

PROPOSED DEMURRAGE (STRAIGHT) CHANGES

Excerpt taken from MFTURP-1 Draft 2, Section C.II.

1 ITEM 201 - DEMURRAGE (STRAIGHT) (DEM)

- 2 1. A serving railroad notice of arrival shall be provided to the consignee within 24 hours
3 (except Federal holidays) of actual arrival time. When required notice of arrival is not
4 given within 24 hours of arrival, time shall be computed from the first 12:01 AM after
5 notice was actually given or after placement, whichever is earlier. The notice to be
6 provided to the consignee will include:
- 7 a. Car initials and number
- 8 b. Commodity
- 9 c. Hold point, if the rail car is constructively placed short of the billed destination
- 10 2. Free time shall be computed from the first 12:01 AM after actual or constructive
11 placement, and Federal holidays shall be excluded in computing free time. Free time shall
12 be allowed for each car as follows:
- 13 i. DEM (1) _____ hours for loading.
- 14 ii. DEM (2) _____ hours for unloading.
- 15 3. After expiration of free time, the following charges per car per day until car is released.
- 16 a. DEM (3) \$ _____ for each of the first four days.
- 17 b. DEM (4) \$ _____ for each of the next two days.
- 18 c. DEM (5) \$ _____ for each subsequent day.
- 19 4. Termination of Demurrage.
- 20 a. Demurrage will terminate when a shipper or a consignee notifies authorized rail
21 personnel rail car is available. The shipper or consignee will provide information to
22 the serving railroad that includes the identity of the shipper or consignee, party
23 furnishing the data and car initial and number. A serving railroad shall maintain
24 information provided by the shipper or consignee, as well as the date, time of receipt,
25 and identity of party receiving the information. The recorded date and time will
26 govern release of car.
- 27 b. Releasing railcars will be completed by using serving railroad electronic tools. If that
28 is not available or practical, an email to the POC at the serving railroad that manages
29 the railcars will be acceptable.
- 30 5. When the same car is unloaded and reloaded, each transaction shall be treated as
31 independent of the other. In such circumstance, free time for reloading will not begin
32 until 12:01 AM after completion of unloading and notification is given to railroad IAW
33 paragraph 4 above.
- 34 6. Time for loaded or empty cars delivering on interchange tracks where DoD/contractor
35 personnel perform the switching shall be computed beginning at 12:01 AM after actual or

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- 1 constructive placement occurs, and shall continue until the rail cars are returned to the
2 same or another interchange track and notification is given IAW paragraph 4 above.
- 3 7. When a railroad provides two or more cars for its own convenience in lieu of the car(s)
4 ordered by a shipper, any demurrage charge that might accrue shall apply only to the
5 number of car(s) actually ordered.
- 6 8. Under no circumstances shall a serving railroad charge demurrage charges in situations
7 where the railcars are DoD owned or DoD leased cars, and rail cars are located on DoD
8 owned or DoD contractor-owned rail tracks
- 9 9. When DoD owned rail cars are located on railroad owned tracks for the convenience of the
10 railroads, that period shall be eliminated when computing demurrage charges. DoD
11 owned cars that are located on railroad-owned tracks at the request of shipper or
12 consignee shall be subject to demurrage charges as provided in this item.
- 13 10. When a serving railroad is unable to load, unload, receive, or dispatch to another railroad
14 because of a railroad strike, the following will apply:
- 15 a. The time from 12:01 AM after interference begins until 12:01 AM after interference
16 ceases shall be excluded by serving railroad when computing and filing a claim for
17 demurrage.
- 18 b. The time immediately preceding and time immediately subsequent to the interference
19 shall be consolidated into one period of detention.
- 20 c. When by reasons of delay or irregularity in filling orders, or as the result of an act or
21 neglect of the railroad or because of weather interference described in paragraph 11
22 below, cars are bunched and placed for loading or unloading in accumulated numbers
23 in excess of the daily placing as ordered or in excess of the number daily received, the
24 Government shall be allowed such free time for loading or unloading as it would have
25 been entitled to had the cars not been bunched. A claim, in writing, within thirty (30)
26 days of receipt of demurrage bill must be presented to the railroad, certifying initial
27 and number for each car in the bunching claim.
- 28 11. In circumstances where severe weather conditions (floods, earthquakes, hurricanes,
29 tornadoes, or similar “acts of God”) make it impractical or otherwise, impossible to load
30 or unload a shipment, the duration in time of the severe weather condition shall be
31 eliminated in computing demurrage, provided the shipper/consignee advises the serving
32 railroad of the nature and expected duration of the weather interference at or/prior to the
33 time the rail car is released.
- 34 12. In circumstances involving abnormal traffic patterns or unusual scenarios, the applicable
35 demurrage provisions for facilities and shipment that require specifics considerations
36 shall be negotiated in advance between authorized representatives of SDDC and the TSP.