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Honorable Chairman Ann Begeman
Honorable Vice Chairman Patrick Fuchs
Honorable Board Member Marty Oberman

Surface Transportation Board
395 East Street, SW
Washington, DC 20423

Dear Honorable Chairman Ann Begeman, Vice Chairman Patrick Fuchs, Honorable Board Member Marty Oberman:

On behalf of The Shippers Group, I would like to express my appreciation to all of you for taking the time to meet with those of us in the business community who are at the mercy of the railroads in the normal execution of our business day. It was clear that all of you listened intently to our concerns, and were engaged in the conversations surrounding what the problems are and how they might possibly be resolved.

As you have heard two days of testimony and dialogue on these issues, I will try to keep this short by only providing my suggestions for steps going forward that would make these issues either disappear or become fair and equitable for both the railroads and shippers/receivers.

- Railroads should provide switches to industry 5 days per week (M – F) or return to the number of switches in place to each shipper/receiver prior to the implementation of PSR.
- If the railroads fail to provide a switch on a given day, they should issue one credit day for every boxcar in the system that is consigned to that destination, rather than just the number of available spots at the consignee's facility
- If the railroads "pool" cars in transit (bunching) in order to better utilize their assets, they should issue one credit day per car bunched for every day that exceeds the normal transit time from the original point of origin to the destination.
- Free time at destination should be 48 hours beginning at 12:01 AM the day after placement.

- Given that the railroads have a system of billing for perceived misuse of their assets, there should be a reciprocal arrangement whereby the receiver/shipper has the ability to invoice the railroads for scheduled labor that was not utilized due to a service failure by the railroad.
- Railroads should be forbidden from assessing charges for the justification and review of a demurrage or accessorial invoice. This borders on racketeering.

All of these suggestions are based upon the presumption that a version of the system currently used by the railroads to assess demurrage and accessorial charges stays in place. The easiest way to get beyond all of these issues is to require the railroads to calculate demurrage charges based upon actual placement at the receiver/shipper facility, with 48 hours of free time (calculated as described above). This type of system would remove the discussions of all of the various factors that go into the current calculation, and hold the receiver/shipper responsible for the amount of time allocated to that piece of equipment that they are actually able to control.

Thank you again for your willingness to review and discuss these very crucial issues. I sincerely believe that if changes to the egregious abuse of this system by the railroads is not halted, a very significant percentage of this freight will out of necessity be moved to intermodal and conventional truck modes of transportation, putting hundreds of thousands of trucks onto our already stressed highways and bridges. I know that is exactly what will happen in our facilities.

Sincerely,

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