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Christine I. Friedman
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May 1, 2019

VIA E- FILING

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

ENTERED
Office of Proceedings
May 1, 2019
Part of
Public Record

Re: STB Ex Parte No. 754, Oversight Hearing on Demurrage and Accessorial Charges

Dear Ms. Brown:

Pursuant to the April 8, 2019 Notice of Hearing in the above-captioned matter, Norfolk Southern Railway Company ("NS") hereby responds to the Surface Transportation Board's four requests for information related to NS's demurrage and accessorial charges. The following items are included in this filing:

- i. **Spreadsheet entitled "All Demurrage and Accessorial Tariff Changes, 2016-2019,"** in response to the first request for information seeking all material changes to NS's demurrage and accessorial tariffs since January 1, 2016;
- ii. **Spreadsheet entitled "All Intermodal Rules Circular Changes, 2016-2019,"** in further response to the first request for information seeking all material changes to NS's demurrage and accessorial tariffs since January 1, 2016;
- iii. **Four letters to NS customers (dated August 1, 2017, October 1, 2018, January 15, 2019, and March 1, 2019),** communicating various changes to our demurrage and accessorial tariffs since January 1, 2016, as further supplement to the spreadsheet entitled "All Demurrage and Accessorial Tariff Changes, 2016-2019";
- iv. **Spreadsheet entitled "Demurrage, Intermodal, and Accessorial Charges with Waybill Dates January 2016 through March 2019 and Accounts Receivable**

Activity through April 16, 2019,” in response to the second request for information seeking the total dollar amounts of charges billed and collected pursuant to our demurrage and accessorial tariffs, and in response to the third request for information seeking the percentage of demurrage and accessorial charges, by dollar amount, that have been contested in the first quarter of 2019 and each of the past three calendar years;¹

- v. **Spreadsheet entitled “Blume Global EMP & TMX Charges, 2016-2019,”** which represents the demurrage and accessorial charges collected on EMP & TMX by Blume Global on behalf of NS. These charges are listed separately from other intermodal charges because any disputes about such charges are handled by Blume Global in accordance with their policies and procedures, in consultation with NS. Therefore, the percentage of these demurrage and accessorial charges that has been contested is not readily available to NS;
- vi. **Document entitled “Norfolk Southern Demurrage/Accessorial Charge Dispute Process: Coal and Industrial Products,”** in response to the third request for information seeking a detailed explanation of the current process by which shippers, receivers, and other parties may dispute demurrage and accessorial charges;
- vii. **Document entitled “Norfolk Southern Intermodal Charge Dispute Process,”** in further response to the third request for information seeking a detailed explanation of the current process by which shippers, receivers, and other parties may dispute demurrage and accessorial charges; and
- viii. **Document entitled “Application of Credits with Respect to Demurrage Charges,”** in response to the fourth request for information seeking a detailed explanation of the system under which credits or debits have been issued in connection with the assessment of demurrage or accessorial charges since January 1, 2016.

¹ In order to answer the third request for information regarding the percentage of charges, by dollar amount, that have been contested since 2016, NS is relying upon its revenue accounting data in the enclosed spreadsheet (“Demurrage, Intermodal, and Accessorial Charges Spreadsheet”), as opposed to the R-1 data that NS previously has relied upon in response to the Surface Transportation Board’s December 17, 2018 letter to Jim Squires. As such, the total amounts billed for demurrage, intermodal, and accessorial charges found in the Demurrage, Intermodal, and Accessorial Charges Spreadsheet for 2018 (\$282,019,241) and the first quarter of 2019 (\$89,434,531) differ from the totals provided in NS’s responses based upon the R-1 data (\$335,677,000 for 2018 and \$99,108,000 for the first quarter of 2019, respectively). Such difference is attributable to the fact that the R-1 data: (i) includes the EMP & TMX charges collected by Blume Global, which are not reflected in the Demurrage, Intermodal, and Accessorial Charges Spreadsheet but are enclosed herewith; (ii) already has taken into account the revenue adjustments (e.g., corrections and waivers) made to the amount billed that are reflected on the Demurrage, Intermodal, and Accessorial Charges Spreadsheet; (iii) does not include customer requested switching, as does the Demurrage, Intermodal, and Accessorial Charges Spreadsheet; and (iv) includes demurrage and accessorial charges associated with Thoroughbred Funding, Inc., Thoroughbred Bulk Terminals and all source entries, and Norfolk and Portsmouth Belt Line Railroad, which the Demurrage, Intermodal, and Accessorial Charges Spreadsheet does not include. For purposes of this proceeding, NS elected to provide the data that would allow the most transparency into the collections process, but NS can provide supplemental data, if necessary.

If the Surface Transportation Board has any specific questions with respect to the items provided, please do not hesitate to contact me. Otherwise, NS looks forward to providing more information regarding our demurrage and accessorial charges at the upcoming hearing.

Sincerely,

A handwritten signature in blue ink that reads "Christine I. Friedman". The signature is written in a cursive, flowing style.

Christine I. Friedman



ALL DEMURRAGE AND ACCESSORIAL TARIFF CHANGES 2016 to 2019

Notice Date	Effective Date	Tariff	Item/Rule Changed	Reason for Change
8/17/2016	10/1/2016	NS 8002-A	Item 1060	Substituted Operations and Service Support as department processing historical weights.
8/17/2016	10/1/2016	NS 8002-A	Item 2000	Clarified that diversion applies to empty and loaded cars.
8/17/2016	10/1/2016	NS 8002-A	Item 2010	Combined and clarified diversion items with Item 2060.
8/17/2016	10/1/2016	NS 8002-A	Item 6070	Updated interchange error movement charges for ARC (from \$400 to \$600 per car) and NSHR roads (\$175 per car).
8/17/2016	10/1/2016	NS 8002-A	Items 6360-6450	Updated and deleted obsolete motor vehicles provisions (administrative).
11/29/2016	1/1/2017	NS 8002-A	Item 5000	1) Increased reweighing charge from \$130 to \$350 per car and added reweighing charge of \$1,000 per car if shipment is hazardous material; 2) added paragraph 3.c. for overload charge of \$2,500 per car if hazardous material (STCC 48 or 49).
11/29/2016	1/1/2017	NS 8002-A	Item 6070	Updated carriers/charges for interchange error movement charges.
11/29/2016	1/1/2017	NS 8002-A	Item 6265	Modified customer-caused congestion charge to define the baseline as three times the average number of cars the consignee received in the previous two weeks (previously it was based on the number of cars the consignees could unload per day in normal switching), begin 5 days after notification (previously it was 15 days), and increased charge from \$50 to \$100 per car per day.
11/29/2016	1/1/2017	NS 8002-A	Items 6515/6517	Increased charge for hazardous material car found leaking from \$2,500 to \$3,000 per car; increased charge for non-hazardous car found leaking from \$1,500 to \$2,000 per car for private equipment.
11/29/2016	1/1/2017	NS 8002-A	Item 6545	Increased the charge from \$10.00 to \$15.00 per railcar if instructions tenders other than through web-based transmissions.
8/1/2017	10/1/2017	NS 6004-D	Item 200	Added definition of NS Original ETA.
8/1/2017	10/1/2017	NS 6004-D	Items 400	Lengthened timeframe for disputing charges from 5 calendar days from car release to 5th calendar day of month following date of car release, and provided for disputes to be submitted through AccessNS.
8/1/2017	10/1/2017	NS 6004-D	Item 600	Reduced empty private car storage credits from 5 credit days to 2 credit days gradually over 8 month period.
8/1/2017	10/1/2017	NS 6004-D	Item 950	Permitted credit days for loading and unloading of private cars to be combined.
8/1/2017	10/1/2017	NS 6004-D	Item 950	Granted service credits for each day NSR Original ETA not met, up to a maximum of 7 per car per shipment.
8/1/2017	10/1/2017	NS 6004-D	Item 950	Added \$500 handling charge if demurrage dispute submitted late (under lengthened timeframe) and placed time limit of 30 days from demurrage/storage invoice date.
8/1/2017	10/1/2017	NS 8002-A	Item 5000	Consolidated single rate for overloads to \$2,000.00 per car non-hazardous and \$4,000.00 per car hazardous, subject to demurrage and storage rules under NS 6004-D Series.
8/1/2017	10/1/2017	NS 8002-A	Item 5040	Consolidated single rate for improperly loaded cars to \$3,000.00 per car, subject to demurrage/storage rules under NS 6004-D Series.
12/1/2017	1/1/2018	NS 8002-A	Item 6415	Motor vehicle storage changes - updated terms and list of applicable facilities.
12/1/2017	1/1/2018	NS 8002-A	Item 6530	Increased charge from \$1,500 to \$3,000 per car when shipper routes NS owned, leased or controlled equipment via routes that exclude NS.
12/1/2017	1/1/2018	NS 8002-A	Item 6540	Updated language to clarify that equipment must be released in a mechanical condition suitable for reloading, irrespective of commodity.
12/1/2017	1/1/2018	NS 8002-A	Item 6540	Updated language on damage by loader/unloader of carrier supplied equipment to clarify that if discovered by NS, loader/unloader will pay an administrative charge of \$1000 per car plus any and all repair costs.
12/1/2017	1/1/2018	NS 8002-A	Item 6545	For notification of ordering and release of railcars, provided notice that Pacesetter program being eliminated and replaced by Inventory Management, and Commodity Transportation Management System (CTMS) being replaced by Unit Trains System.
12/1/2017	1/1/2018	NS 8002-A	Item 6550	For charges on empty cars not used, clarified that cars may be rejected through Inventory Management rather than Pacesetter.
12/1/2017	1/1/2018	NS 8002-A	Item 6560	New Item requiring private railcars be tendered with O5-5 approval, subject to a \$500 per car charge if tendered without approval.
12/1/2017	1/1/2018	NS 8002-A	Section 7	Cancelled Rules and Charges for Ports as obsolete.
10/1/2018	1/1/2019	NS 6004-D	Item 600	Reduced credits for empty private car storage from 2 days to 0 days.
10/1/2018	1/1/2019	NS 6004-D	Item 650	Reduced credits for railroad controlled cars from 2 days to 1 day.
10/1/2018	1/1/2019	NS 6004-D	Item 750	Increased daily demurrage charge for grain unit trains from \$100 to \$150 per car per day.
10/1/2018	1/1/2019	NS 6004-D	Item 900	Reduced credits for railway equipment moving on own wheels from 1 day to 0 days.
10/1/2018	1/1/2019	NS 6004-D	Item 950	Increased service credits for loaded railcars where NSR Original ETA is not met from 1 day to 2 days, and increased maximum total credits per car per shipment from 7 days to 10 days per shipment.
10/1/2018	1/1/2019	NS 6004-D	Item 1010	Reduced unloading credits for railroad controlled cars from 2 days to 1 day and increased daily charge for railroad controlled cars from \$100 to \$150.
10/1/2018	1/1/2019	NS 6004-D	Item 1010	Established separate charge for high demand equipment (covered coil cars, centerbeam flatcars, refrigerated cars, and heavy-duty flatcars) of \$250 per day.



