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June 6, 2019

Ms. Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: STB Docket No. EP 754, *Oversight Hearing on Demurrage and Accessorial Charges*

Dear Mrs. Brown:

The Portland Cement Association (PCA) respectfully submits this letter for inclusion in the record in the Surface Transportation Board's (Board's) hearings on railroad demurrage and accessorial charges.

Founded in 1916, PCA is the premier policy, research, education, and market intelligence organization serving America's cement manufacturers. PCA's members represent 91 percent of the United States' cement production capacity and have facilities in all 50 states. Cement and concrete product manufacturing, directly and indirectly, employs approximately 600,000 people in our country, and our collective industries contribute over \$100 billion to the U.S. economy. Portland cement is the fundamental ingredient in concrete. The Association promotes safety, sustainability, and innovation in all aspects of construction, fosters continued improvement in cement manufacturing and distribution, and promotes economic growth and sound infrastructure investment.

The Board's EP 754 proceeding has been focused on recent changes in the railroad's demurrage and accessorial programs. During two days of hearings, shippers and receivers of various commodities expressed considerable frustration over their recent experiences with railroad demurrage and accessorial charges, and the negative impacts of recent carrier tariff changes. Shippers have uniformly expressed concerns that these terms lack balanced and appropriate incentives for both customers and railroads, and lack reciprocity.

Cement shippers who often lack non-rail competitive options for their longer-haul shipping have been facing the same new and increased accessorial and demurrage charges being applied on other shippers. Our members are reporting that unreasonable demurrage and accessorial programs are not fair, balanced, and lack reciprocity in treatment. Some of our members have been reporting the assessment of new demurrage charges amounting to tens of thousands of dollars or more per month, and without signs of service improvements. Among other things, railroads have dramatically reduced or eliminated altogether demurrage "free time," their tariffs fail to provide for adequate demurrage credits, and do not address the railroads' failure to efficiently deliver and return equipment.

PCA greatly appreciates the Board's interest in these issues, which can have considerable negative business impacts on our members who depend on railroads for service. PCA respectfully requests that the Board take appropriate actions to ensure that carrier demurrage and accessorial fee tariffs are reasonable and balanced, and

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contain reciprocal standards with respect to railroad conduct to ensure the efficient movement and return of equipment by the railroads.

Please do not hesitate to contact me at 202-719-1977 or cfranklin@cement.org if you would like to discuss these comments further.

Respectfully submitted,

Charles L. Franklin

Digitally signed by Charles L. Franklin
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