

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.**

Docket No. EP 754

247886

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Oversight Hearing on Demurrage and Accessorial Charges

**SUPPLEMENTAL COMMENTS OF
THE AMERICAN SHORT LINE AND REGIONAL
RAILROAD ASSOCIATION**

The American Short Line and Regional Railroad Association ("ASLRRA") appreciates the opportunity to provide Supplemental Comments to the record in Docket No. EP 754, *Oversight Hearing on Demurrage and Accessorial Charges*.

On behalf of its over 500 railroad members, ASLRRA staff and multiple short line railroad representatives attended and closely listened as STB hosted two days of hearings on demurrage and accessorial charges May 22 and 23, 2019 in Washington, DC.

It is noteworthy that among the over seventy witnesses who appeared and testified or that submitted written comments on behalf of rail customers and shippers, none were critical of the demurrage and accessorial charges assessed or the related service provided by Class II and Class III railroads (collectively "Small Railroads"). In fact, several of the witnesses without prompting praised the services and practices of their short line railroads.

Small Railroads work in an environment providing "first mile, last mile" services, often in small town and rural areas, where a close working relationship with customers is essential. The freight that Small Railroads handle on behalf of those customers is very competitive with trucks, barges, and transload operations. As a result, the partnership Small Railroads have with their customers mandates that they work with those customers daily to solve issues that tend to give rise to demurrage charges. This commitment to providing timely, responsive and flexible service is the hallmark of ASLRRA members' business models, and the May 22-23 hearing provided strong evidence that shippers recognize Small Railroads meet that commitment daily.

While the role of Small Railroads in providing flexible and responsive rail service is well established, their vulnerability to sweeping regulatory changes is sometimes overlooked or misunderstood. The risk is that, in addressing one issue, regulators may inadvertently harm the Small Railroads who receive praise rather than criticism from their customers. Small Railroads do not control or contribute to the issues about which some shippers or receivers complained such as bunching, but rather work closely with their customers to resolve those issues a local level.

Thus, in assessing any potential changes in its supervision of demurrage and accessorial charges and practices, ASLRRRA urges the Board to consider carefully how its actions might impact Small Railroads. Small Railroad/customer relationships are structured to meet the specific requirements of the customer at a particular location and a "one-size-fits-all regulatory" scheme would not be able to take into account all the variations of services provided by Small Railroads. Additionally, any new regulation imposed on Small Railroads dealing with demurrage or accessorial charges could add burdens on these small, entrepreneurial businesses when the record in the proceeding does not warrant any such regulation.

For these reasons, if the Board determines to adopt any rules regarding demurrage or accessorial charges, ASLRRRA urges the Board to exempt Class II and Class III carriers from such regulations as the simplest way to assure that Small Railroads will continue to have the operational and financial tools to provide the flexible and responsive service the shipping community praised in this proceeding.

Respectfully submitted,

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