroad"*
>
> 26 U.S.C. 45G(c)(2)

WHAT YOU ARE LOOKING FOR

Drive the line. List the plants, elevators, yards and warehouses within a short truck haul of a siding or a transload, and ask each what it ships, how much, how far and by what. Then ask what would move it: a rate, a window, a siding, a place to transload, a car the railroad can supply. One lever is in the tax code: a Class II or III railroad may assign miles of its track, for the track maintenance credit, to "any person who transports property using the rail facilities of a Class II or Class III railroad" (26 U.S.C. 45G(c)(2)), once a year, and gives up the credit on those miles when it does (45G(b)(2)). The shipper then claims 40 percent of the qualified maintenance it pays for or incurs on track a Class II or III railroad owned or leased on 01 JAN 2015, up to $3,500 per assigned mile (45G(a), (b)(1), (d)), so the lever works once he ships on the line. Ask the county or state development office who is looking at sites on the line, before the site is chosen.

IF THE ANSWER WAS NO

Pull: a map of the line and the plants within reach.
Talk to: the county or state development office, and the plants themselves.
The curve: met before a site is chosen, the railroad is part of the plan; met after, it is a siding request.

Start with the freight already passing your depot on the highway.

ANSWERED FROM OUR OWN RECORDS ☐ held in writing ☐ known but not written ☐ not held

THE RECORD 26 U.S.C. 45G(c)(2)

§ 02 THE SEVEN · QUESTION 04 OF 07

THE OPEN DOOR

Can a customer see his own cars, ask for a switch and read his own charges without picking up the telephone?

> *"actual notice of the demurrage tariff providing for such liability prior to the placement of the rail cars"*
>
> 49 CFR 1333.3(a)

WHAT YOU ARE LOOKING FOR

This is the open door. Where his car is, when it will be spotted, what he asked for and when, what demurrage and storage have cost him so far this month, and who at the railroad has his request. If any answer needs a call, the trainmaster is the database. A Class I must give its customers the invoice's dates in machine-readable form (49 CFR 1333.5); nothing requires a short line to, which is the reason to do it. The same page can carry the demurrage tariff; send it to him as well, in writing or electronically, before his cars are placed, since a customer who receives the cars may be held to a tariff's demurrage where the railroad has given him "actual notice of the demurrage tariff providing for such liability prior to the placement of the rail cars" (49 CFR 1333.3(a)).

IF THE ANSWER WAS NO

Pull: what a customer can see today without calling.
Talk to: two customers, about what they would look at.
The curve: a shared page started now is a habit within a season; held for a system that will do everything, it is a promise.

A customer who can see his own cars calls about the ones that matter.

ANSWERED FROM OUR OWN RECORDS ☐ held in writing ☐ known but not written ☐ not held

THE RECORD 49 CFR 1333.3(a) · 1333.5

§ 02 THE SEVEN · QUESTION 05 OF 07

THE COMPLAINT

When a customer complains, who owns it, how fast is the answer, and where is it written down?

> *"within hours, or at least by the next business day, in most situations"*
> 49 CFR 1300.2(b)

WHAT YOU ARE LOOKING FOR

Pull the last ten complaints from wherever they landed: the trainmaster's phone, the general manager's inbox, a word to the crew at the gate. For each, the date it came in, who took it, what was done and the date the customer was told. The law sets a clock on a rate: a formal request for an existing rate is answered immediately, which the Board reads as "within hours, or at least by the next business day, in most situations" (49 CFR 1300.2(b)), and a new rate is set within ten business days, or ten business days from any further information the railroad asks for (1300.3). A complaint with no owner is answered by the next one.

IF THE ANSWER WAS NO

Pull: the last ten.
Talk to: whoever took them.
The curve: owned and answered in a day, a complaint is a story the customer tells for you; left, it is the reason he gives the trucker.

Nobody sets a clock on a complaint but the railroad.

