



247718

May 8, 2019

The Honorable Chairman Ann D. Begeman
The Honorable Vice Chairman Patrick Fuchs
The Honorable Marty Oberman

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

Surface Transportation Board
395 E. Street, S.W.
Washington, DC 20423

RE: Docket EP 754, OVERSIGHT HEARING ON DEMURRAGE AND ACCESSORIAL CHARGES

Dear Chairman Begeman, Vice Chairman Fuchs and Board Member Oberman:

Valley Distributing & Storage Company is a privately-owned third-party logistics provider located in Northeastern Pennsylvania. We operate 10 warehouse facilities which are rail-served by either the Norfolk Southern Railway (NS) or the Delaware Lackawanna Railroad (interchanging with the Norfolk Southern).

For more than 60 years, Valley Distributing has been receiving and dispatching freight through our facilities. Our Laflin warehouse complex was the first in Northeast Pennsylvania that unloaded intermodal traffic in conjunction with the former Delaware and Hudson (D&H) Railway.

The recent changes to the Norfolk Southern tariffs regarding demurrage, storage and accessorial charges has greatly increased the financial risk involved in our providing rail freight unloading and loading services as compared to truck/highway transportation. The internal and legal cost in disputing rail demurrage charges can now quickly outweigh the benefit of providing rail freight services.

Challenges with demurrage calculations include:

1. Demurrage is assessed on days rail service is not provided. As an example: the railroad does not service our facilities on Saturday and Sunday however, free time is applied and demurrage is assessed. However, if we received notification of constructive placement on a Friday and we scheduled overtime and ordered cars for unloading Saturday, the railroad would still not be switching cars. Attachment A is a sample of email notifications we received on the weekend.
2. There could be constructive placement of a number of cars greater than our daily capacity to unload. For example, we have five (5) rail doors/spots; 10 cars are constructively placed. Five cars immediately lose their free time. This situation could be due to bunching, building of longer trains or some other cause attributable to the railroad not us.

3. Railroad service failures including missed switches or late switches that arrive at the end of or after the warehouse shift are not accounted for in the demurrage calculations.

Our job is to keep the freight moving and unload and turn the railcars. As a business, we understand the need for all parties to operate efficiently and earn a profit. However, it is inequitable for us to be financially responsible for events outside of our control.

We do however remain committed to being a strong business partner for the railway into the future by continuing to sell our shared services, managing our operation with efficiency, and maintaining open communication. Thank you to the Surface Transportation Board for allowing us the opportunity to voice our concerns and for your attention to this matter.

Sincerely,



Carol K. Keup

Chief Operating Officer

VALLEY DISTRIBUTING & STORAGE CO.

ATTACHMENT A Sample Notifications of Constructive Placement

Carol Keup

From: Norfolk Southern Corp. <denetieply@nscorp.com>
Sent: Sunday, April 14, 2019 6:57 AM
To: VS Customized Reporting Requestor: Conrad Kotowski; Pete Nicholas; Lorie Ransom;
 Carol Keup; Kyle Dickinson
Subject: Valley Distributing I/B Scranton
Attachments: CR_VALDISSCR2.csv

Valley Distributing I/B Scranton

Time Start Delivery Expires: 04-20-2019

[Color/Link Key](#)

