

SAN JOSE DISTRIBUTION SERVICES

300726

June 5, 2020

The Honorable Chairman Ann Begeman
The Honorable Vice Chairman Marty Oberman
The Honorable Patrick Fuchs

ENTERED
Office of Proceedings
June 5, 2020
Part of
Public Record

Re: Docket No EP 759 Demurrage Billing Requirements
Supplemental Notice of Proposed Rulemaking

Dear Chairman Begeman, Vice Chairman Oberman and Board Member Fuchs,

As President of San Jose Distribution Services Inc. and an active member of the International Warehouse Logistics Association, I applaud the Board's thorough, careful, insightful law thought process regarding Dockets EP 757 Policies and 759 Demurrage Billing Requirements.

Since the Docket EP 707 Decision in April of 2014, the railroads have been abusing demurrage charge practices. Revising demurrage tariffs language to be one sided, reducing free time, reducing credits, reducing service levels, inconsistent service, deliberately bunching cars, are all root causes of demurrage that are not caused by Shippers - Receivers, but caused solely by the railroads.

EP 759 requiring basic demurrage invoice detail information and EP 757 Policies defining reasonable demurrage practices, is a huge step to creating demurrage parity.

Demurrage should be a punishment for Shipper – Receivers that deliberately detain cars beyond the railroad's tariff free time. It should not be a punishment for causes beyond a Shipper's – Receiver's control.

From many years of experience helping colleagues all over the country fight abusive demurrage billings, in almost all cases demurrage was caused by railroad operations and not a Receiver's deliberate detainment of cars re-entering a railroad's equipment pool.

I concur and support the International Warehouse Logistics Association's comments on EP 759 submitted June 5, 2020.

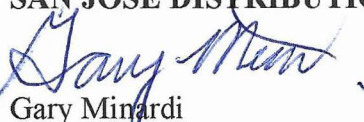
I wholeheartedly support the Board's initiatives EP 757 and EP 759 to ensure that demurrage practices are commercially fair and reasonable. It is my hope that EP 757 and EP 759 will be a beacon, a guidance, for the railroads to review their demurrage practices and modernize their demurrage charge thinking to today's railroad's operations.

Chairman Begeman,
Vice Chairman Marty Oberman
Board Member Patrick Fuchs

The original intention of demurrage was to ensure a national need for car supply is no longer appropriate with today's Precision Scheduled Railroad's operations. The appropriateness of demurrage should now be to punish Receivers who deliberately take on too much business, deliberately hold cars, or are not diligent in managing their car traffic.

I commend and sincerely thank the Board for all your hard work the past few months.

Sincerely,
SAN JOSE DISTRIBUTION SERVICES INC.



Gary Minardi
President

Warehousing and Distribution Services Since 1956

2055 South 7th Street, Suite A, San Jose, California 95112-6011 Tel 408-292-9100 Fax 408-292-7173
www.sjdistrib.com