ANSWERED FROM OUR OWN RECORDS ☐ held in writing ☐ known but not written ☐ not held

THE RECORD 49 CFR 1300.2(b) · 1300.3

§ 02 THE SEVEN · QUESTION 06 OF 07

THE REVIEW

When did you last sit down with each customer’s plant manager, with his volumes and your service on one page?

WHAT YOU ARE LOOKING FOR

Not the shipping clerk, who orders cars, and not purchasing, which reads the rate: the plant manager decides where next year’s volume goes. Once a year at least, take him one page: his carloads by month, his windows kept and missed (First Mile, Last Mile, Every Mile, Door 16, counts them), his demurrage, and what the railroad will do next. Ask what is changing at the plant.

IF THE ANSWER WAS NO

Pull: each customer’s page.
Talk to: each plant manager, once a year at least.
The curve: held while the service is good, a review is a conversation; held after a failure, it is a negotiation.

A plant manager who hears from the railroad only when the rate goes up hears it as a bill.

ANSWERED FROM OUR OWN RECORDS ☐ held in writing ☐ known but not written ☐ not held

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§ 02 THE SEVEN · QUESTION 07 OF 07

THE PAGE A PROSPECT READS

What does a prospect find when he looks you up, and whose words does he read?

> *"must reflect the honest opinions, findings, beliefs, or experience of the endorser"*
>
> 16 CFR 255.1(a)

WHAT YOU ARE LOOKING FOR

Search your own railroad's name the way a site selector would. What comes up: a map, what the line handles, a person to call, the railroad at work, and its customers' own account of it? Or a page last changed when the line was sold? A customer's own account is a page the railroad cannot write for itself, and it is his to give. The Federal Trade Commission's guides, which a railroad does well to follow whether or not they reach it, hold that an endorsement "must reflect the honest opinions, findings, beliefs, or experience of the endorser" (16 CFR 255.1(a)), and a discount or other benefit he received is a connection to disclose, clearly and conspicuously, where it might materially affect the weight or credibility readers give his words and they would not reasonably expect it (16 CFR 255.5(a)).

IF THE ANSWER WAS NO

Pull: your own name, searched.
Talk to: a customer willing to tell his story in his own words.
The curve: a page built now meets the next site selector; left as it is, it tells him when the line was last looked after.

NONE OF THAT REQUIRES THIS FIRM

It is what a competent person does, written out so that you can do it. What is not written here, and cannot be, is the judgment about the line and the customers in front of you: which name matters most, what the last departure has already set running, and what five years of carloads say when every one is laid in order by someone who does not work for the railroad. That does not generalize. It is what the firm sells, whether it takes on one piece of the work or the whole of it.

Ask him in writing, and print his words as he said them.

ANSWERED FROM OUR OWN RECORDS ☐ held in writing ☐ known but not written ☐ not held

THE FIRST CALL IS CHEAP. · IT IS THE SILENCE THAT IS EXPENSIVE.

§ 03 ARITHMETIC ON YOUR OWN FIGURES

WHAT A MISSING ANSWER COSTS

None of the following is an industry average and none is quoted as one. Each is a calculation performed on your own numbers, which is why it will survive being challenged.

I. THE NAME YOU CANNOT AFFORD TO LOSE

Your largest customer's carloads as a share of last year's, and the line's fixed cost spread over the cars left without him. **The difference is the increase per car every other customer would carry.**

II. THE ONES WHO LEFT

Five years of carloads by customer: the drop for each name that fell, at what each of its cars paid you. Beside it, the number of those customers anyone asked why.

III. THE FREIGHT ON THE HIGHWAY

The loads within reach of the line moving by road, counted at the plants, priced at what the railroad would earn on each as a carload.

IV. THE TELEPHONE

The hours a week the trainmaster, the clerk and the general manager spend telling customers where a car is, at your own labor rate. Count how many of those calls a posting could have answered.

V. THE NUMBER NOBODY COMPUTES, AND IT IS THE ONE THAT MATTERS

The carloads your line lost in the last five years, and how many of the customers who stopped sending them were ever asked why. *Set the first beside what one customer kept is worth*, and the cost of not asking is on one line.