ALL DEMURRAGE AND ACCESSORIAL TARIFF CHANGES 2016 to 2019

Notice Date	Effective Date	Tariff	Item/Rule Changed	Reason for Change
10/1/2018	1/1/2019	NS 6004-D	Item 1012	Reduced unloading credits for Hazardous Materials moves (other than TIH) from 2 days to 0 days; increased charge for TIH material from \$1,000 per car to \$2,000 per cars.
10/1/2018	1/1/2019	NS 8002-A	Item 5040	Removed phrase "Except in the event NS elects to do so as provided in Section C below," from last sentence in paragraph (A) as Section C is obsolete.
10/1/2018	1/1/2019	NS 8002-A	Item 6070	Interchange Error Movements; updates to charges between carriers for interchange errors.
10/1/2018	1/1/2019	NS 8002-A	Item 6265	Reduced the threshold for holding excess cars for Customer Caused Congestion from 3 times to 2 times the average number of cars that consignee has received at the Congested Location within the previous two weeks.
10/1/2018	1/1/2019	NS 8002-A	Item 6415	Motor vehicle storage changes: changed billing from 24-hour period to calendar day basis, made same change to definition of Free Day, changed monthly billing to not first require vehicle to be outgated.
1/15/2019	2/15/2019	NS 6004-D	Item 200	Replaced definition 13. Grain Unit and 14. Grain Unit Car Day with new definition 18. Merchandise Unit Train.
1/15/2019	2/15/2019	NS 6004-D	Items 750/760	Replaced Grain Unit language with new rules for Merchandise Unit Train Detention.
1/15/2019	2/15/2019	NS 6004-D	Item 950	New provision providing that if NS provides less than 5 days per week local service, NS will apply demurrage/storage credits for difference between 5 days and the Offered Service Days addition to the standard demurrage credits
1/15/2019	2/15/2019	NS 8002-A	Item 6140	Added new charge of \$500.00 per car, per occurrence, to be assessed for all hazardous shipments with missing, incomplete, or improper forwarding instructions.
1/15/2019	2/15/2019	NS 8002-A	Item 6560	Clarified that charge for failing to obtain OT-5 approval will be assessed against car mark owner.
3/1/2019	4/1/2019	NS 6004-D	Item 200	Added definition of Per Car Daily Charge and clarified definitions of Credit Day and Service Window.
3/1/2019	4/1/2019	NS 6004-D	Item 350	Added provision clarifying that consignors/consignees cannot avoid demurrage and storage charges by advising NS that they do not intend to pay if cars are delivered.
3/1/2019	4/1/2019	NS 6004-D	Item 750	Clarification that Unit Train Detention is separate and in lieu of any other demurrage or storage charges.
3/1/2019	4/1/2019	NS 6004-D	Items 950/1000	Clarification of calculation of per car credits and charges, credits only applicable to cars with same Per Car Daily Charge.
3/1/2019	4/1/2019	NS 8002-A	Item 5000	Added provision providing that overloaded cars stopped on NS are subject to standard demurrage and storage provisions for first 7 days, but on day 8 and after the charge will be \$250 day regardless of equipment type.



ALL INTERMODAL RULES CIRCULAR CHANGES 2016 to 2019

Notice Date	Effective Date	Tariff	Item/Rule Changed	Reason for Change
Specific Notice	4/1/2016	Rules Circular #2	Appendix B	Moved used batteries from forbidden to restricted.
2/9/2016	4/1/2016	Rules Circular #2	Sections 7.1.2, 7.1.3	Updated domestic equipment free time and storage rules. Local shipments previously had either 1 day (if on-time) or 3 days (if late) Free Time, changed to standardized 2 days of Free Time. Day of Notification standardized between local and interline shipments to begin on same day when issued before 5:00PM and next day if issued after 5:00PM (previously some shipments had used a 12:00PM cutoff). Made Saturday a business day for NS terminals with Saturday gate hours.
2/9/2016	4/1/2016	Rules Circular #2	Section 9.3.1	Responsibility for storage billing and any disputes for EMP and TMX containers changed from NS to REZ-1 to be consistent with REZ-1 handling of other charges.
Specific Notice	6/25/2016	Rules Circular #2	Sections 4.6.1, 8.3, 8.5.1, 8.7.1, 8.7.3, 8.7.6, 9.2.6,	Amended wording concerning failure to provide chassis, liability, claims filing for loss, damage, or delay, other rights and responsibilities, and costs associated with any collections.
5/5/2016	8/1/2016	Rules Circular #2	Section 7.1.2	Updated international equipment free time and storage rules. Pushed back commencement of storage charges to 8:00AM on day after last day of free time to provide more opportunity for off-peak pickup; added Sunday as a business day at Chicago and Kansas City terminals. Implemented tiered system of demurrage charges for Chicago and Kansas City based on whether container picked up during peak times (8:00AM - 6:00PM) or off hours: \$150 per day for days 1-5 and \$200 per day for days 6 and beyond if picked up during peak times, and \$100 per day for days 1-5 and \$150 per day for days 6 and beyond if picked up off peak.
Specific Notice	10/1/2016	Rules Circular #2	Appendix B Table 1A	Added shipping restrictions on UN3512, UN3514 through UN3526.
2/27/2017	4/1/2017	Rules Circular #2	Section 5.7.1	Added in new section on requirements for Safe Transportation of Food.
2/27/2017	4/1/2017	Rules Circular #2	Section 6.2.3	Added additional protective service codes for temperature-controlled equipment shipments.
2/27/2017	4/1/2017	Rules Circular #2	Section 8.7.1	Revised origin rights and responsibilities with respect to proper loading, blocking, and bracing.
2/27/2017	4/1/2017	Rules Circular #2	Appendix B Table 4	Refined instructions for the shipment of used batteries.
Specific Notice	4/1/2017	Rules Circular #2	Appendix B Table 1A	Added shipping restrictions on UN3489, UN3490, UN3491 and UN3492.
3/16/2018	4/16/2018	Rules Circular #2	Section 7.1.3	Updated domestic equipment free time and storage rules to provide for Tier 1 terminals with Free Time of Day of Notification plus one day (previously two) and increased daily storage rate to \$100 for days 1-5 and \$200 for days 6 and beyond (previously \$75 for days 1-10 and \$100 for day 11 and beyond).
Specific Notice	4/16/2018	Rules Circular #2	Section 2.4.3	Updated terminals listed as only capable of handling containers without wheels.
Specific Notice	4/16/2018	Rules Circular #2	Appendix B Tables 2 & 4	Updated contact information to Steve Stasulis.
2/27/2017	5/9/2018	Rules Circular #2	Section 5.7.1	Amended 15 CFR to 21 CFR in section concerning safe transportation of food.
Specific Notice	9/4/2018	Rules Circular #2	Section 2.4.3	Updated terminal phone numbers in terminal list.
7/31/2018	9/4/2018	Rules Circular #2	Section 7.1.2	Updated international equipment free time and storage rules. Designated Austell, GA; Chicago, IL; and Kansas City, MO as Tier 1 terminals where Saturday and Sunday count as business days for Day of Notification and Free Time, with \$200 per day storage charge. Tier 2 terminals do not include Sunday as a business day and only include Saturday if the terminal offers Saturday gate hours, with \$100 per day storage charges for days 1-5 (same as prior) and \$200 per day for day 6 and beyond (previously \$150).
Specific Notice	10/1/2018	Rules Circular #2	Section 4.4	Updated to reflect REZ-1 name change to Blume Global. Updated to show new Blume contact information.
10/11/2018	10/22/2018	Rules Circular #2	Section 7.1.3	Updated domestic equipment free time and storage rules at Cincinnati by designating it as a Tier 1 facility.
11/6/2018	11/7/2018	Rules Circular #2	Section 5.9.1	Clarified special assessment surcharge description and added an example (for example, a surcharge for a specific terminal).
Specific Notice	12/3/2018	Rules Circular #2	Section 5.5.3	Added new "Dry Run" charge at Baltimore Piers of \$65 if drayman rejected at marine terminal gate or if unit rejected for being damaged.
2/1/2019	3/4/2019	Rules Circular #2	Section 7.1.3	Updated domestic equipment free time and storage rules at Chicago 63rd Street and Landers by designating them as Tier 1 facilities.
Specific Notice	4/18/2019	Rules Circular #2	Appendix B Tables 2 & 4	Updated contact information to NS Market Manager and NS Loading and Securement Solutions.