Sun Apr 14 08:56:31 EDT 2019

Valley Distributing I/B Scranton

Init	Number	L/E	Location	Event	Event Dt/Tm	Train	Org Ctry/St	Commodity	Shipper	ETA/I
RBOX	040178	L	CLEARING, IL	ICHD	04-13 13:55	NS	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	037588	L	CLEARING, IL	ICHD	04-13 13:56	NS	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	042022	L	CLEARING, IL	ICHD	04-13 13:56	NS	SHELBYVILLE, IL	SCPPR	GRAPACKI	
BKTY	152682	L	CLEARING, IL	ICHD	04-13 13:57	NS	SHELBYVILLE, IL	SCPPR	GRAPACKI	
TBOX	662216	L	MCGEE-LEE, AR	ICHR	04-12 16:20	AKMD	CYPRESS AR	PPBRD	CLEPAPER	
TBOX	663107	L	MCGEE-LEE, AR	ARL	04-13 15:48	UP	CYPRESS AR	PPBRD	CLEPAPER	
KCS	013042	L	SCRANTON (RBMN), PA	ARL	04-12 12:03	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	030884	L	SCRANTON (RBMN), PA	ARL	04-12 12:03	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	032541	L	SCRANTON (RBMN), PA	ARL	04-12 12:03	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	039777	L	SCRANTON (RBMN), PA	ARL	04-12 12:03	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	043322	L	SCRANTON (RBMN), PA	ARL	04-12 12:03	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
BKTY	153650	L	SCRANTON (RBMN), PA	ARL	04-13 17:31	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
BKTY	150376	L	SCRANTON (RBMN), PA	ARL	04-13 17:31	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	034881	L	SCRANTON (RBMN), PA	ARL	04-13 17:31	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
RBOX	039640	L	SCRANTON (RBMN), PA	ARL	04-13 17:31	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
AROX	052036	L	SOUTH SCRANTON, PA	ARL	03-27 14:00	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
AROX	052255	L	SOUTH SCRANTON, PA	ARL	03-27 14:00	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
BKTY	152437	L	SOUTH SCRANTON, PA	ARL	03-27 14:00	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
FBOX	506895	L	SOUTH SCRANTON, PA	PACT	04-09 10:00	DL	CYPRESS AR	PPBRD	CLEPAPER	
RBOX	031616	L	SOUTH SCRANTON, PA	ARL	04-09 19:12	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
SOU	531027	L	SOUTH SCRANTON, PA	ARL	04-09 19:12	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
WRWK	008014	L	SOUTH SCRANTON, PA	ARL	04-09 19:12	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
BKTY	152501	L	SOUTH SCRANTON, PA	ARL	04-09 19:13	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
KCS	013839	L	SOUTH SCRANTON, PA	ARL	04-09 19:13	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	
BKTY	153338	L	SOUTH SCRANTON, PA	ARL	04-11 21:30	DL	SHELBYVILLE, IL	SCPPR	GRAPACKI	

VALLEY DISTRIBUTING & STORAGE CO.

Init	Number	L/E	Location	Event	Event Dt/Tm	Train	Org City/St	Commodity	Shipper	ETA/I
BKTY	154538	L	SOUTH SCRANTON, PA	ARIL	04-11 21:30	DL	SHELBYVILLE	SCPPR	GRAPACKI	
RBCX	034634	L	SOUTH SCRANTON, PA	ARIL	04-11 21:30	DL	SHELBYVILLE	SCPPR	GRAPACKI	
RBCX	034907	L	SOUTH SCRANTON, PA	ARIL	04-11 21:30	DL	SHELBYVILLE	SCPPR	GRAPACKI	
TBOX	889554	L	SOUTH SCRANTON, PA	ARIL	04-11 21:30	DL	CYPRESS AR	PPBRD	CLEPAPER	
BKTY	151789	L	SOUTH SCRANTON, PA	PACT	04-12 09:00	DL	SHELBYVILLE	SCPPR	GRAPACKI	
KCS	122102	L	SOUTH SCRANTON, PA	PACT	04-12 09:00	DL	SHELBYVILLE	SCPPR	GRAPACKI	
TBOX	671223	L	SOUTH SCRANTON, PA	ARIL	04-12 12:04	DL	CYPRESS AR	PPBRD	CLEPAPER	
BKTY	150687	L	SOUTH SCRANTON, PA	PACT	04-13 17:01	DL	SHELBYVILLE	SCPPR	GRAPACKI	

Total Results for Valley Distributing I/B Scranton: 34



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Yellow - Hazardous - and Order

VALLEY DISTRIBUTING & STORAGE CO.

Carol Keup

From: notifications.command@shipxpress.net
Sent: Saturday, April 27, 2019 4:41 PM
To: Conrad Kotowski; Carol Keup; Nancy Bines
Cc: Matt Stramm
Subject: OFFICIAL REPORT OF CONSTRUCTIVE PLACEMENT
Attachments: PCNotification.pdf

This is an automatedly generated email message from Halcyon Command.
PLEASE DO NOT REPLY TO THIS MAIL ADDRESS.

VALLEY DISTRIBUTING & STORAGE
1 PASSON DRIVE
WILKES-BARRE, PA 18702

Attn: CONRAD/PAUL

OFFICIAL REPORT OF CONSTRUCTIVE PLACEMENT

You are hereby notified that the following cars, consigned to, or ordered to or by you, cannot be delivered on account of your inability to receive, or because of other conditions attributable to you, and tender of same is hereby made. These cars are subject to the demurrage rules published in the tariffs lawfully in file, and charges in accordance therewith will be made for detention beyond the free time therein provided.

Eqmt Init	Eqmt Number	Date Time	Commodity
JTBOX	563203	04-27-2019 16:40	P: PROFBON CORP

AGENCY - OFI AWARE-I ACKA/ANNA RR