

# TACOMA RAIL

TACOMA PUBLIC UTILITIES

## CUSTOMER'S GUIDE TO DEMURRAGE



# DEMURRAGE

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The information contained herein is intended to serve as information only and does not supersede Demurrage Tariff TMBL 6004 series or TMBL Freight Tariff 8807 series, available on Tacoma Rail's website at <https://www.tacomarail.com>.

# **Contacts for Demurrage, Switching and Other Miscellaneous Billing Questions**

## **Demurrage Inquiries/Billing TMBL & TRMW**

Kim Jackson – Operations Analyst  
Demurrage  
Office: 253-396-3293  
Fax: 253-396- 3160  
Email: [kjackson@cityoftacoma.org](mailto:kjackson@cityoftacoma.org)

## **Switch/Lease Track Billing**

Jim Clark / Manager of Customer Service and Marketing  
Office: 253-396-3339  
Fax: 253-396-3160  
E-mail: [jclark@cityoftacoma.org](mailto:jclark@cityoftacoma.org)

## **Operational Inquiries – Special Switch Requests**

Trainmaster  
Office: 253-396-3161  
Fax: 253-502-8908  
E-mail: [railoperations@cityoftacoma.org](mailto:railoperations@cityoftacoma.org)

## **Request for Lease Track/Private Equipment Storage Agreement:**

Jim Clark / Manager of Customer Service and Marketing  
Office: 253-396-3339  
Fax: 253-396-3160  
E-mail: [jclark@cityoftacoma.org](mailto:jclark@cityoftacoma.org)

## **Website Technology Support**

Dan McCabe – CIO/CFO  
Finance & Technology  
Office: 253-396-3040  
Cell: 253-405-9559  
E-mail: [dmccabe@cityoftacoma.org](mailto:dmccabe@cityoftacoma.org)

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# **Customer Profile**

## **Information that affects your Demurrage**

There are key pieces of data in each customer's profile that impacts demurrage.

These are the critical pieces of information that Tacoma Rail needs to know about your facility:

1. **Spot Capacity**: Used to verify maximum capacity to receive railcars. This impacts constructive placement of rail equipment held in Tacoma Rail's yard for placement to your facility.
  - Have you added track at your facility?
  - Have you removed track at your facility?
  - Have you changed your door configuration?
  
2. **Standard Industry Instructions**: This impacts the free flow of railcars into your facility.
  - Order-In Customer
  - Spot-On-Arrival Customer

If you have questions about how your facility is set up, contact Jim Clark at 253-396-3339.

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# **Order-In or Spot-on-Arrival Status**

The impact of “**Order-In**” status is a restricted inbound flow of railcars.

The impact of “**Spot-on-Arrival**” status is a free flow of inbound railcars.

**Order-In:** A customer who, by prior arrangement, has notified TMBL that railcars shall not be placed, or considered to be placed, for loading or unloading, until TMBL has received an order (switch request) for placement from said customer.

What this means: Railcars must be ordered to spot by the customer through the internet or via fax/phone if and when they are needed.

**Spot-on-Arrival:** Tacoma Rail, without notification, will place railcar(s) for loading or unloading upon availability. Spot on Arrival customers allow Tacoma Rail to choose which railcars to place based upon available customer capacity; therefore, credits will not be warranted when newer railcars are spotted ahead of older railcars. Once capacity is met, remaining railcars held for spotting are Constructively Placed thus commencing demurrage debits.

What this means: Railcars are automatically ordered to spot to a customer’s facility when they arrive at the serving yard or destination, provided there is capacity. TMBL operates under the premise that Spot-on-Arrival customers will be kept full to capacity as space becomes available. Customers need to submit a release order to allow additional railcars to be spotted. This type of status is suitable for customers that receive one type of commodity/car and railcars do not require spotting to specific track spots.

