

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

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STB EX PARTE No. 759

DEMURRAGE BILLING REQUIREMENTS

REPLY COMMENTS

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REPLY COMMENTS OF UNION PACIFIC RAILROAD COMPANY

Union Pacific Railroad Company ("Union Pacific") carefully reviewed the Opening Comments submitted in response to the Demurrage Billing Requirements Notice of Proposed Rulemaking ("Billing NPRM") and has concluded that those comments reinforce Union Pacific's belief that its current approach is the best method of supporting our customers.

The opening responses to the Billing NPRM have suggested a varied and substantial number of fields for Board-mandated inclusion in demurrage invoices.¹ The suggestions ranged from including "potential charges,"² "Station where cars were constructively placed,"³ "railroad service events and log numbers,"⁴ and "Address: Checks Payable to,"⁵ fields in the invoices to even including significant amounts of "certified" proof in every invoice.⁶ These suggestions were in addition to the fields already proposed in the Billing NPRM. This development is not surprising. As Union Pacific noted in its Opening Comments, customers desire different data for use in a variety of ways for differing purposes. Some customers simply want to pay a bill. Others want to utilize the data to identify supply chain and logistical trends in order to minimize inefficiencies while increasing operational performance. The one common theme throughout the comments was data transparency.

¹ See, e.g., Comments of the Freight Rail Customer Alliance ("FRCA") on Surface Transportation Board Docket No. 759 Demurrage Billing Requirements at 5. Comments of Diversified CPC International, Inc. ("Diversified CPC") on Surface Transportation Board Docket No. 759 Demurrage Billing Requirements at 5. Comments of American Fuel & Petrochemical Manufacturers ("AF&PM") on Surface Transportation Board Docket No. 759 Demurrage Billing Requirements at 6.

² FRCA at 5.

³ Diversified CPC at 5.

⁴ AF&PM at 7.

⁵ Diversified CPC at 5.

⁶ AF&PM at 7.

Union Pacific understands its customers want simple, easy-to-read invoices providing a quick, end-of-month snapshot. Customers generally do not want to wade through reams of boilerplate to see the data about which they really care: their charges. Union Pacific's invoices already include the data fields a majority of customers review and utilize each month. For most customers, the invoice acts as an end-of-month summary of charges. Additional customer data needs are generally driven by the customer's specific and unique market, industry, business design, and operations. For example, the American Chemistry Council suggested invoice field "Date and time the delivering railroad received car at interchange"⁷ only applies to a subset of shippers' operations. Union Pacific is committed to assisting its customers in meeting their operational objectives and created an online invoicing platform that meets these needs in a customized, tailored way. But Union Pacific does not want to force substantial data releases requested by the few upon a majority that have no monthly desire for such data. To accommodate the highly variable needs and expectations of all our customers, Union Pacific developed the Chargeable Events System ("CES").

Given customer comments⁸ and the positive feedback Union Pacific has received from its customers, a robust online system is the best method of providing the data transparency customers demand and that meets their unique needs on a daily and monthly basis. CES gives customers visibility to the data needed to evaluate demurrage charges and submit disputes in the small percentage of situations that an invoice needs adjusting.⁹ However, CES provides our customers with real-time data rather than a dated snapshot. The CES reports are flexible and customizable, allowing customers more efficient and effective use of data. These CES capabilities are not a coincidence: Union Pacific has worked hard to design a system to meet its customers' varying needs.

Union Pacific shares the Board's goals of transparency, accuracy, and utility for accessorial and demurrage invoicing. Union Pacific has learned through experience that cumbersome tools are quickly abandoned by customers reasonably focused on the everyday challenges of their supply chain logistics. The lessons Union Pacific has taken from working closely with our customers should inform this process as we all work to strengthen our nation's freight rail system.

Union Pacific respectfully requests the Board avoid the temptation to create a one-size-fits-all model that disregards the vast diversity of customer data needs and force-feeds data to customers they simply do not want. The Board can comfortably avoid that outcome with the understanding that Union Pacific provides its customers with timely and efficient access to the data *they* choose.

⁷ Comments of the American Chemistry Council on Surface Transportation Board Docket No. 759 Demurrage Billing Requirements at 2.

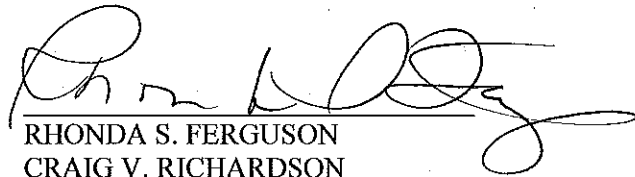
⁸ Joint Comments of the Western Coal Traffic League and Seminole Electric Cooperative, Inc. on Surface Transportation Board Docket No. 759 Demurrage Billing Requirements at 10.

⁹ Union Pacific carefully checks demurrage invoices before sending them to customers. Since January 1, 2016, an average of 9% of accessorial invoices and 2% of demurrage invoices were contested using Union Pacific's processes. Approximately 5% of the total invoiced amount of the contested accessorial and demurrage invoices were adjusted in agreement with the customer's dispute.

Respectfully submitted,

UNION PACIFIC RAILROAD COMPANY

By:

A handwritten signature in black ink, appearing to read 'Rhonda S. Ferguson', is written over a horizontal line.

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