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§ 04 READING THE BOOK, IN ORDER

WHAT TO DO WITH THE ANSWERS

Most of this a railroad can run itself, and the order decides the answer. *Start with the prospects and you will chase the ones you have not met. Start with the book and you will keep the ones you have.*

	THE STEP	WHAT IT IS ACTUALLY LOOKING FOR
01	The book on one page	Every customer, five years of carloads, his share of the year, the three largest as a share, and who decides at the plant. **The page is the finding before any of the others.**
02	The ones who left, by name	Call each one. Ask why, and write the answer in his words. This is question 02.
03	The freight within reach	The plants and loads within a short haul of the line, and what moves them now. Question 03, on a map.
04	What a customer sees without calling	His cars, his requests, his charges and the tariff. Question 04, tried from his side of the gate.
05	The complaint file	The last ten complaints, their owners and their dates, from the first call to the answer.
06	The review calendar	The date each plant manager last saw his page, and the date he sees the next.
07	What a prospect finds	Your own name, searched: the pages, the images and the words that come up, and whose they are.
08	Sites and transload on the line	Land that is zoned and served, track that could take another industry, and a place where trucks can meet rail.
09	The levers you hold	The rate, the window, the siding, the car supply and the credit miles you may assign. Name the one each prospect would need.
10	The finding — which names, which reasons, and what would change them	Name the customers at risk and why, the freight within reach and what would move it, and the one change that would do the most. If nothing changes, next year's page is shorter.

Read the book before you sell the railroad.

KNOW EVERY NAME ON THE LIST. · THEN GO AND ADD ONE.

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§ 06 THE BOOK HAS MORE THAN ONE READER

WHO ELSE SHOULD RUN THESE

These questions are written for whoever answers for the line's traffic. *Six others hold part of the book and generally read it later.*

I. THE OWNER AND THE BOARD

Question 01 is theirs. **A line that lives on one customer is priced, lent against and planned as a one-customer business**, whether or not anyone says so.

II. THE PUBLIC OWNER OF THE LINE

Where a state, a port or a county owns the track, the traffic decides what the line is worth keeping. **The lease renewal reads the book whether or not the operator does.**

III. THE DEVELOPMENT OFFICE

County, state and port development offices hear who is looking at sites before the railroad does. Give them the page that says what the line can handle, and ask to be called.

IV. THE CREW

The conductor at the gate sees the customer every time his plant is switched. **Ask the crew what the customers say**, and put it in the complaint file.

V. THE CONNECTING RAILROAD

Its marketing and industrial development people set the through rate and hear site inquiries from across the region. Run question 03 with them.

VI. THE CUSTOMER

Send each one his page, and this Read with your own seven marked. **A customer who has seen the railroad's own count of him has been asked.**

VII. THE COMMON THREAD

Every party above holds a piece of the book and none of them keeps it whole. **A customer stays where he is known**, and the railroad is the only party in a position to know all of them.

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§ 07 FROM THE RAILROAD'S SIDE OF THE GATE

ONE TERMINAL'S CUSTOMERS, AND WHAT IT FOUND

One terminal, told from the trainmaster's desk, where its customers' calls landed. *No railroad, customer or town is named here, and none needs to be.*

I. WHAT THE JOB WAS

A terminal on a large railroad, with plants of several kinds on its tracks, processors and makers among them. The trainmaster's job was getting their cars pulled and spotted.

II. WHAT THE PAPERS SAID

The terminal worked to a local service plan, and each job to its work order. **A work order says which cars move. It does not say what the customer was told.**

III. WHAT THE GROUND SAID

Cars arrived before the plants were ready to take them, and stood on the railroad's track with the storage charges running.

IV. WHAT WAS TAKEN APART AND REBUILT

The trainmaster's work sheet for the crews put the work order first and carried one standing order: if a car could not be found, or a customer could not be pulled or placed, call him, and call him before tying up. A snapshot of the terminal went out twice a day, with a line for customer communications: each message, meeting, result and action. One plant was given a limit on the cars set at once, and was switched out when they were empty. Where a crew passed a customer with time in hand, it spotted or pulled cars there without cutting into the work order. And the local service plan was reset.