Note: "Specific Notice" indicates that directly affected customers were contacted in advance by market managers, but no general notice was issued to all customers.



Michael R. McClellan
Vice President Industrial Products
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-9251

August 1, 2017

Dear NS Customer:

In a separate notification, you will receive details on changes that NS will be making to various Demurrage, Accessorial and Switching Tariffs. I would like to take this opportunity to summarize the changes and the reasoning for each.

Regarding NS' Demurrage and Storage Rules and Charges Tariff, NS 6004-D, the primary change will be to gradually reduce Empty Private Car Storage (EPCS) credits from five credits to two over the course of the next 10 months. These changes are effective December 1, 2017 and full implementation to two free days will occur on June 1, 2018.

Offsetting this reduction in free time will be expanded flexibility with regard to our administration and credit calculations for storage. First, our dispute for monthly storage charges will move from five days from the actual dispute date to five days after the close of the month. Second, credit days for loading and unloading of private cars will be combined. We believe that both of these changes better reflect the operational and administrative realities in most of our customer operations, while providing customers with an opportunity for offsetting savings on their monthly private car storage charges.

NS is making these changes to sharpen our focus on ways to reduce excessive dwell time on our tracks and in our terminals, to improve network fluidity, and to improve customer operational and administrative efficiency. Even after these changes go into effect, NS will remain among the most competitive storage providers in the industry.

The second area of changes that we will be making involves Accessorial Services Tariff, NS 8002-A. Specifically, we will be consolidating the multiple charges currently incurred for overloads and improperly loaded cars into a single charge. The instances of these events are minimal, and this will reduce the administrative burden in the event that they do occur.

Finally, we will be making some minor changes to our Conditions of Carriage Tariff and our Switching Tariff (NS 8001-A) that are intended to clarify and update these documents.

We have given these changes careful consideration and believe that all of them will provide a more efficient interface between NS and our customers, while making some progress in reducing the administrative burden associated with accessorial charges. We believe that these changes will also positively impact our ultimate goal of improving the level of service that we provide to all of our customers.

The details of these changes are attached. Please contact your NS representative with questions and discuss any ideas for changes that can be implemented in advance of the new policy.

Sincerely,

Mike McClellan
Vice President Industrial Products
Norfolk Southern Corporation



Norfolk Southern Corporation
Pricing Services
Three Commercial Place
Norfolk, VA 23510
nsCorp.marketing@nscorp.com

August 1, 2017

Dear NS Customer, Rail Business Partner and NS Tariff Subscriber:

Effective October 1, 2017, Norfolk Southern (NS) will be making changes to the following tariffs:

- Demurrage and Storage Rules and Charges tariff NS 6004-D
- Switching and Absorption Rules and Charges tariff NS 8001-A
- Accessorial Service Rules and Charges tariff NS 8002-A
- Conditions of Carriage 1-E

Below is a brief description of the changes to each tariff.

NS 6004-D – Demurrage and Storage Rules and Charges Effective 10-01-17 unless otherwise specified below.

The revisions to this tariff are available for view on the NS website at:

<http://www.nscorp.com/content/nscorp/en/ship-with-norfolk-southern/transportation-terms/other-requirements/demurrage-rules-and-charges.html>

- **Item 200** – add definition of NS Original ETA
 - **Item 400** – Change “Relief may be requested online using Thoroughbred Pacesetter if the accrued car days are disputed within 5 calendar days from the date the cars are released” to “Relief may be requested online through **AccessNS** if the accrued car days are disputed by the fifth (5th) calendar day of the month following the date the cars are released.”
 - **Item 600 Credits, paragraph (b) and Item 1010** – Demurrage/Storage Application: reduce credits from five (5) days to two (2) using the following schedule:
Effective Current through 11-30-17: Five (5) Credit days will be earned for each empty private car under constructive placement.
Effective 12-01-17 through 02-28-18: Four (4) Credit days will be earned for each empty private car under constructive placement.
Effective 03-01-18 through 05-31-18: Three (3) Credit days will be earned for each empty private car under constructive placement.
Effective 06-01-18: Two (2) Credit days will be earned for each empty private car under constructive placement.
 - **Item 950 Demurrage / Storage Rules**
Rule 2. Effective 06-01-18: Allows credit days and car days for private cars for loading or unloading to be combined.
New rules 8. and 9.:
 8. Except for shipments of 45 or more cars moving under one Bill of Lading or Waybill, one (1) credit will be applied for each day for loaded railcars where NSR Original ETA is not met. Credits may be applied for early or late loaded arrivals. Combined total credits pursuant to Item 1010 and Item 950 will be limited to seven (7) per car per shipment. Credits will not be carried over to subsequent months.
 9. Disputes concerning demurrage or storage charges or computations (a “Demurrage Dispute”) must be submitted online through **AccessNS** by the fifth (5th) calendar day of the month following the accrual closing event in order to avoid the charge described in the next sentence. If a Demurrage Dispute is not received within the time frame described above or is received by a method other than online through **AccessNS**, a non-refundable handling charge of \$500.00 will be assessed to the party submitting the Demurrage Dispute. The time limit for submitting a Demurrage Dispute is 30 days from the demurrage/storage invoice date (the “Time Limit”). Any Demurrage Disputes received after the Time Limit will be rejected.
- Item 1010** – Remove Note 1.

NS 8001-A, Switching and Absorption Rules and Charges:

The revisions to this tariff are available for view on the NS website at:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/switching-and-absorption-rules-and-charges.html>

- Items 4275/5030 – Greenville, NC and Items 4640/5720 – Waynesboro, VA
Removed as customers are served by short line
- Item 5030 - Battle Creek, MI (US Lumber & Fuel)
Item 5070 – Buffalo, NY (removal of Note 3 – only open on automobiles from Edison Plant, Metuchen, NJ when received from CSXT)
Item 5125 – Cleveland, OH (Mid-America Steel Co to American Metal Stamping Company LLC)
Item 5340 – Indianapolis, IN (Reilly Industries - Vertellus Specialties to Vertellus Integrated Pyridines LLC)
Item 5370 – Kankakee, IL (Short, J. R. Milling Co to Bunge Milling Company)
Item 5430 – Louisville, KY (Chevron USA Inc to Chevron Products Co)
Item 5590 – Philadelphia, PA (Westway Trading to Contanda Terminals)

Item 5640 – Savannah, GA (Arizona Chemical to Kraton Chemical LLC)
Item 5690 – Toledo, OH (remove HQ address not rail served)
Item 5745 – Winston-Salem, NC (Recycling Industries to Omnisource Southeast LLC)
Customer name changes, clarifications in wording, and/or removal of obsolete information.

