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Surface Transportation Board
Attn: Docket No. EP 754
395 E Street S.W.
Washington, D.C. 20423

Re: Oversight Hearing on Demurrage and Accessorial Charges (Docket No. EP 754)

To Whom It May Concern:

Imerys USA, Inc. ("Imerys") (as well as its subsidiaries) is a major shipper on Norfolk Southern Railway ("NS") and takes serious concern with the recent changes in Freight Tariff NS 6004-D. From 2017 to now, this tariff has changed from five (5) credits to zero (0) credits for private railcars. Imerys operates a fleet of approximately 3,000 railcars across its network. Along with holding the financial burden of these assets, we will also be penalized by NS with excessive accessorial charges. With these changes, it will be almost impossible to avoid storage charges given the unreliable state of NS rail service. Imerys also uses some NS system cars which have also seen a recent change to only one (1) credit to load and unload with a 50% increase in the daily surcharge when we cannot meet these requirements. Similar to the private car storage rules, the system car demurrage rules are not realistic.

For a major Imerys operation in Sandersville, Georgia, we export significant volume through the Port of Savannah. We were recently advised by NS that our export operation would now be placed on the NS public tariff for accessorial charges. We estimate a range of impact to our business of \$450,000 to \$720,000. This is strictly for revenue enhancement for NS. Our operation currently moves cars in a very fluid manner so as not to congest the NS rail system. Moving our operation to the public tariff will not improve NS operations.

Over the past 1 ½ years, Imerys has seen a decline in the service provided by NS. Imerys management has met with NS on several occasions to find solutions to improve service. As an example, Imerys has a plant in Andersonville, Georgia that has incurred \$750,000 in excess truck freight charges due to NS's inability to provide consistent reliable service.

In addition to the drastic changes to the tariff rules for rail demurrage and storage rules, NS is also demanding contracts with minimum quantities shipped or liquidated damages will be enforced. This does not create a healthy business environment between a company and its customers and could cause erosion of U.S. mineral demand. NS provided an option if we choose not to accept contracts with liquidated damages. The option was a higher tariff rate that is only good for 90 days and subject to increase with a 30-day notice. This is unreasonable and an unsustainable business practice for many reasons.

While Imerys understands the justification of a system to keep railways from getting congested and to turn cars in a reasonable amount of time, it is completely unreasonable to go from a five (5)-credit system to a zero (0)-credit system for privately owned railcars. It is clear to Imerys that NS is doing this as a revenue enhancement program rather than a fair and reasonable demurrage/storage program.

Imerys has several plant locations that are captive to NS, which gives us no choice but to use its service. As outlined above, the current business environment with NS is not sustainable and can cause serious negative impacts to our business and customers. We strongly suggest that the Surface Transportation Board work with NS to reinstate fair business practices, including annual rates without penalties and reasonable demurrage and storage rules. Thank you in advance for your consideration.

Sincerely,


Joshua P Webb (May 8, 2019)

Josh Webb
Director of Logistics – North America
Imerys USA, Inc.