V. WHAT IT COST, AND WHAT WOULD BE DONE DIFFERENTLY

It cost a trainmaster on call to every crew, at any hour, by standing order. **After the plan was reset it ran without a failure, by his own count, and the customers said so**, until traffic came back from a quiet stretch faster than the terminal could place it. Done again, the customer line in the snapshot would go to the customers themselves, and the cars that come ahead of need would be counted and priced with each plant before they arrived, and held off the railroad's track where that costs less. *A customer who is told keeps sending cars. One who learns it from the invoice starts pricing trucks.*

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§ 08 SO YOU KNOW WHAT YOU WOULD BE BUYING

WHAT THE WORK ACTUALLY PRODUCES

HOW THE WORK RUNS	IN OPERATING TERMS
What we look at first	The list. Every customer by name, with his carloads year by year, built from your own carload history, waybills and complaint file, before anyone is called.
What we test	The names against their reasons: exit calls to the customers who left or shrank, in their own words; the plants and loads within reach of the line, what moves them now and what would move them to rail; and what a customer and a prospect each see of your railroad.
What we cut	Prospects the line cannot serve well. A name that would cost more to win than it brings is set aside, and the time goes to the ones within reach.
What you get	The exit calls with their reasons and what would bring each customer back, the freight within reach with the lever the railroad holds for each, the open door built for customers to see their own cars and charges, the line at work on camera, and a straight answer on whether the book holds. Yours to keep.

WHAT ARRIVES	WHAT IT IS, AND WHAT IT IS NOT
The book on one page	Every customer, five years, his share and who decides at his plant, with the names at risk marked. **The page the rest of the work hangs on.**
The exit calls	The customers who left or shrank, asked why, their reasons in their own words, and what would bring each one back, if anything would.
The freight within reach	The plants and loads within a short haul of the line, what moves them now and what would move them to rail, with the lever the railroad holds for each.
The open door, built	A customer's view of his own cars, his requests and his charges, kept current. It can be a shared page or an application on his phone. **SteelWheels.Co develops SaaS and low-code applications for this work**, and builds the simplest one the railroad will keep up.
The line at work, on camera	Images and film of the railroad and its customers at work, for the railroad's pages and the customers' own, with each customer's account in his own words and with his written consent.
A straight answer on whether the book holds	Including, on some lines, that it does. **This read finds a book sound whenever it is.**
As needed, or the whole of it	SteelWheels.Co works beside your people as a partner on contract, in either of two ways. **As needed:** one piece of this Read, its question named and fixed in writing before the work starts, with your people carrying the rest. **The whole of it:** the firm carries everything on this page as your commercial and customer desk, the book kept, the calls made, the freight within reach worked, the open door built and kept current, the line on camera and the reviews held with each plant manager, retained for as long as you need it and handed back when your own people can carry it.

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§ 08 SO YOU KNOW WHAT YOU WOULD BE BUYING · CONTINUED

WHAT THE WORK ACTUALLY PRODUCES

WHAT ARRIVES	WHAT IT IS, AND WHAT IT IS NOT
And what it is not	Not a promise of traffic, and not a substitute for service: no page keeps a customer the switch keeps failing, and First Mile, Last Mile, Every Mile reads the switch. Not a rate, which The Rate reads. Where a matter before the Board or a court is the question, that is a different instrument, and the firm states which party has engaged it before the work begins.

WHAT YOU CAN HOLD US TO	WHAT IT MEANS ON YOUR PROPERTY
The question	Fixed in writing before the work starts, and the page is yours to keep.
The name	One railroader scopes the work, sees it through and signs the finding. **He answers for it from the first day to the last, and after.**
The basis	Every finding cites what it stands on, the record or the field check, so your own people can test it.
The straight answer	When the operation holds, the finding says so, and the work stops there.
The stages	Each stage ends on something you can use if you stop there.
The check-back	A return date is set at the start. Where the work leaves a fix, we come back on that date and measure whether it held.

