



Surface Transportation Board
Washington, D.C. 20423-0001

Office of the Chairman

December 17, 2018

Mr. Patrick J. Ottensmeyer
President
Kansas City Southern Railway Company
427 West 12th Street
Kansas City, MO 64105

Dear Mr. Ottensmeyer:

Pat -

As you may be aware, I recently wrote letters to two Class I railroads, Union Pacific Railroad and Norfolk Southern Railway, expressing my concern about certain planned changes to their tariffs governing demurrage and accessorial charges that are to become effective in January 2019. I asked them to review and evaluate their respective planned changes from the standpoint of commercial fairness and reciprocity. For reference, these letters and the railroads' responses are available on the Board's website.

I am now writing to all Class I railroads to request additional information about demurrage and accessorial charges across the industry. I would like to better understand the revenues that such charges generate for each Class I carrier. I recognize that there may be some overlap between this request and the information that Class I railroads provide under the R-1 Annual Report and the Revenues, Expenses & Income Quarterly Reports. Nevertheless, to promote transparency, I am asking that each Class I railroad disclose its quarterly revenues from demurrage and accessorial charges, stated separately, for each quarter of 2018 and 2019. Please provide to the Board the 2018 quarterly information by January 21, 2019. Subsequent quarterly information should be submitted by the 15th day of the month following the end of the quarter (e.g., first quarter 2019 information by April 15, 2019).

For "demurrage" revenue, please refer to the R-1 Annual Report definition (see 49 C.F.R. § 1201, category 106). For "accessorial" revenue, please include all such charges (other than line-haul and demurrage charges) that are assessed against shippers, including for things such as diverting a shipment in transit, ordering a railcar but releasing it empty, weighing a railcar, tendering one railroad's car to another railroad without a line-haul move, special train or additional switching services, or releasing a railcar with incomplete or incorrect shipping instructions. Because accessorial charges are not uniform among the carriers, I am also requesting that each Class I railroad identify the specific accessorial items that account for its reported revenues and provide the Board with access to the tariffs that cover those items.

Thank you for your attention to this request. If you or your staff have any questions, please contact me or Ms. Lucille Marvin, Director of the Board's Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,


Ann Begeman
Chairman