NS 8002-A, Accessorial Services Rules and Charges:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/accessorial-services-rules-and-charges.html>

- Item 5000 - Consolidate single rate for overloads to \$2,000.00 per car non-hazardous and \$4,000.00 per car hazardous, subject to demurrage and storage rules under NS 6004-D Series
- Item 5040 - Consolidate single rate for improperly loaded cars to \$3,000.00 per car, subject to demurrage/storage rules under NS 6004-D Series
- Item 6025 – Add new item and charge of \$2,000.00 per car on privately-owned or shipper-supplied U.S. Department of Transportation (DOT) or Transport Canada (TC) specification tank cars that are deemed not compliant under FRA or railroad inspection
- Item 6500 - Add unloading and loading rules for carrier-supplied equipment, subject to \$1,000.00 per car charge

Conditions of Carriage, 1-E:

The revisions to the Conditions of Carriage are available for view on the NS website at:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/conditions-of-carriage.html>

- Rule 290, paragraph 1 (d) – add verbiage “or cyber-attack”

Use the following link to subscribe/unsubscribe to future notifications to any of these tariffs:

<http://www.nscorp.com/content/nscorp/en/shipping-tools/publication-email-updates.html>

Pricing Services

Norfolk Southern Corporation

nscorp.marketing@nscorp.com



Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-9251

Claude Edward Elkins
Vice President
Industrial Products

October 1, 2018

Dear Norfolk Southern Customer:

In a separate notification to be issued later today, you will receive the details regarding various modifications that NS is making to our Demurrage, Accessorial, and Thoroughbred Bulk Transfer Tariffs along with other changes to our Conditions of Carriage Tariff. These changes will be made effective January 1, 2019.

Norfolk Southern constantly monitors business conditions and trends across our markets and across our network. These changes are intended to accelerate efforts to reduce dwell time for equipment on our tracks, improve network fleet utilization for both private and railroad-owned car fleets, and reflect the importance of enhanced network fluidity for our customers and stakeholders.

I encourage you to take the time to review these changes in detail. We are committed to improving the service product that we provide to our customers. We have given these changes careful consideration and we believe that these changes will positively impact that goal.

As you may be aware, NS is also implementing enhancements in our digital interface with customers. Our new CRM system, ConnectNS, was launched last month. ConnectNS includes a case management tool to provide you with a customized, connected and efficient customer service experience. We are also integrating ConnectNS with our redesigned AccessNS customer portal and are rolling out AccessNS mobile functionality in the coming months.

We believe that providing useful and innovative tools for customers who manage traffic flows on our network is critical to our success. We are excited about these enhancements and look forward to continued innovation in this area that will benefit both our customers and NS.

Please contact your NS representative with questions. We welcome your feedback regarding changes, along with your ideas on how we can positively affect service in advance of these changes.

Sincerely,

Ed Elkins
Vice President Industrial Products
Norfolk Southern Corporation



Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510

Pricing Services
nsCorp.marketing@nscorp.com

October 1, 2018

Dear NS Customer, Rail Business Partner and NS Tariff Subscriber:

Effective January 1, 2019, Norfolk Southern (NS) will be making changes to the following tariffs:

- Conditions of Carriage #1-E
- Coal Conditions of Carriage #2-P
- Demurrage and Storage Rules and Charges Tariff NS 6004-D
- Accessorial Service Rules and Charges Tariff NS 8002-A
- Thoroughbred Bulk Transfer Freight Tariff NS 9328-O

Below is a brief description of the primary changes to the tariffs. Consult the tariffs using the below links for additional information as the tariffs supersede any information contained in this announcement.

Conditions of Carriage #1-E:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/conditions-of-carriage.html>

- Rule 210, Item (3) – Update reference from 15 C.F.R. to 21 C.F.R.
- Rule 300 – Add provisions in items 5 and 7 where NS shall have the right to recover from Payor all reasonable costs of collection (including but not limited to reasonable attorneys' fees, investigation costs, expert fees, and litigation costs), and assess finance charges against unpaid linehaul freight charges, switching charges, demurrage and storage charges, accessorial charges, and any other amounts owed under the governing rate authority, transportation contract, these Conditions, or any other document referenced in Rule 110.

Coal Conditions of Carriage #2-P:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/conditions-of-carriage.html>

- Payment and Credit (45.3) – Add provision where NS shall have the right to recover from Payor all reasonable costs of collection (including but not limited to reasonable attorneys' fees, investigation costs, expert fees, and litigation costs), and assess finance charges against unpaid linehaul freight charges, switching charges, demurrage and storage charges, accessorial charges, and any other amounts owed under the governing rate authority, transportation contract, these Conditions, or any other document referenced in Rule 10.4.

NS 6004-D, Demurrage and Storage Rules and Charges:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/demurrage-rules-and-charges.html>

- Item 600 – Cars Held for Loading. Reduce credit days from two (2) to zero (0) for empty private cars under constructive placement.
- Item 650 – Cars Held for Unloading. Reduce credit days from two (2) to one (1) for Railroad controlled cars released from unloading. One (1) additional Credit Day will be provided when the same car is reloaded with a revenue load, a total of two (2) Credit Days will be earned.
- Item 750 – Grain Units. Increase daily charge of each grain unit from \$100.00 to \$150.00 per car per day.
- Item 900 – Railway Equipment Moving on Own Wheels. Reduce credit days from one (1) to zero (0) for storage.
- Item 950 – Demurrage/Storage Rules. Increase credit days from one (1) to two (2) credits for each day loaded railcars do not meet NSR Original ETA. Increase maximum total credits from seven (7) to ten (10) per car per shipment.
- Item 1010 – Railroad Controlled Cars. Reduce from two (2) unloading credits to one (1) unloading credit and increase daily charge from \$100.00 to \$150.00 per car per day.
- Item 1010 – Covered Coil Cars, Centerbeam Flats, Refrigerated Cars, and Heavy-Duty Flatcars will receive one (1) credit for loading and one (1) credit for unloading with daily charge at \$250.00 per car per day.

- Item 1010 – Private Car Storage. Reduce from two (2) loading credits to zero (0) credits.
- Item 1012 – Hazardous Material other than TIH: reduce credits from two (2) unloading to zero (0) unloading. TIH Material: Increase daily charge from \$1,000.00 per car per day to \$2,000.00 per car per day.

NS 8002-A, Accessorial Services Rules and Charges:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/accessorial-services-rules-and-charges.html>

- Item 5040 – Remove phrase “Except in the event NS elects to do so as provided in Section C below,” from last sentence in paragraph (A) as Section C is obsolete.
- Item 6070 – Interchange Error Movements; updates to charges between carriers for interchange errors.
- Item 6265 – Reduce from three (3) times to two (2) times the average number of cars that consignee has received at the Congested Location for each day within the previous two weeks.
- Item 6415 - Update billing methodology, storage day and free day definitions for storage charges on motor vehicles.
- Add a Summary of NS 8002-A Charges listing frequently used accessorial charges.

NS 9328-O, Thoroughbred Bulk Transfer Freight Tariff:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/bulk-distribution-tariff.html>

- Item 115 (B) – Application of Terminal Services. Add language at the beginning of Section 1, “An NS Distribution Services team member will allocate each TBT Customer a maximum number of rail cars that may be constructively or actually placed at any one time at a particular TBT Facility (“Maximum Car Spots”). (See Item 140, Section C, Note 2.) Once the Maximum Car Spot allocation has been made and communicated electronically to the Customer and to the TBT Facility, Shipper or Consignee will electronically transmit notice of rail cars being shipped to a TBT Facility.”
- Item 140 (A) – Track Occupancy Charges (TOCs). Reduce free days from ten (10) to four (4) for private non-hazardous and hazardous railcar shipments. Increase daily charge for all subsequent days from \$50.00 to \$60.00 per car per day for private non-hazardous railcar shipments. Increase daily charge for all subsequent days from \$100.00 to \$160.00 per car per day for private hazardous railcar shipments. Increase daily charge for all subsequent days from \$100.00 to \$150.00 per car per day for railroad cars.
- Item 140 (A) – Track Occupancy Charges (TOCs). Add Note 2, “Railcars in an amount exceeding the Maximum Car Spots shall not be entitled to any Free Days at any time. Empty Private Railcars exceeding the Maximum Car Spots shall immediately be subject to the Private Railcars, Non-Hazardous TOC rate.”