§ 09 AND IF YOU DO NOT

IF YOU WANT A SECOND SET OF EYES

THE QUESTIONS IN § 02 ARE THE TEST OF THE FIRM THAT WROTE THEM

Run them, and judge the firm by what they find.

These seven are yours to run, and if the book holds you owe nobody anything. The book in § 04 wants two readers, and **the second does not work for the railroad**, because the question he asks is the one a railroad cannot comfortably ask its own customers. If you need that second reader, write and say what is missing and when you need it. If you need more than a reader, the firm takes on one piece of the work or the whole of it (§ 08).

SteelWheels.Co is a firm of career railroaders, with better than 160 years of combined field experience. Nobody we send learns railroading on your property. The reason this document knows the book from both sides of the gate is that the people who wrote it have taken the customer's call at the trainmaster's desk and made the case for the rate he pays. That is a standard, not a résumé. Ask for the name and the territory, and check them.

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§ 10 WHAT A RAILROAD MEANS WHEN IT SAYS THESE

THE WORDS, DEFINED

THE TERM	WHAT IT ACTUALLY MEANS, AND WHY IT IS ON THIS PAGE
Book of business	The customers a railroad serves and the traffic each one sends, by name. **On a short line it is a list, not a market.**
Carload	One car's load from origin to destination, the unit a short line's year is counted in.
On-line and overhead traffic	Freight that starts or ends on the railroad's own line, against freight that only passes over it. The Board's two-year rule asks, among its conditions, that no local traffic has moved over the line for at least two years, and that any overhead traffic can be rerouted over other lines (49 CFR 1152.50(b)).
Transload	A place where freight moves between truck and rail car. It puts a customer who is off the line within reach of the railroad.
Common carrier obligation	The duty to carry on reasonable request (49 U.S.C. 11101(a)). It obliges the railroad to answer the customer who asks, not to find him.
Actual notice	Written or electronic notice of the demurrage tariff before the cars are placed: the condition on which the tariff can make the receiver of the cars liable for demurrage (49 CFR 1333.3(a)).
Endorsement	A marketing message a reader is likely to take for the views or experience of someone other than the railroad (16 CFR 255.0(b)). The Federal Trade Commission's guides set the standard that it be honest (16 CFR 255.1(a)), though the FTC Act excludes common carriers subject to the rail statute (15 U.S.C. 44, 45(a)(2)). A customer's story on the railroad's page is one.
Track maintenance credit	A federal tax credit on short line track maintenance, whose miles a Class II or III railroad may assign once a year to a shipper on its line or to a supplier (26 U.S.C. 45G). Tax counsel works the details.
Account that pays	A customer whose revenue, over a year, covers the cost of moving his cars and his share of what the track costs to keep. The Rate (Door 21) draws that band for each move.
Industrial development	The work of putting a new plant, a siding or a transload on the line, or keeping a site that could hold one, before the site is chosen elsewhere.

THE RECORD 49 CFR 1152.50(b) · 49 U.S.C. 11101(a) · 49 CFR 1333.3(a) · 16 CFR 255.0(b) · 255.1(a) · 15 U.S.C. 44 · 26 U.S.C. 45G

§ 11 VOLUME IS NOT THE SAME FACT AS A BOOK THAT CAN LAST

THE ACCOUNTS THAT PAY

The seven in § 02 read the book as names and carloads. They tell you who is on the list, who has left, and where the next car might come from. They do not tell you which of those names, once the move and the track are costed, still pay.

Take each customer's cars for a year. From The Rate (Door 21), take the cost of running those moves and that customer's share of what the track costs to keep. Set the revenue he paid you beside those two figures. An account that covers both is an account you can afford to keep and to grow. An account that covers the train and not the track is an account the rest of the book is already carrying. An account that covers neither is volume, and volume on those terms spends the line.

