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## ***ARGUS RAIL BUSINESS***

### **Contents:**

Argus indexes and assessments	2
Argus On-Time Delivery Index	2
QCS data and analysis	2
Association of American Railroads metrics	3
Annual Waybill Sample data	3

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The most up-to-date Argus Rail Business methodology is available on [www.argusmedia.com](http://www.argusmedia.com)

## Introduction

*Argus Media* publishes freight intelligence and price information in *Argus Rail Business*, *Argus Coal Transportation*, *Argus Freight*, *Argus Nefte transport* as well as market reports and newsletters on a wide range of energy markets.

### Argus Rail Business contains data services on:

- Key freight rate and commodities price and performance benchmarks
- News and analysis on rail industry trends, policy and regulation
- Quarterly commodities statistics data and analysis
- Railroad performance metrics
- Waybill analysis of specific moves by commodity

## Argus indexes and assessments

*Argus* assesses Americas and world fuel prices, including diesel prices for on-road and off-road use at various North American delivery points. *Argus* publishes prices that report and reflect prevailing levels for open-market arm's length transactions (please see the *Argus Global Compliance Policy* for a detailed definition of arm's length). For information on these indexes and on price assessments for other energy commodities, please review those markets' current methodologies, available at [www.argusmedia.com](http://www.argusmedia.com). *Argus* uses this information to compare with published fuel surcharges and to analyze trends in this important piece of total freight costs.

*Argus* indexes are used worldwide for risk management in price and supply transactions. Routinely published information includes crude, diesel, fuel oil or jet fuel and kerosene prices from *Argus US Products*, *Argus Americas Crude* or other market reports. Information, index values and assessments for coking coal, seaborne coal or North American coal are typically published in *Argus Coal Daily* or *Argus Coal Daily International*. More information about these reports and other *Argus* services is available at [www.argusmedia.com](http://www.argusmedia.com).

## Argus On-Time Delivery Index

Two related factors are at the core of the shipper-railroad relationship – cost and service. Service levels can be inferred in some cases from publically available data, including average train speeds or terminal dwell times, but shippers sit nearly as close to railroad performance as the railroads themselves. Shippers' collective experience can yield important insights into

emerging rail customer service trouble, while time remains to adapt to it.

For this reason, *Argus* publishes quarterly indexes of railroad performance and service. The On-Time Delivery Index has been tracking rail performance since 1997 and remains the go-to source for the objective measurement of continuing – or developing – rail service issues, system-wide for a variety of commodities.

With its On-Time Delivery Index, or OTDI, *Argus* tracks railroad performance in five major commodities:

- Chemicals
- Coal
- Forest Products
- Grain
- Metals

*Argus* surveys shippers for the OTDI to accurately sample railroad performance and delivery standards. Survey respondents are contacted via telephone or other electronic means and rate their rail carrier(s) on a scale between 1 and 5 on customer service and responsiveness and separately to rate on-time delivery.

These survey results are published quarterly for each of the commodities and historical data on results is available from the surveys' 1997 inception.

## QCS data and analysis

Commodity-level freight information is obtained quarterly from reports to the Surface Transportation Board by each of the North American Class I railroads. This data is aggregated, instrumented, quality assured and reviewed editorially, then published within *Argus Rail Business*. As an added service, customers may receive a flat-file report containing commodity-level information for all Class I railroads. Other distribution systems are planned.

The Quarterly Commodities Statistics data is paired with relevant analysis and *Argus* data to provide a more complete picture of the rail freight marketplace. This data is produced by the railroads and submitted to the Surface Transportation Board quarterly, providing prior-quarter rate information for: BNSF; Canadian National, Canadian Pacific; CSX; Kansas City Southern; Norfolk Southern; and Union Pacific.

*Argus* publishes data on railroad revenues, revenues per carload, volumes in carloads and volume change on the year for each of thirteen commodities series each quarter.

Commodities covered editorially in the report are:

- Chemicals
- Farm Products
- Grain
- Textiles
- Non-Metallic Minerals
- Containers
- Metallic Ores
- Metals
- Pulp and paper products
- Forest Products
- Coal
- Clay, concrete, glass or stone products
- Refined Products

*Argus* data products include performance information for all standard commodity categories and subcategories.

### Association of American Railroads metrics

*Argus Rail Business* publishes data from the Association of American Railroads measuring the performance of the North American railroads. That data includes train speed, terminal dwell times and other data including cars on line.

*Argus* displays selected data weekly from this data series and rotates that coverage each issue of the report. *Argus* analysis of this information includes aggregated speed information, capacity availability and 4-week rolling average train speeds.

### Annual Waybill Sample data

*Argus* uses the aggregated public version of the Surface Transportation Board's waybill sample to construct region-to-region and commodity-by-commodity freight rates and trends analysis. This data is reported annually and uses a multiplier by the agency to mask sensitive rate information.

Analysis of waybill data is typically displayed on page 8 of *Argus Rail Business* but is also used extensively in the analysis of and reporting on rail shipments elsewhere in the report.