Use the following link to subscribe/unsubscribe to future notifications to any of these tariffs:

<http://www.nscorp.com/content/nscorp/en/shipping-tools/publication-email-updates.html>

Pricing Services

Norfolk Southern Corporation

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Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-9251

Claude Edward Elkins
Vice President
Industrial Products

January 15, 2019

Dear Norfolk Southern Customer:

In a separate notification to be issued today, you will receive the details regarding various modifications that Norfolk Southern is making to our Demurrage, Accessorial, Switching and Conditions of Carriage #1-E Tariffs. These changes will be made effective February 15, 2019.

Our intent with these changes is to improve service across our network. Some of the changes include implementing new Merchandise Unit Train rules to reduce dwell time for rail equipment and locomotives in Merchandise Unit Train Service, and to improve network fleet utilization for both private and railroad-owned car fleets. In addition, as NS increases local service frequency for carload customers, we will provide credits on non-service days where NS cannot offer at least five day a week service. Both of these changes reflect the importance of enhanced network fluidity for our customers and stakeholders.

I encourage you to take the time to review these changes in detail and share within your organization. We are committed to improving the service product that we provide to our customers. We have given these changes very careful consideration and we believe that these changes will positively impact that goal.

We strive to provide useful and innovative tools through our digital interface for customers. Enhanced customer capability to manage traffic flows is critical to our success. I'd like to highlight one particularly useful capability we recently launched: The TRAX mobile app now offers carload customers the ability to order and release cars in addition to other various core functions like tracking shipments across the network. I encourage you to try out these capabilities for yourself. Please find web links and QR codes on the following attachment to easily download the app. We look forward to continued innovation that will benefit both our customers and Norfolk Southern.

Please contact your Norfolk Southern representative with questions. We welcome your feedback regarding changes, along with your ideas on how we can positively affect service in advance of these changes.

Sincerely,

Ed Elkins
Vice President Industrial Products
Norfolk Southern Corporation



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January 15, 2019

Dear NS Customer, Rail Business Partner and NS Tariff Subscriber:

Effective February 15, 2019, Norfolk Southern (NS) will be making changes to the following tariffs:

- Demurrage and Storage Rules and Charges NS 6004-D
- Switching and Absorption Rules and Charges tariff NS 8001-A
- Accessorial Service Rules and Charges Tariff NS 8002-A
- Conditions of Carriage #1-E

Below is a brief description of the changes to the tariffs.

NS 6004-D, Demurrage and Storage Rules and Charges:

The revisions to this tariff are available for view on the NS website at:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/demurrage-rules-and-charges.html>

- Item 200 – Glossary of Terms. **REPLACE** definition 13. Grain Unit and 14. Grain Unit Car Day with **NEW** definition 18. Merchandise Unit Train.
- Item 750 – **REPLACE** Rules Governing Cars in Grain Units with new rules governing Merchandise Unit Train Detention.
- Item 760 – **NEW** Rules Governing Merchandise Unit Trains Stopped in Transit.
- Item 950 – **NEW** paragraph 10. If NS offers scheduled local service less than five (5) days per week, then NS will apply demurrage/storage credits for the difference between five (5) days and the Offered Service Days. These credits are in addition to the standard demurrage credits. When Offered Service Days is equal to or greater than five (5) days per week, then standard demurrage/storage credits apply.

Example: If the Offered Service Days=3 and standard demurrage credits=1, then every railcar will get 3 credits (5-3=2+1=3).

NS 8001-A, Switching and Absorption Rules and Charges:

The revisions to this tariff are available for view on the NS website at:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/switching-and-absorption-rules-and-charges.html>

- Item 7000 – Intra-Terminal and Inter-Terminal Switching Charges – General. **INCREASE** intra-terminal and inter-terminal charges from \$500.00 per car to \$750.00 per car for Privately-Owned or leased equipment and Railroad-Owned or leased equipment.
- Item 4610 – Toledo, OH. **NEW** charge of \$1,200.00 per car for Hazardous Material shipments with STCC 29, 48 and 49. Increase standard reciprocal switch charges at Toledo to \$750.00 per car.
- Administrative – name changes and cancellation of obsolete information.

NS 8002-A, Accessorial Services Rules and Charges:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/accessorial-services-rules-and-charges.html>

- Item 6140 – Shipping Instructions (Bill of Lading Information). **NEW** Note 3. A charge of \$500.00 per car, per occurrence, will be assessed for all hazardous shipments with missing, incomplete, or improper forwarding instructions.
- Item 6560 – Tendering Private Railcars Without OT-5 Approval. **REVISED** paragraph. Loaded private railcars tendered to Norfolk Southern require OT-5 approval. Each time a loaded railcar is tendered without current OT-5 approval it is subject to a \$500.00 per car charge that will be assessed against the car mark owner.

Conditions of Carriage #1-E:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/conditions-of-carriage.html>

- Item 296 – Certain Abandoned Lading. **REVISED** paragraph to add sentence "Should the proceeds of the sale be insufficient to cover the amounts owed to NS, the deficit shall remain due and payable to NS."

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Claude Edward Elkins
Vice President
Industrial Products

March 1, 2019

Dear Norfolk Southern Customer:

In a separate notification to be issued today, you will receive details regarding revisions that Norfolk Southern is making to our Demurrage and Storage (NS 6004-D) and Accessorial (NS 8002-A) Tariffs, effective April 1, 2019.

Our primary objective with these changes is to provide our customers a clear understanding of the definitions and methodology to be used by Norfolk Southern in calculating credit days and car days for equipment with different Per Car Daily Charges. Railroad controlled cars classified as high demand equipment (covered coil cars, centerbeam flatcars, refrigerated cars, and heavy-duty flatcars) will be kept separate from other types of railroad controlled equipment when calculating credit days and car days with different Per Car Daily Charges.

In response to customer feedback, we are clarifying that the new Merchandise Unit Train Detention rule in Item 750, which became effective February 15, 2019, is in lieu of the single car credits and charges published in NS 6004-D, Item 1010 and 1012, or its successors.

We are also clarifying the definition of Service Window to better align with NS Conditions of Carriage 1-E and adding language within NS 6004-D Item 350 which states that NS will not be bound by unilateral notice from Consignors or Consignees advising intention not to pay demurrage or storage charges or instructions not to deliver railcars.

Lastly, there is a new update to NS 8002-A, Item 5000, covering overloads that are stopped and held on NS for up to and over seven (7) days. Our sole intent is to have customers correct the overloads as quickly as possible so that we can safely move them to their destination in a timely manner.

I encourage you to take time to review these tariff changes in detail and share within your organization.

Please contact your Norfolk Southern representative with questions. We continue to welcome your feedback regarding changes, along with your ideas on how we can positively affect service in advance of these changes.

Sincerely,

Ed Elkins
Vice President Industrial Products
Norfolk Southern Corporation



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March 1, 2019

Dear NS Customer, Rail Business Partner and NS Tariff Subscriber:

Effective April 1, 2019, Norfolk Southern (NS) will be making changes to the following tariffs:

- Demurrage and Storage Rules and Charges NS 6004-D
- Accessorial Service Rules and Charges Tariff NS 8002-A

Below is a brief description of the changes to the tariffs.