This is not a reason to drop a customer without a conversation. Some accounts can be brought inside the band: a rate reset (Door 21), a window kept (Door 16), a siding that cuts the switch, a mix of cars that earns more from the same plant. Some cannot. **The finding is not the customer you wish were profitable. It is the page that says which ones are, and which ones you are still chasing at a loss.**

A new account should be qualified the same way, before it is celebrated as growth. Ask what it would pay, what it would cost to switch and to keep the track under it, and what would happen to the band if the volume he promised arrived at half. Prospects the line cannot serve well are already set aside in § 08. Prospects the line can serve, but not at a rate that covers the cost, belong on the same list, for the same reason.

The number nobody computes in § 03 is the carloads you lost and whether anyone asked why. Set beside it, now, the revenue you kept that did not cover its cost. One is the book shrinking. The other is the book looking larger than it is.

§ 12 BE AT THE TABLE BEFORE THE SITE IS CHOSEN

THE SITES AND THE TRANSLOAD

Question 03 already sends you down the line, and to the county or state development office, to ask who is looking at sites before the site is chosen. Step 08 in § 04 already asks for land that is zoned and served, track that could take another industry, and a place where trucks can meet rail. This section gives that work the same weight as the rest of the book, because a plant built on someone else's line is traffic you will not win back by asking why it left.

Walk the line for the sites that remain: ownership, zoning, street and utility access, distance to a switch, and whether the track to the site will take the cars the plant would ship. Write down the spare track, and what it would take to make a siding of it. Write down where a transload could stand, and what commodities it could handle, so a customer who is off the line is still within reach of it. The connecting railroad's industrial development people hear site inquiries from across the region; run this list with them, as § 06 already asks.

A site selector who meets the railroad after the site is chosen is asking for a siding. A site selector who meets the railroad before is asking whether the line belongs in the plan. The difference is a year, and a location you will not get back. The track maintenance credit in question 03 remains a lever once he ships, not before; tax counsel works the details (26 U.S.C. 45G).

The next plant on your line is the one whose site you were in the room for. The ones you hear about in a press notice are already somebody else's traffic.

§ 13 PRINT IT, FILL IT, NAME THE OFFICER AND THE DATE

THE BOOK, ON ONE PAGE

Answers held in somebody's head are not answers, and in this subject they tend to sit with whoever took the call. *Write each one down with its source and date it.*

	THE ITEM	SOURCE	THE ANSWER, IN WRITING	CHECKED BY · DATE
01	Every customer, five years of carloads, his share of the year			
02	The three largest as a share; the fixed cost per car without the largest			
03	Customers who left or fell, each with his reason in his own words			
04	Plants and loads within reach of the line, moving by road			
05	What a customer can see without calling			
06	The last ten complaints — owner, date in, date answered			
07	Each plant manager — last review, next review			
08	What a prospect finds under your name			
09	Sites, spare track and transload; the lever each prospect would need			
10	The finding — which names, which reasons, what would change them			
11	Each customer's revenue against the cost of his moves and his share of the track — which accounts pay			
12	Sites still open, spare track, transload; who was at the table before the last site was chosen			

THE RECORD 49 CFR Part 1251 · 49 CFR Part 1333 · 49 CFR Part 1300 · 49 CFR Part 1152 · 16 CFR Part 255 · 49 U.S.C. 11101 · 26 U.S.C. 45G · 15 U.S.C. 44

§ 13 PRINT IT, FILL IT, NAME THE OFFICER AND THE DATE · CONTINUED

THE BOOK, ON ONE PAGE

Answered from our own records, of your seven in § 02: held in writing ____ · known but not written ____ · not held ____

run by _____ · date _____ · signed _____

ROW 03 IS THE ONE THAT DECIDES THE OTHERS

Every other row describes the book; row 03 explains it. *Row 06 is the one kept in nobody's file.* A complaint nobody wrote down has already been answered, by the customer.

THE BOOK · ONE ROW PER CUSTOMER, KEPT BY THE GENERAL MANAGER

CUSTOMER	CARLOADS, FIVE YEARS AGO	CARLOADS, LAST YEAR	DECIDES AT THE PLANT	LAST SAT WITH	OPEN ITEM	NEXT DATE

The count: the customers whose carloads fell, out of all of them; and of those, the ones anyone asked why. The second number is the one that moves.

