

SERVICE DATE – LATE RELEASE MAY 3, 2019

SURFACE TRANSPORTATION BOARD
Docket No. EP 754
OVERSIGHT HEARING ON DEMURRAGE AND ACCESSORIAL CHARGES

ENTERED
Office of Proceedings
May 8, 2019
Part of
Public Record

If you look at the “Time Line” below it would seem to point to an organize effort to create circumstances and rules that would maximize the possibility of incidental charges.

CSX time line of events moving toward increasing incidental charges: CSX needs to defend these steps and explain reasoning behind their intent. The below makes it near impossible to ship via rail and not accumulate incidental charges

- Hudson Harrison takes the helm
- CSX trims customer service days
- CSX removes gondolas used for loading scrap metal from the system
- CSX does not notify scrap shippers of fleet reduction
- CSX Scraps, sells, or stores up to 50% of the Gondola fleet
- Customer are told to acquire private cars because system cars will not be available
- Customers drop from 80% order fill of CSX equipment to 10% order fill
- Customers lose millions of dollars because no CSX cars available
- Customer forced to trucks and export shipping to move product
- Customer scramble to acquire “Private” cars to offset CSX car shortage reducing bottom line
- Over a period (Possibly 3 years) free days for private cars reduced from 5, to 2, to 1 free day
- Open Gate Demurrage format introduced into the CSX 8100 Tariff
- Removal of grace period on non-service days (charges even on none service days)
- Calculations are performed daily against plant capacity (service times often clash) and are extremely complex.
- Invoices sent of weekly instead of monthly
- CSX car orders left open for a two-week period instead of expiring each week causing late cars to arrive within next order week and in turn creating capacity issues at plants.
- Late arriving cars are assigned “Arrival” yard date to start demurrage cycle and open gate demurrage charges
- Bunching removed from CSX 8100 as valid dispute reason but allowed in some cases

All of the above could be viewed as “Unfair Business Practices” creating havoc in the scrap industry

SERVICE DATE – LATE RELEASE MAY 3, 2019

SURFACE TRANSPORTATION BOARD

Docket No. EP 754

OVERSIGHT HEARING ON DEMURRAGE AND ACCESSORIAL CHARGES

OT-5 APPLICATION FAILURE CHARGES:

There is a discrepancy as to who received the invoice for these charges and when these charges are even valid.

Our understanding of an OT-5 application is needed when the loading of a private car is done on CSX that would displace CSX equipment

Customers are receiving invoices when cars are loaded off line

- CSX indicates if the ShipCSX website is utilized to waybill the loaded car then an OT-5 is required even if not loaded on CSX line.
- Invoices are being generated to off line customers that do not own or lease the cars
- Is the car owner responsible for the OT-5 and were they notified?
- The lessee cannot access the Railinc to create the OT-5 if they do not own a railcar mark
- Customer are being told that the shipper will get the invoice but then they are told the freight payer should get the invoice
- This needs to be clarified by CSX
 - o Determine what the criteria is for OT-5 application on short lines and or foreign lines
 - o Who is responsible for the charges?
 - o If the company leasing the cars cannot create the OT-5 how can they get the invoice
 - o Customers are getting invoices from CSX for OT-5 Failure when cars are being loaded on the IHB and there is a valid OT-5 in place with the IHB.