NS 6004-D, Demurrage and Storage Rules and Charges:

The revisions to this tariff are available for view on the NS website at:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/demurrage-rules-and-charges.html>

- Item 200 – Glossary of Terms.
UPDATE definition 9. Credit Day: Credit Day: Non-chargeable day. Credits can only be earned on those cars released to carrier for further disposition, **and can only offset Car Days for cars with the same Per Car Daily Charge.**
NEW definition 26. **Per Car Daily Charge: The daily demurrage/storage charge applicable to a car.**
UPDATE definition 32: Service Window: The designated block of time within a service day that NS **anticipates it will** physically pull and place a customer's cars. **These times are not guaranteed and delivery outside of these projected times will not impact the obligation to pay demurrage and storage charges.**
- Item 350 – Notification to NS: **NEW paragraph (d): Any notice sent by any Consignor/Consignee indicating an intention to not pay otherwise applicable demurrage or storage charges hereunder, or instructing NS not to deliver railcars if NS intends to impose otherwise applicable demurrage or storage charges hereunder, shall be void and shall have no force or effect regardless of whether NS responds to such notice.**
- Item 750 – Rules Governing Merchandise Unit Train Detention: **UPDATE** Detention Rule 2: Charges are per Merchandise Unit Train and **are in lieu of demurrage and storage charges which might otherwise be payable under NS Demurrage and Storage Tariff 6004-D series, Items 1010 and 1012, or successor items.**
- Item 950 – Demurrage/Storage Rules: **UPDATE** Demurrage and Storage Rule #2: Credit Days and Car Days for Railroad Controlled cars held for unloading or other purposes will be kept separately from cars held for loading. **Except as otherwise provided in Item 1000,** Credit Days and Car Days for Private Cars for loading or unloading will be combined. Credits on Private Cars cannot be combined with credits on Railroad Controlled cars.
- Item 1000 – Demurrage/Storage Calculation: **UPDATE** Demurrage/Storage Calculation: **Credit Days and Car Days will be kept separately, and the following calculations will be made separately, for cars with different Per Car Daily Charges in Item 1010:**
 1. Total Car Days **with the same Per Car Daily Charge** per customer per location will be added. (Car/days are net of holidays (see Holidays, Item 200)).
 2. Total Credit Days for all cars **with the same Per Car Daily Charge** will be added.
 3. If total Credit Days equal or exceed total net Car Days with **the same Per Car Daily Charge**, demurrage/storage charges will not be assessed. **Any excess Credit Days cannot be applied to cars with different Per Car Daily Charges.**
 4. If total net Car Days exceed the total Credit Days **with the same Per Car Daily Charge**, calculation of charges will be made as follows:
 - (a) Subtract total Credit Days from total Car Days to determine chargeable days.
 - (b) The number of chargeable days will be assessed as shown in Item 1010 **(or Item 1012 for hazardous commodities).**

NS 8002-A, Accessorial Services Rules and Charges:

<http://www.nscorp.com/content/nscorp/en/transportation-terms/other-requirements/accessorial-services-rules-and-charges.html>

- Item 5000, paragraph B.3. – **NEW 3. The first seven (7) days that a rail car is stopped and held as an overload is subject to the demurrage and storage provisions and applicable Per Car Daily Charges as published in tariff NS 6004-Series. On day eight (8) and thereafter, the Per Car Daily Charge is \$250.00 until corrective action is completed.**

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**Demurrage, Intermodal, and Accessorial Charges with Waybill Dates January 2016 through March 2019 and
Accounts Receivable Activity through April 16, 2019**

Type	Waybill Year	Waybill Quarter	Billed Amount	Payment Amount	Correction Amount	Waiver Amount	Write-Off Amount	Outstanding Amount as of 4/16/19
Demurrage	2016		98,715,840	(74,801,304)	(14,877,875)	(6,572,191)	(934,113)	1,530,357
Demurrage	2017		78,573,030	(64,796,340)	(8,153,376)	(1,803,826)	(1,582,251)	2,237,237
Demurrage	2018		94,263,874	(68,242,639)	(12,638,166)	(1,567,432)	(1,542,348)	10,273,289
Demurrage	2019	Q1	39,065,471	(17,315,740)	(3,123,523)	(114,627)	(9,164)	18,502,418
		Total	310,618,215	(225,156,024)	(38,792,940)	(10,058,076)	(4,067,875)	32,543,301
		% of Total		72.5%	12.5%	3.2%	1.3%	10.5%
Intermodal	2016		59,182,390	(57,701,144)	(1,397,150)	(52,575)	(31,330)	191
Intermodal	2017		69,070,024	(67,165,083)	(1,585,575)	(242,920)	(66,831)	9,616
Intermodal	2018		104,450,274	(97,233,430)	(6,771,855)	(127,875)	(37,674)	279,441
Intermodal	2019	Q1	31,356,203	(28,658,043)	(667,843)	(1,450)	290	2,029,157
		Total	264,058,891	(250,757,700)	(10,422,422)	(424,820)	(135,544)	2,318,404
		% of Total		95.0%	3.9%	0.2%	0.1%	0.9%
Accessorial	2016		73,072,176	(69,066,748)	(2,083,849)	(1,132,650)	(732,802)	56,127
Accessorial	2017		81,421,543	(79,093,779)	(1,391,810)	(450,816)	(240,484)	244,654
Accessorial	2018		83,305,093	(79,481,874)	(1,675,348)	(397,458)	(314,487)	1,435,926
Accessorial	2019	Q1	19,012,857	(15,854,078)	(395,626)	(24,400)	(13,637)	2,725,116
		Total	256,811,669	(243,496,479)	(5,546,634)	(2,005,323)	(1,301,410)	4,461,822
		% of Total		94.8%	2.2%	0.8%	0.5%	1.7%
		Total	831,488,774	(719,410,203)	(54,761,996)	(12,488,219)	(5,504,829)	39,323,527
		% of Total		86.5%	6.6%	1.5%	0.7%	4.7%

Blume Global EMP & TMX Charges, 2016-2019		
Year	Quarter	Amount
2016		49,875,392
2017		49,516,175
2018		68,300,554
2019	Q1	15,469,490
	Total	183,161,611

Norfolk Southern Demurrage/Accessorial Charge Dispute Process: Coal and Industrial Products

Norfolk Southern (“NS”) prefers that customers dispute demurrage and accessorial charges on-line via our online portal, AccessNS, before invoices are generated and sent. Our goal is to correct records found to be incorrect prior to billing; mitigating post-accrual disputes. Disputes are accepted through AccessNS until the fifth calendar day of the month following the calendar month in which the charges were assessed. Disputes submitted through AccessNS are worked by NS in real-time, with a goal of a two-hour turnaround that corrects the record if valid or denies the customer’s dispute with an explanation as to why.

If a dispute is not submitted via AccessNS prior to the deadline, specific disputes must be submitted to NS’s Revenue Accounting group (“RACS”) within 30 days of the demurrage bill generation. The majority of the manual disputes after billing are provided to RACS via email, phone or both. Disputes may also be received from the customer by NS Sales and Marketing personnel, but these disputes are then routed to RACS for submission to Revenue Protection (RP) and Operations Services Support (OSS).

Before submission to RP, RACS ensures the dispute includes the data necessary to allow for a review. If appropriate data is not provided, the customer is contacted by RACS for specific dispute data. Once specific dispute data is received, RACS presents the dispute file to RP with all pertinent dispute data provided by the customer, and with input from Sales, Marketing or Transportation, if applicable. RP reviews the file for completeness and merit before assigning to the appropriate division in OSS.

OSS researches each disputed item and either validates the customer’s dispute or provides documentation to support NS’s position. After completing its review, OSS returns the file to RP for their approval before returning to OSS who then contacts the customer via phone to discuss the results of the review. After contacting the customer with the results of the review, OSS returns the file to RP who returns the file to RACS for handling.

Once the file is returned to RACS, there are three possible scenarios:

1. Charges found to be correct as billed: Invoice, detail and results of OSS’s review are returned to the customer for collection.
2. Charges found to be in need of partial correction: Correction is issued by RACS, reducing the charges on the customer’s account. Corrected invoice, detail and OSS’s review results are returned to the customer for collection.
3. Charges found to be invalid: RACS issues a correction to the customer’s account, removing the charges in full and notifies the customer.

Norfolk Southern Intermodal Charge Dispute Process

Section 9.2.5 of NS's Intermodal Rules Circular #2 ("Rules Circular") sets out the process for disputing any bills issued under the Rules Circular. If a Shipper or Payor disputes the amount of a bill, the undisputed amount should be paid within the governing credit period. The Shipper or Payor must also notify NS within the credit period of the disputed amount and the basis for the dispute. Initial payment of a bill later determined to be incorrect does not prejudice a Shipper's or Payor's right to seek a refund. Any disputed bills are reviewed and corrected, if necessary, by NS's Intermodal Billing and Contracts Department.

Charges associated with the EMP and TMX program, including but not limited to storage charges, are administered through Blume Global as provided in the Rules Circular. Any disputes about such charges are initially submitted to Blume Global in accordance with their Policies and Procedures. Blume Global will then consult with NS's Intermodal Billing and Contracts Department in handling such disputes. Invoices can be disputed up to four months after the original due date on the invoice. Disputes submitted after the four month deadline will not be honored by Blume Global.

Application of Credits with Respect to Demurrage Charges

FREIGHT TARIFF NS 6004-D

Norfolk Southern generally applies demurrage and storage credits¹ pursuant to the system outlined in Freight Tariff NS 6004-D, which contains demurrage and storage charges that may apply to Railroad Controlled Cars (“A car with railroad reporting marks”) held for or by a consignor or consignee, and to Private Cars (“A car bearing other than railroad reporting marks and which is not a Railroad Controlled Car”) held on NS tracks under constructive placement after notice of arrival or awaiting forwarding instructions. The following explains the amount of credits available, and how those credits are calculated and applied, dating back to January 1, 2016.