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# Demurrage Definitions

## **Constructive Placement: (PCON)**

When a railcar(s) cannot be actually placed due to any of the following conditions:

- 1) Customer has no track capacity to receive rail car
- 2) Customer is not ready to accept rail car
- 3) Customer track is not accessible, for example:
  - Blue or Red flag placed by customer or third party
  - Track blockage to a customer by a joint track user or 2<sup>nd</sup> customer on the same track
  - Customer's siding/spur is locked by customer or joint user
  - Customer's facility track is inaccessible due to safety issues or improper track condition
  - Railcar is not suitable for movement: hoses attached to railcars, hatches open, etc.
- 4) Order in customer railcars are automatically PCON the following 8 am after arrival.

**Debit:** A chargeable demurrage day. See demurrage day definition below.

**Credit:** A unit of value assigned to a railcar for the relief of a demurrage day. Credits are utilized to offset accrued debits.

**Demurrage Day:** A twenty-four (24) hour period (calendar day), or fraction thereof, commencing at the first 0800 hours (Pacific Standard Time) after actual or constructive placement until the railcar(s) is released and available to Tacoma Rail.

**FREE DAY / TIME:** A free day is a day of grace, a particular day of the week, or a holiday where you are not charged demurrage. Free days are Saturdays, Sundays, and holidays as follows:

New Year's Day – January 1  
Martin Luther King Day – Third Monday of January  
Presidents Day – Third Monday of February  
Memorial Day – Last Monday of May  
Juneteenth – June 19<sup>th</sup>  
Independence Day – July 4  
Labor Day – First Monday of September  
Thanksgiving Day – Fourth Thursday of November  
Christmas Eve – December 24  
Christmas Day – December 25  
New Year's Eve – December 31

When these days occur on a Sunday, the following Monday will be observed as the holiday.

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# **Common Causes of Demurrage and How You Can Reduce Your Exposure**

What are common causes for Demurrage that are within your control?

- 1) Failure to communicate your needs to Tacoma Rail.

Use Tacoma Rail's website for your spotting and release requests or fax to Tacoma Rail Tower Operations at 253-502-8908. You may be contacted by phone to verify your requests. **Tacoma Rail's website is available to all customers at <https://tacomarail.cityoftacoma.org/customers/>. To establish a personal log in for access, contact Dan McCabe at [dmccabe@cityoftacoma.org](mailto:dmccabe@cityoftacoma.org).**

- 2) Changes to your switch needs.

Use Tacoma Rail's website for your spotting and release changes or fax to Tacoma Rail Tower Operations at 253-502-8908. You will be contacted by phone to verify your change.

- 3) Over ordering equipment.

Request rail equipment according to your production needs & ability to unload/load without incurring excess demurrage. Do not over order rail equipment from shipper and/or the BNSF/UPRR unless you are prepared to pay the demurrage accruing while on Tacoma Rail trackage.

- 4) Failure to release railcars in a timely manner.

Always load and unload quickly and report your release immediately. Use Tacoma Rail's website or fax Tower Operations at 253-502-8908 to release. You will be contacted by phone to verify your release requests. If there are changes to your requests, you will also be contacted for verification.

- 5.) Incorrect customer profile on record: Order In or Spot-On-Arrival.

Daily proactive monitoring of railcars assigned to you. This can be accomplished by the TMBL morning reports sent daily via email/fax or the data can be viewed on Tacoma Rail's website at <https://tacomarail.cityoftacoma.org/customers/>.

The following steps should be followed for an efficient flow of your rail traffic which equates to lower demurrage liability:

**For Rail Controlled & Private Marked Equipment:**

- Confirm that your customer profile with Tacoma Rail is correct by calling Jim Clark at 253-396-3339.
- Order in and release railcars via Tacoma Rail's website or fax directly to Tower Operations at 253-502-8908.
- Daily proactive monitoring of inbound rail equipment: Tacoma Rail's website reports and/or Daily Morning Fax.
- Cancel equipment requests or not needed equipment before arrival to Tacoma Rail from BNSF/UPRR.
- Load and release equipment quickly.

**For Private Marked Equipment for Storage/Lease Tracks:**

In addition to the steps listed above, for Private Marked Equipment, make sure railcars on hand never exceed private storage and spot capacity.

