# STEELWHEELS.CO™ | CHANGE THE QUESTION.

ADVISORY · OPERATIONS · IN THE FIELD

# THE BOOK OF BUSINESS · READ 20 RUN SHEET

*The working pages of Read 20, for whoever runs them on the property.*
*The section numbers are the Read's.*

ISSUED BY

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## § 02 THE SEVEN

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

**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 QUESTION | WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS |
|---|---|---|
| 01 | HOW MUCH OF YOUR TRAFFIC COMES FROM YOUR THREE LARGEST CUSTOMERS, AND WHAT BECOMES OF THE LINE IF ONE OF THEM LEAVES? | 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. **That figure is the price of losing one name,** and it lands on every customer still on the line. 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. |
| 02 | WHO HAS LEFT THE LINE OR SHRUNK IN FIVE YEARS, AND WAS ANY OF THEM ASKED WHY? | 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. **A customer who leaves without being asked takes the only explanation with him.** |
| 03 | WHO WITHIN REACH OF YOUR LINE MOVES FREIGHT BY ROAD TODAY, AND WHAT WOULD IT TAKE TO PUT IT ON YOUR RAILS? | 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. **Start with the freight already passing your depot on the highway.** |
| 04 | CAN A CUSTOMER SEE HIS OWN CARS, ASK FOR A SWITCH AND READ HIS OWN CHARGES WITHOUT PICKING UP THE TELEPHONE? | 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)). **A customer who can see his own cars calls about the ones that matter.** |
| 05 | WHEN A CUSTOMER COMPLAINS, WHO OWNS IT, HOW FAST IS THE ANSWER, AND WHERE IS IT WRITTEN DOWN? | 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). **Nobody sets a clock on a complaint but the railroad.** A complaint with no owner is answered by the next one. |

| | THE QUESTION | WHAT YOU ARE LOOKING FOR, AND WHAT A BAD ANSWER MEANS |
|---|---|---|
| 06 | WHEN DID YOU LAST SIT DOWN WITH EACH CUSTOMER'S PLANT MANAGER, WITH HIS VOLUMES AND YOUR SERVICE ON ONE PAGE? | 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. **A plant manager who hears from the railroad only when the rate goes up hears it as a bill.** |
| 07 | WHAT DOES A PROSPECT FIND WHEN HE LOOKS YOU UP, AND WHOSE WORDS DOES HE READ? | 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)). **Ask him in writing, and print his words as he said them.** |

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

## § 13 THE BOOK, ON ONE PAGE

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

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 | | | |

**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 |
|---|---|---|---|---|---|---|
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**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.

## § 14 THE BOOK'S CLOCKS

EVERY ONE OF THEM A TIME SOMEBODY CAN CHECK

| 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 |

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**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.



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