THE RECORD 49 CFR Part 1251 · 49 CFR Part 1333 · 49 CFR Part 1300 · 49 CFR Part 1152 · 16 CFR Part 255 · 49 U.S.C. 11101 · 26 U.S.C. 45G · 15 U.S.C. 44

§ 14 EVERY ONE OF THEM A TIME SOMEBODY CAN CHECK

THE BOOK'S CLOCKS

THE ACT	THE CLOCK	THE RULE
A formal request for an existing rate answered	Immediately: within hours, or by the next business day in most situations	49 CFR 1300.2(b)
A request for a new rate answered	No later than 10 business days, or 10 business days from any further information the railroad asks for, unless the parties agree otherwise	49 CFR 1300.3
A common carrier rate raised, or a service term changed (other than a change equivalent to a rate reduction)	20 days after written or electronic notice to those who formally asked for it, or arranged a future shipment under it, in the past 12 months	49 U.S.C. 11101(c); 49 CFR 1300.4(a)
Liability for demurrage under a tariff	With actual notice of the tariff, in writing or electronically, before the cars are placed	49 CFR 1333.3(a)
Credit miles assigned to a shipper or supplier	Once in the railroad's taxable year, treated as made at its close	26 U.S.C. 45G(b)(2)(A)
A line with no local traffic	Two years, overhead traffic reroutable and no qualifying complaint pending or won: the class exemption from the abandonment application is open to the railroad, by notice	49 CFR 1152.50(b), (d)
A customer's story in print	The guides' standard: his honest experience, with any material connection readers would not expect disclosed	16 CFR 255.1(a); 16 CFR 255.5(a)
Your own: a complaint to its answer	Hours, from your file	Yours
Your own: a customer's last review to his next	Months, from your calendar	Yours
Your own: a customer's last car to the call that asked why	Days, from your file	Yours
Your own: a prospect's first inquiry to the railroad's answer	Hours, from your file	Yours

THE RECORD 49 CFR 1300.2(b) · 1300.3 · 49 U.S.C. 11101(c) · 49 CFR 1300.4(a) · 1333.3(a) · 26 U.S.C. 45G(b)(2) · 49 CFR 1152.50(b) · 16 CFR 255.1(a) · 255.5(a)

§ 15 THE CLOSE, AND HOW TO REACH US

WHAT THIS ADDS UP TO

A railroad that never reads its book will always believe its traffic left for reasons beyond its reach, or always believe it does not leave. *The customers already know which; nobody has asked them.*

A customer sees a short line in three places: at the gate, on the invoice, and on the page he finds when he looks it up. **The railroad decides what each of the three says.** A book read customer by customer is the one record in the matter the railroad keeps for itself, and the next conversation about the line, with an owner, a lender or a customer, starts from it.

If you run all twelve rows and the book holds, you have a page you can hand to your owner, your lender or your next customer. **That is worth the afternoon by itself**, and it is the outcome we would rather you reach without us.

It is done on the day every customer on the line has been asked, by name, what would make him send one more car.

STEELWHEELS.CO · POINT OF CONTACT

Where the Wheels meet the Steel

Write and say what you found, or call 928.605.7984 and say it. Not an impression: your score, and the name on your list that nobody had asked. That name is the finding. You will have a reply within one business day, from the principal and not from a form. Writing puts you on no list. *If what comes back says you have no problem, you will be told so, in so many words.* What comes back sets the next stage, or the work stops there.

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FIND IT. NAME IT. DISSOLVE IT. · READ ON THE BALLAST, NOT THE CHART.

THE RECORD 49 CFR Part 1251 · 49 CFR Part 1333 · 49 CFR Part 1300 · 49 CFR Part 1152 · 16 CFR Part 255 · 49 U.S.C. 11101 · 26 U.S.C. 45G · 15 U.S.C. 44

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