STB ISSUES FINAL RULE TO CLARIFY DEMURRAGE REGULATIONS

The Surface Transportation Board announced today that it is adopting a final rule clarifying the regulation of demurrage. The final rule amends regulations governing the class exemptions for certain miscellaneous commodities, such as paper products and steel scrap, and boxcar transportation to clearly state that demurrage continues to be subject to Board regulation. This modification reflects longstanding court and agency rulings that these exemptions do not apply to the regulation of demurrage.

Additionally, the final rule partially revokes the class exemption that currently covers certain agricultural commodities so that the exemption will not apply to the regulation of demurrage. As a result, the agricultural commodities exemption will be consistent with similar class exemptions covering non-intermodal rail transportation.

After issuing a notice of proposed rulemaking to address these issues in October 2019, and reviewing the record comments, the Board adopted the final rule as proposed. The final rule will become effective April 3, 2020.

The Board’s final rule in Exclusion of Demurrage Regulation from Certain Class Exemptions, Docket No. EP 760, may be viewed and downloaded here.

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