



Surface Transportation Board  
Attn: Docket No. EP 757  
395 E Street, S.W.  
Washington, DC 20423-0001

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October 31, 2019

ENTERED  
Office of Proceedings  
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Re: Docket Number EP 757  
Demurrage Liability

Dear Surface Transportation Board:

I am writing on behalf of my company, Plastic Express and PX Services, a bulk transportation services, warehousing and packaging, distribution, and third-party logistics company. The issue of demurrage liability is of critical importance to warehouse operators and we appreciate and welcome the opportunity to provide the Board with our comments. We also appreciate the time and work this Board is putting towards such an important subject that has broad financial implications on warehouse operators throughout the country who have very little control over the number of rail cars arriving their facilities.

As changes to demurrage liability may be considered, it is important to recognize that, with respect to shipments into and out of public warehouses, the shipper or owner of goods contracts with the rail carrier to transport the goods. That transportation agreement that is governing those shipments is the bill of lading that includes pertinent information required by the rail carrier. Most often the consignee will be the shipper's customer who has purchased those goods or sometimes the shipper lists themselves as the consignee. The public warehouse should only be identified as the "in care of party". The railroads can, and should, work with the shipper, as their contracted customer, as to the responsibility for demurrage charges applicable to their respective shipments.

Duly noted in the Board's Policy Statement dated October 4, 2019 as it pertains to Demurrage Billing to Shippers Instead of Warehousemen that the rule adopted in Docket No. EP 707 does not require rail carriers to bill warehousemen but that parties who receive cars "may be held liable for demurrage". However, it is our experience that railroads use EP 707 as a means to justify charging a warehouse operator for demurrage charges on shipments and car placements the warehouse operator had absolutely no control over, starting with the issuance of the bill of lading issued by the shipper to the rail carrier and all the way through the movement of those shipments to the warehouse operators rail siding. The warehouse operator's actions are not the cause of demurrage charges. For example, if and when a shipper, in particular shippers with multiple origins, ships more cars to a warehouse operator than they agreed the warehouse operator could unload in one day, demurrage could be incurred and the warehouse operator held accountable, thus severely impacting the warehouse operators financial position and stability. The rail carrier is in a far better position to require the warehouse customer, this shipper or consignee on the bill of lading, to pay the demurrage charges.

In conclusion, we believe that a much stronger stance from the Surface Transportation Board to the rail carriers with regards to their demurrage policies as they pertain to warehousemen, warehouse operators, and third parties is needed, to the effect that it releases the warehousemen of harm from demurrage implications out of their control. The warehouse operators are not listed as the shipper or consignee on the bill of lading and have no control over the number or movement of the shipments that are contracted upon between the rail carriers and payers of freight. It is our belief that demurrage liability should be maintained, assessed, and paid by those who have that control over those shipments.

Plastic Express and PX Services stands ready to work with the Surface Transportation Board as it continues to examine the issue of demurrage liability. Please let us know if you have any questions about our comments or if we can be of any further assistance in this matter. Again, thank you very much for the time and work this Board is putting towards improving this issue and thank you for allowing us the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ray Hufnagel', written over a horizontal line.

Ray Hufnagel  
President and CEO  
Plastic Express/PX Services