



Bring it.

April 2, 2019

Honorable Chairman Ms. Ann Begeman
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Dear Chairman Begeman,

I understand that the Surface Transportation Board is currently reviewing railroad demurrage abuses.

The purpose of this letter is to explain the negative effect demurrage has on our company. Wagner Logistics operates a 90,000 square foot warehouse facility in Kansas City Missouri with four rail doors. We are served solely by the Union Pacific Railroad.

As a public warehouse company, we earn our handling & storage charges when we unload inbound boxcars. We are therefore, highly motivated to unload cars as quickly as we possible so we may invoice our customers. We are not the beneficial cargo owners, rather a service provider to shippers.

The UP reduced the Service Days they would switch our facility from Monday through Friday to Monday, Tuesday and Thursday, Friday. Five days to four. The Union Pacific arbitrarily reduced service.

We suspect this is a result of UP Plan 2020, the customized to suit Union Pacific version of Precision Scheduled Railroading.

Under the Accessorial Tariff UP 6004 – C, a Receiver earns credits (\$100) and debits (\$200) throughout the month. At the end of the month, the slate is cleaned, and a Receiver loses all credits. When the railroad bunches cars at the end of the month, we are immediately “demurrage challenged” on the first day of the month.

In addition to the Union Pacific’s reduction of service, the process changes the UP has made in switching has exacerbated the likeliness of demurrage liability. When we were switched five days a week, the cars were spotted at our doors at night, so we had a full complement of cars to unload the following morning. Under the Union Pacific’s current operating plan to our facility, there is no way to predict when the cars will be placed at our doors. The Union Pacific makes no switch time guarantees. In addition, Wagner has extreme difficulties in scheduling work crews.

When cars are spotted at our facility on a late Friday afternoon, we must retain rail warehouse workers on overtime, a *non-customer compensated labor cost*, to make sure that we avoid the cars sitting over the weekend being charged \$200 per car. With four doors that’s four cars times \$200, or \$800 per day.

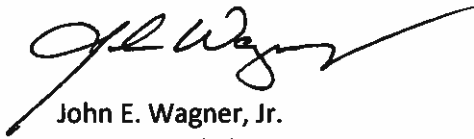
We are currently arguing with the UP railroad over \$20,000 of demurrage charges that we feel are unreasonable and unwarranted.

The system is rigged in the railroads favor and there is a serious lack of fairness in this process. It is my hope that the STB will work with the railroads to bring some good faith balance into demurrage tariff rules.

What began as a penalty for detaining railroad equipment has turned into a profit center for the railroad. I respectfully ask the Board to investigate and bring balance into these tariffs.

I thank you for your consideration.

Best regards,

A handwritten signature in black ink, appearing to read "John E. Wagner, Jr.", with a long, sweeping underline that extends to the right.

John E. Wagner, Jr.
Wagner Logistics
1201 East 12th Aven
ue
North Kansas City, MO 64116

Enclosure

Chargeable Events Debit & Credit

Types and Rates

This document is a representation of Union Pacific Freight Tariff UP 6004. In the event of a conflict, the actual published Union Pacific Accessorial Tariff UP 6004 will apply. A copy is available upon request.

Debit Types	Spot-on-Arrival Unloading	Order-In Unloading	Loading
A Debit is a period of 24 hours or fraction thereof commencing from the first 12:00 midnight after railroad marked, railroad controlled or private cars, except assigned cars, enter the Serving Area and all railroad marked or railroad controlled cars are actually placed. One (1) debit is assessed per rail car.	1	1	N/A
Debits are issued for the lesser of the Loading Commitment or the number of Chargeable Cars.	N/A	N/A	1

Credit Types	Spot-on-Arrival Unloading	Order-In Unloading	Loading
Arrival Credits Arrival Credits are issued when a loaded rail car enters the Serving Area. One (1) credit will be issued for each loaded rail car arriving in the Serving Area within the past 24 hours.	1	1	N/A
Capacity Credits Capacity Credits are issued when the customer has Available Capacity. Two (2) credits will be issued for each loaded rail car in the Serving Area up to the customer's maximum Available Capacity.	2	N/A	N/A
Placement Credits Placement Credits are issued when an Order-In customer orders in a specific rail car and the railroad delivers an alternate car or fails to deliver a car. Two (2) credits will be issued per rail car if an Order-In customer orders in a specific rail car and the railroad doesn't actually place a car or delivers an alternate car.	N/A	2	N/A
Order X Credits Order X credits are issued when an *order X customer orders in a quantity of cars (by ownership, car type, and/or commodity STCC) and the railroad fails to deliver the order. Two (2) credits will be issued for each quantity ordered and not actually placed.	N/A	2*	N/A
Billed Credits Billed Credits are issued for each rail car released with proper forwarding directions, or other disposition. One (1) credit will be issued for each car released with the proper billing information provided to the railroad.	N/A	N/A	1
Supply Credits Supply Credits are issued when the Loading Commitment (Month-to-date cars wanted minus month-to-date car releases) exceeds the number of empty cars actually placed. Supply Credits will be limited by the customer's Available Capacity. The calculation for Supply Credits will be the lesser of the Loading Commitment or Customer Capacity, less the number of cars actually placed.	N/A	N/A	1
Refused Credits Refused Credits are issued when a loaded railroad marked or railroad controlled car is refused for any valid reason, other than freight damage claims. One (1) credit per refused car will be issued upon refusal notification to the railroad. If the UP places a car that has damaged freight, the customer will notify the UP Claims department immediately upon discovery. No charges will be assessed for cars with freight damage. Refused Credits are also issued when an empty railroad marked or railroad controlled car is refused for any valid reason, other than surplus. One (1) credit per refused car will be issued upon refusal notification to the railroad. If the customer refuses railroad marked or railroad controlled cars as surplus cars, no refusal credits will apply.	1	1	1

Debit Rates	Railroad Controlled	Refrigerated	Hazardous*	Private
UP Serving Area	\$200	\$350	\$250	\$100
Private Industry	\$100	\$250	\$250	\$0

Credit Rates	Railroad Controlled	Refrigerated	Hazardous*	Private
Arrival (Unloading)	\$100	\$250	\$250	\$100
Capacity/Placement (Unloading)	\$200	\$350	\$250	\$100
Order X (Unloading)	\$200	\$350	\$250	\$100
Billed (Loading)	\$100	\$250	\$250	\$0
Supply (Loading)	\$200	\$350	\$250	\$0

* Rail cars containing a toxic inhalation hazard commodity (designated as rail safety security material) are issued separately from Chargeable Events.