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## Failure to Switch Logic

**MISSED SWITCH:** When Tacoma Rail Tacoma Rail's failure to provide switch service to a customer on their scheduled service day prior to 12:00 pm after receipt of your request by 1:00 pm the day prior, the demurrage billing system will provide one additional credit for railcars requested and all others on hand, that have been constructively placed at time of request, per day, until switch has been completed, but not including the day for which the railcar is actually placed. (EXCEPTIONS: Saturdays, Sundays, Holidays and Acts of God).

**LATE SWITCH:** Tacoma Rail's failure to provide switch service to a customer on their scheduled service day prior to 8:00 AM. Service provided after 12:00 PM is considered a missed switch. Switches are not considered late if requests are not provided by 1:00 pm prior to the next 8:00 am.

- 1) Railcar is spotted to facility after 8:00 AM and before 12:00 PM. If customer releases railcar prior to the second 8:00 AM, **no additional credit will be given.**
- 2) Railcar is spotted to facility after 8:00 AM and before 12:00 PM. If customer is unable to release the railcar until after the second 8:00 AM, **additional credit will be given.**

**RELIEF OF DEMURRAGE CHARGES:** In order to be allowed relief, proper documentation must be submitted to Tacoma Rail within thirty (30) days of the issue date of the invoice in question. The dispute must contain a comprehensive explanation of why relief is claimed.

**Customers requesting additional credits** – contact Kim Jackson, [kjackson@cityoftacoma.org](mailto:kjackson@cityoftacoma.org).

# Demurrage Chart

The number of (Free Days) Credits reflected apply to RR Marked Equipment only.

**Rail Demurrage - Applies to all Freight Railcars Actually or Constructively Placed for Loading or Unloading.**

CARS FOR	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Unloading					\$70			\$70	\$70	\$70	\$70	\$70		
Loading				\$70	\$70			\$70	\$70	\$70	\$70	\$70		
Unloading								\$70	\$70	\$70	\$70	\$70		
Loading					\$70			\$70	\$70	\$70	\$70	\$70		
Unloading								\$70	\$70	\$70	\$70	\$70		
Loading								\$70	\$70	\$70	\$70	\$70		
Unloading								\$70	\$70	\$70	\$70	\$70		
Loading								\$70	\$70	\$70	\$70	\$70		
Unloading									\$70	\$70	\$70	\$70		
Loading									\$70	\$70	\$70	\$70		
Unloading										\$70	\$70	\$70		
Loading										\$70	\$70	\$70		
Unloading											\$70	\$70		
Loading											\$70	\$70		
Unloading												\$70		
Loading												\$70		

## Legend

Placed or Constructively placed after 0800

Free Day

**Note 1 - Demurrage charges will accrue on all days except Saturday, Sundays, and Holidays. (See Tariff for List of Holidays)**

**Note 2 - Under the demurrage tariff Debit Days can be offset - One Credit to offset one Debit.**

**Note 3 - Demurrage calculation on private railcar equipment ceases upon placement on trackage within the industry or on "Leased" tracks. Two (2) Free Days (Credits) are allowed for all Private rail equipment.**

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## Demurrage Dispute Form

Enter the requested information for each railcar (or group of railcars if all data is the same). Attach documentation whenever possible, and submit to the demurrage administrator by email, FAX, or by certified U.S. mail, return receipt requested to:

Tacoma Rail, ATTN: Demurrage Dispute, 2601 SR 509 N. Frontage Road, Tacoma, WA 98421

<b>Date:</b>		<b>Company:</b>	
<b>RR Demurrage Month:</b>		<b>Submitted by:</b>	
<b>RR Invoice Number:</b>		<b>Phone:</b>	
		<b>E-mail:</b>	

Car Number(s)						
Dates	Constructive Placement	Actual Placement	Release	Demurrage Days	Credits	Net
As Billed:						
Customer Record:						
Explanation:						
Documentation:						Attached? <input type="checkbox"/>
Resolution (for TMBL use)						

Car Number(s)						
Dates	Constructive Placement	Actual Placement	Release	Demurrage Days	Credits	Net
As Billed:						
Customer Record:						
Explanation:						
Documentation:						Attached? <input type="checkbox"/>
Resolution (for TMBL use)						

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