Calculation of Demurrage and Storage Credits as of January 1, 2016

As in effect on January 1, 2016, Item 200(9) defined Credit Days as a “Non-chargeable day. Credits can only be earned on those cars released to carrier for further disposition,” and those included:

Item	Type of Credit	Nature of Credit	Credit Days
400	Frozen or Congealed Lading	Earned for each day a car under actual placement that has its lading heated, thawed or loosened (constructively placed cars received adjustment to car days)	1 (max 2)
600	Empty Cars Held For Loading	Empty Railroad Controlled Car held for loading	1
		Empty Private Car held for loading	5
650	Loaded Cars Held for Unloading	Car released from unloading	2
		Same car is reloaded with revenue load in one continuous transaction	1 add'l
700	Cars Held for Reasons Other than Loading or Unloading	Applicable to any car	0
750	Grain Unit	Earned when Grain Unit (“45 or more railroad cars moving under one Bill of Lading or Waybill”) released	1
800	Storage of Assigned Cars	Earned on each Assigned Car (“car of any ownership specifically requested and assigned to a shipper from a pool of assignment service cars”) placed in storage	1
900	Storage of Railway Equipment Moving on Own Wheels	Earned on each car released from storage	1
1012	Hazardous Commodities Held for Unloading	Hazardous Material other than TIH	2
		TIH Material as defined in Item 1012	0

¹ Norfolk Southern does not have any system or practice of applying credits or debits with accessorial charges with the exception of the storage of motor vehicles on Norfolk Southern Facilities, which is available only if the motor vehicle has a movement via Norfolk Southern in line haul service immediately prior to or subsequent to storage. Those charges and credits are governed by Item 6415 of NS 8002-A. Although such charges and credits do not apply to rail movements directly, Norfolk Southern can supplement this response if additional information is sought concerning motor vehicle storage.

Application of Credits with Respect to Demurrage Charges

Item 950 specifies the rules for application of Credit Days. Credit Days are applied against bills that are issued on a monthly basis separately for each customer at each respective station. Credit Days cannot be carried over from month to month.

As of January 1, 2016, Item 950(2) provided that "Credit Days and Car Day charges for cars held for unloading or other purposes will be kept separately from cars held for loading. Credits on Private Cars cannot be combined with credits on Railroad Controlled cars." Accordingly, Norfolk Southern performed the following calculation found in Item 1000 separately for the loading and unloading of Railroad Controlled Cars as well as the loading and unloading of Private Cars:

1. *Total Car Days per customer per location will be added. (Car/days are net of holidays (see Holidays, Item 200)).*
2. *Total Credit Days for all cars will be added.*
3. *If total Credit Days equal or exceed total net Car Days, demurrage / storage charges will not be assessed.*
4. *If total net Car Days exceed the total Credit Days, calculation of charges will be made as follows:*
 - (a) Subtract total Credit Days from total Car Days to determine chargeable days.*
 - (b) The number of chargeable days will be assessed as shown in Item 1010.*

Changes to Calculation of Demurrage and Storage Credits as of October 1, 2017

On August 1, 2017, Norfolk Southern announced changes to Freight Tariff NS 6004-D that included adjustments in the availability of certain Credit Days and the methodology for calculating them.

Norfolk Southern announced a gradual reduction in the number of Credit Days for empty Private Cars held for loading under constructive placement. The then-current level of five (5) Credit Days was reduced as follows: to four (4) beginning on December 1, 2017, through February 28, 2018; to three (3) beginning on March 1, 2018, through May 31, 2018; and finally to two (2) beginning on June 1, 2018, and going forward.

At the same time, Norfolk Southern incorporated a provision into the tariff addressing service related credits that previously had only been offered via bilateral agreements with some shippers. Item 950(8) granted all customers additional Credit Days for each day that Norfolk Southern did not meet the NSR Original ETA for loaded railcars. The total number of Credit Days of any type available per car per shipment was set at a maximum of seven (7). NSR Original ETA was defined in Item 200(25):

Following interchange or release of shipment and complete billing to final destination, the first reported movement on Norfolk Southern Railway Company (NSR) will generate the NSR Original Estimated Time of Availability (ETA). Though the time of availability may change during transit due to delays or advances en route, it is the original NSR ETA against which an early or late shipment will be measured. NSR Original ETAs are accessible to the customer via AccessNS.

Norfolk Southern also relaxed two key requirements related to Credit Days. First, Norfolk Southern revised Item 950 to permit Customers to combine Credits Days for loading and unloading of Private Cars. Second, the time period for raising a dispute related to charges or computations was lengthened from five (5) days from the date of the actual dispute to five (5) days after the close of the month in which the charges were incurred.

Application of Credits with Respect to Demurrage Charges

Changes to Calculation of Demurrage and Storage Credits as of January 1, 2019

On October 1, 2018, Norfolk Southern announced further changes to Freight Tariff NS 6004-D.

Norfolk Southern announced a reduction from two (2) Credit Days to zero (0) Credit Days for empty Private Cars held for loading and for loaded Private Cars held for unloading. Norfolk Southern also reduced the number of Credit Days for Railroad Controlled Cars released from unloading from two (2) to one (1), while continuing to provide an additional Credit Day if such cars are returned reloaded with a revenue load. Additionally, the number of Credit Days for Railway Equipment Moving on Own Wheels was reduced from one (1) to zero (0) for storage. Finally, Hazardous Material other than TIH no longer receive any Credit Days for unloading.

At the same time, Norfolk Southern increased the amount of Credit Days available for Norfolk Southern service failures.² Norfolk Southern doubled the number of Credit Days provided to customers for each day that loaded railcars exceed the NSR Original ETA from one (1) to two (2). Norfolk Southern also increased the maximum number of total Credit Days potentially available per car per shipment from seven (7) to ten (10).

Among the other changes announced at the same time, Norfolk Southern for the first time provided for different levels of demurrage charges depending on the type of rail car.

Changes to Calculation of Demurrage and Storage Credits as of February 15, 2019

On January 15, 2019, Norfolk Southern announced two additional changes to Freight Tariff NS 6004-D impacting Credit Days.

First, Norfolk Southern replaced the prior provisions of Item 750 concerning Grain Units with new rules for Merchandise Unit Train Detention. Rather than Credit Days, Merchandise Unit Trains have the ability to earn “Free Time” before associated detention charges begin to accrue. Merchandise Unit Trains consisting entirely or partially of Railroad-Controlled Cars are provided 24 hours Free Time, while Merchandise Unit Trains consisting entirely of Private Cars are provided zero (0) Free Time after notice of arrival and while held on railway owned tracks. Free Time is also extended if a Consignee notifies Norfolk Southern that a shipment cannot be unloaded because of frozen commodity.

Second, Norfolk Southern provided additional Credit Days for the difference between the number of service days offered by Norfolk Southern and five (5) days-a-week service. For example, if Norfolk Southern offers service to a customer three (3) days a week, then every railcar receives an additional two (2) Credit Days beyond what it would otherwise be eligible for under the rules.

Changes to Calculation of Demurrage and Storage Credits as of April 1, 2019

On March 1, 2019, Norfolk Southern announced additional modifications to Freight Tariff NS 6004-D.

² While the tariff only expressly addresses failure to meet NSR Original ETA, in practice Norfolk Southern also offers credits for Local Operating Plan Adherence (“LOPA”) failures. For example, if a shipment arrives at the destination service yard on-time and it is constructively placed, but once the customer orders in the car a locomotive power failure prevents Norfolk Southern from delivering the shipment, the customer would receive a local credit. The sum of total credits, including local (LOPA) and NSR Original ETA, is capped at ten (10) as provided in the tariff.

Application of Credits with Respect to Demurrage Charges

First, Norfolk Southern clarified that Merchandise Unit Train Detention Charges apply in lieu of, not in addition to, any demurrage or storage charges that might otherwise be payable under Freight Tariff NS 6004-D.

Second, Norfolk Southern revised the methodology for calculating charges and Credit Days under Item 1000 to provide that Credit Days and Car Days are kept and calculated separately for cars with different Per Car Daily Charges. As an example of the effect of the change, Credit Days for railroad controlled cars subject to a \$150 per day daily charge cannot be used to offset chargeable Car Days for a covered coil car chargeable at \$250 per day.

