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June 6, 2019

VIA E-FILING

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

Re: Oversight Hearing on Demurrage and Accessorial Charges, EP 754

Dear Ms. Brown:

In accordance with the decision served in the above-captioned matter on May 24, 2019, enclosed is The Kansas City Southern Railway Company's Supplemental Testimony. If there are any questions concerning this filing, please contact me by telephone at (202) 663-7823 or by e-mail at wmullins@bakerandmiller.com.

Sincerely,



William A. Mullins

Enclosures

cc: Adam J. Godderz
David C. Reeves

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

EP 754

OVERSIGHT HEARING ON DEMURRAGE AND ACCESSORIAL CHARGES

**THE KANSAS CITY SOUTHERN RAILWAY COMPANY'S
SUPPLEMENTAL TESTIMONY, PURSUANT TO THE BOARD'S ORDER OF MAY 24,
2019**

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**Attorneys for The Kansas City Southern
Railway Company**

Dated: June 6, 2019

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

EP 754

OVERSIGHT HEARING ON DEMURRAGE AND ACCESSORIAL CHARGES

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SUPPLEMENTAL TESTIMONY, PURSUANT TO THE BOARD'S ORDER OF MAY 24,
2019**

Pursuant to the decision issued by the Surface Transportation Board ("STB" or "Board") in this proceeding on May 24, 2019, holding the record open until June 6 for participants in this matter to submit further information ("Decision"), The Kansas City Southern Railway Company ("KCS") hereby submits its supplemental testimony on subjects addressed at the Board's May 22-23 hearing.

At the hearing, Board members expressed concern that fees charged by railroads for processing their customers' demurrage disputes inappropriately discouraged the filing of such disputes. While KCS has not collected such fees in several years, KCS will, in line with the expressed concerns, amend Item 60 of the KCS 6000-F demurrage tariff by eliminating "Disputes claimed under this provision which are not found to be valid will be subject to a processing fee of \$50.00 for each incorrectly disputed car," to eliminate even the appearance of a disincentive for customers to challenge demurrage that they believe is improper.

With respect to an issue raised by Chairman Begeman and Vice Chairman Fuchs at the end of Panel VIII (timestamp approximately 1:15:08 – 1:16:40 on the May 23 video on the Board's website), KCS wishes to clarify that credits are accorded to shippers/receivers according

to the rules in KCS's 6000-F tariff. However, as Mr. Naatz stated, KCS may accord shippers/receivers additional or extended credits in specific situations to remedy problems that KCS and the customer believe are due to KCS's actions.

Finally, as the Board indicated at the end of the hearing, many issues and ideas were raised over the course of the two days. KCS has heard from some customers since the hearing and commits to work with those customers and with others who may contact KCS on issues raised at the hearing to try to reach understandings that allow KCS to optimize its service offerings to meet the needs of all of its customers.

Respectfully submitted,



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Dated: June 6, 2019

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