Accordingly, Item 200(9) currently defines Credit Days as a “Non-chargeable day. Credits can only be earned on those cars released to carrier for further disposition, and can only offset Car Days for cars with the same Per Car Daily Charge,” and those include:

Item	Type of Credit	Nature of Credit	Credit Days
400	Frozen or Congealed Lading	Earned for each day a car under actual placement that has its lading heated, thawed or loosened (constructively placed cars received adjustment to car days)	1 (max 2)
600	Empty Cars Held For Loading	Empty Railroad Controlled Car held for loading	1
		Empty Private Car held for loading	0
650	Loaded Cars Held for Unloading	Railroad Controlled Car released from unloading	1
		Same Railroad Controlled Car is reloaded with revenue load in one continuous transaction	1 add'l
700	Cars Held for Reasons Other than Loading or Unloading	Applicable to any car	0
750	Merchandise Unit Train Detention	Free Time earned for Railroad-Controlled Cars	24 hours
		Free Time earned for Private Cars	0 hours
		Free Time earned for frozen commodity	24 hours
800	Storage of Assigned Cars	Earned on each Assigned Car (“car of any ownership specifically requested and assigned to a shipper from a pool of assignment service cars”) placed in storage	1
900	Storage of Railway Equipment Moving on Own Wheels	Earned on each car released from storage	0
950	NSR Original ETA	Earned each day for loaded railcars for which Norfolk Southern did not meet the NSR Original ETA	2 (overall max 10)
1012	Hazardous Commodities Held for Unloading	Hazardous Material other than TIH	0
		TIH Material as defined in Item 1012	0

Application of Credits with Respect to Demurrage Charges

NS CONDITIONS OF CARRIAGE #2-P COAL, COKE AND IRON ORE

Norfolk Southern has some limited additional demurrage terms applicable to certain coal shipments in its Condition of Carriage #2-P ("Coal CoC"). The Coal CoC incorporate the general demurrage provisions of Freight Tariff NS 6004-D, but Section 34.1 also contains specific demurrage rules and charges applicable to all railroad-owned cars shipped to Designated NS Coal Transload Facilities pursuant to either tariff or contract rates.

The designated facilities are Lamberts Point Dock, VA; Sandusky Dock, OH; Ashtabula Dock, OH (currently idled); and Wheelersburg Dock, OH. These specific demurrage provisions apply to cars designated for direct vessel or barge dumping. Conversely, cars that are designated for ground storage, and have ground storage available, are not subject to this provision.

Calculation of Demurrage and Free Days at Designated NS Coal Transload Facilities

Calculation of Days on Hand for railroad-owned cars shipped to the designated facilities starts on the earlier of either the actual car arrival date or the constructive placement at the dock. Cars that cannot be reasonably accommodated at the Norfolk Southern facility will be constructively placed on tracks short of the facility. Days on Hand stop accruing on the day that the coal commences loading into a vessel or barge. Every car physically dumped for that vessel or barge will receive the same stop date.

Demurrage Days are calculated by taking the Days on Hand minus the Free Days. If the Demurrage Days are 0 or negative, then the Demurrage Days will be equal to 0. No averaging of debits or credits is applied. The following table lists the number of Free Days and Demurrage Rates for chargeable Demurrage Days at each of the designated facilities:

Facility	# of Free Days	Demurrage Rates for Chargeable Demurrage Days
Lamberts Point Dock, VA	15	\$30/day up to 15 days & \$60/day for days 16+
Sandusky Dock, OH	6	\$60/day up to 10 days and \$120/day for days 11+
Ashtabula Dock, OH	idled	idled
Wheelersburg Dock, OH	2	\$60/day up to 10 days and \$120/day for days 11+

In addition to the Free Days listed above, Norfolk Southern grants additional Free Days if it suspends unloading operations at the facility for a period exceeding 24 hours. Norfolk Southern Marketing and Unit Train Services personnel also may grant additional Free Days based on service disruptions at their sole discretion.

Billing is issued on a monthly basis to each consignee at each designated Norfolk Southern transload facility for all cars physically dumped during the previous month. The rules contain some additional provisions applicable to reassigning cars between ground storage and direct vessel or barge dumping, reconsignment, and refused coal.

There have not been any material changes to Section 34.1 of the Coal CoC since January 1, 2016. All daily Demurrage Rates and Free Days, and the methodology for calculating and applying them, are the same today as they were on January 1, 2016.

Application of Credits with Respect to Demurrage Charges

NORFOLK SOUTHERN INTERMODAL RULES CIRCULAR #2

Norfolk Southern's Intermodal Rules Circular #2 ("Rules Circular") contains the terms and conditions of Norfolk Southern's offer of Intermodal transportation. These terms include, among many other things, certain charges and Free Time for equipment detention and storage.

Calculation of Storage Charges and Free Time

In accordance with Section 7 of the Rules Circular, Norfolk Southern assesses storage charges as a fee for continued equipment storage after the expiration of Free Time and prior to the equipment being picked up at the terminal by the customer. The storage charge is applied for each day, or portion thereof, that the equipment/shipment remains at the Intermodal terminal beyond Free Time. Free Time begins to run at Notification, the time when Norfolk Southern advises the notify party that the unit is available or there is a condition with the shipment that needs to be addressed. Non-business days are not counted against Free Time when they occur prior to the expiration of Free Time. Storage ends when the unit is outgated.

Free Time for Domestic Containers and Trailers (Section 7.1.3)

Domestic containers and trailers include EMP & TMX,³ rail trailers, private trailers (28 foot, 45 foot, 48 foot & 53 foot) and private containers (48 foot & 53 foot). Day of Notification is the same day when Notification is made on or before 5:00pm, or the following business day if made after 5:00pm.

As of January 1, 2016, local domestic shipments on Norfolk Southern received Day of Notification plus either one (1) day (for on-time shipments) or three (3) days (for late shipments) of Free Time, and interline domestic shipments received Day of Notification plus two (2) days of Free Time.

On April 1, 2016, these days were standardized to Day of Notification plus two (2) days of Free Time for all domestic equipment. At the same time, Saturday became a business day for Day of Notification and Free Time purposes if the terminal provided Saturday gate hours.

Beginning on April 16, 2018, and continuing through today, terminals are split into Tier 1 and Tier 2 for domestic equipment. Domestic equipment at Tier 1 terminals receive Day of Notification plus one (1) day of Free Time, while all other terminals are classified as Tier 2 terminals⁴ and continue to receive Day of Notification plus two (2) days of Free Time. Cincinnati was moved from Tier 2 to Tier 1 effective October 22, 2018, and Chicago 63rd Street and Landers were reclassified to Tier 1 effective March 4, 2019.

Free Time for International Containers (Section 7.1.2)

International units include 20 foot, 40 foot and 45 foot containers arriving on a train at Norfolk Southern terminals. Day of Notification is the same day when Notification is made on or before 5:00pm, or the following business day if made after 5:00pm.

³ EMP and TMX units are railroad owned containers that are supplied as part of integrated domestic container supply and management programs. Charges associated with the EMP and TMX program, including but not limited to storage charges, are administered through Blume Global as provided in the Rules Circular.

⁴ Standard terms do not apply to the locations listed in Section 7.2.1, which are subject to the individual terminal operator's rules and charges.

Application of Credits with Respect to Demurrage Charges

As of January 1, 2016, and continuing through today, international containers on Norfolk Southern received Day of Notification plus two (2) days of Free Time. Saturday is considered a business day for Day of Notification and Free Time purposes if the terminal provides Saturday gate hours. At that time, storage began to accrue overnight on the beginning of the day following the expiration of Free Time.

Effective August 1, 2016, the commencement of storage was pushed back to begin at 8:00AM on the day following the expiration of Free Time, in effect giving customers an extra eight hours of Free Time to pick up containers during off-peak hours. At the same time, Sunday was added as a business day for Day of Notification and Free Time purposes at the terminals at Chicago and Kansas City.

Beginning September 4, 2018, and continuing through today, terminals are split into Tier 1 and Tier 2 for international containers. For Tier 1 terminals (Austell, GA; Chicago, IL; and Kansas City, MO), international units are granted two (2) days of Free Time following the Day of Notification. Saturday and Sunday are considered business days and count for Day of Notification and Free Time purposes at Tier 1 terminals. Practically, this categorization had no impact on Free Time at Chicago and Kansas City, but began applying the same rules to Austell.

All other terminals are considered Tier 2, and international units are granted two (2) days of Free Time following the Day of Notification. Saturday continues to be considered a business day only at those Tier 2 terminals with Saturday gate hours, where it counts for Day of Notification and Free Time purposes (Sunday is not a business day for Tier 2 terminals).