



Frequently Asked Questions

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What is the Chargeable Events system (CES)?

CES is a web-based system using a set of debits and credits based on available track capacity at the customer's facility and daily car inventories.

What is the charge for Debits and Credits?

Debit and credits are issued as published in Freight Tariff UP 6004, but in general are \$80 per debit and \$80 per credit.

How are the charges calculated?

The CES demurrage system calculates the daily demurrage charge as debits less total credits multiplied by the rate.

What determines the assessment of Debits and Credits in CES?

Non-Team Track customers

The Chargeable Events program is customized with information from each customer regarding track capacity at their location, as well as information regarding a UP Serving Area for each customer, where cars are held prior to delivery to industry. This information is used to accurately record the location of cars for placement and the track availability at a customer's location to receive equipment.

Using a debit and credit system, CES will assess debit for a rail car in the Serving Area, or a rail car actually placed at the customer's facility. Credits are automatically issued to allow customers time to load and unload rail cars and to compensate for events outside the customer's control, such as failure by the railroad to spot the customer's requested equipment.

Team Track customers

The Chargeable Events program is customized with information regarding team track capacity, as well as information regarding a UP Serving Area for each team track, where cars are held prior to placement at the team track. Using a debit and credit system, CES will assess debits for a rail car actually placed on the team track. Debits will only be assessed in the Serving Area if the team track is full and the customer has one or more cars actually placed on the team track.

For additional explanation of the assessment of debits and credits, please reference the Debit/Credit Matrix and/or Section 9, and revisions thereto, of UP Tariff 6004.

Are all forms of accessorial charges billed through the Chargeable Events system?

No. Chargeable Events (CES) calculates demurrage solely for the loading and unloading of rail cars.

Explanation of Terms

What is Customer Capacity?

Customer Capacity is the maximum number of cars that can actually be placed on the customer's track for normal customer operations without additional switching by Union Pacific. Capacity can be defined in number of cars or track footage.

What is Available Capacity?

Available Capacity is Customer Capacity, minus the number of cars not released currently on track at the customer's facility. This can be defined in number of cars or in track footage. If a customer loads and unloads on the same track, the system will recognize the total capacity of the customer's track.

What is the Serving Area?

The Serving Area is the location where cars are held prior to placement at the customer's facility/team track. Union Pacific defines the Serving Area for each customer location, and once defined, is provided on the web.

What are Chargeable Cars?

Non-Team Track customers

Chargeable Cars refers to all cars in the Serving Area, plus all railroad-marked or railroad-controlled cars actually placed at the customer's facility. A Chargeable Car accrues one debit per day, beginning at 12:00 midnight after arriving in the Serving Area or upon actual placement at the customer's facility, whichever is earlier.

Team Track customers

A chargeable car refers to all cars actually placed on the team track. A chargeable car accrues one debit per day beginning at 12:00 midnight after the car has been actually placed on the team track. If a team track is full, cars in the Serving Area will be chargeable up to the number of cars the customer has actually placed on the team track. Chargeable cars in the Serving Area will accrue one debit per day beginning at 12:00 midnight after arriving in the Serving Area.

What is a Spot-on-Arrival customer?

Spot-on-Arrival customers are customers whose rail cars may be placed without placement instructions. All team track customers are spot-on-arrival.

What is an Order-In customer?

Order-In customers are customers whose rail cars are not placed for loading or unloading at their facility until the customer has given placement instructions.

What is a Loading Commitment?

Loading Commitment refers to the balance of the total number of rail cars wanted by the customer minus the total number of rail cars billed and released by the customer since the beginning of any month.

Miscellaneous

I have a lease track that I use to hold inbound cars. How will I be affected?

Cars placed on a lease track will be treated as though they are placed on a private track.

Can I see my Chargeable Events demurrage bill online?

Yes. Customers with a User-ID and password will have access to daily demurrage account balances and supporting detail on our web site (www.up.com). Customers will also have the ability to print their monthly bills from the web site.

What should I do if I think there is a discrepancy in my demurrage charges?

If you think you have found a discrepancy in your demurrage charges, you can dispute through the CES web site, or you can contact the NCSC Demurrage team by e-mail at upacc@up.com, by fax at 402-233-2908 or by phone at 800-877-5127.

Can different people within my organization view the Chargeable Events demurrage activity and bills online?

Yes, as long as they have a User-ID and password.

Do I send payment to the same address?

Yes. Send payment to the address shown on the front page of the demurrage bill.

CES Process for Unloading Customers

Spot-on-Arrival Unloading Customers:

When loaded cars arrive into the Serving Area, how does UP determine how many to place, or spot, at my facility?

As cars arrive into the Serving Area, if there is Available Capacity at the customer's facility, they will schedule for actual placement up to the maximum Available Capacity. Upon empty release of a rail car, Available Capacity will be created. As long as Available Capacity exists, as many rail cars as possible will automatically schedule for actual placement.

If I have no Available Capacity and I have cars in the Serving Area, will I be issued debits for the cars in the Serving Area?

Yes, you will be issued debits for all cars in the Serving Area. If no Available Capacity exists, cars will remain in the Serving

Area and will be subject to a daily debit. By unloading and releasing cars currently on your track, you will automatically trigger the placement of the loaded cars held in the Serving Area, up to your Available Capacity.

If no Available Capacity exists at a team track, cars will remain in the Serving Area and will be subject to a daily debit. Cars in the Serving Area will be chargeable up to the number of cars the customer has actually placed on the team track. If a single customer is using the entire capacity of a team track and has other cars held in the Serving Area, these additional cars will be subject to debits.

What is the impact if UP doesn't place the cars at my facility/team track in the order that they arrived in the Serving Area?

All Chargeable Cars are subject to daily credits and debits. Therefore, there is no financial impact related to which cars are placed at your facility/team track first.

What happens if I have cars in the Serving Area and I do not receive a switch? (does not apply to team track customers)

If you have Available Capacity, with rail cars in the Serving Area and you do not receive a switch or a switch up to Available Capacity, Capacity Credits will be issued. Two Capacity Credits will be issued per car in the Serving Area up to the maximum Available Capacity.

Order-In Unloading Customer (does not apply to Team Track customers):

When loaded cars arrive into the Serving Area, how does UP determine how many to place, or spot, at my facility?

When loaded cars arrive in the Serving Area, the rail cars will automatically be placed in constructive placement status. Constructive placement notices will be sent in accordance with the rules of Tariff UP 6004 Section 9. Customers are required to order in cars for placement. Upon empty release of rail cars, the customer can order more cars for placement.

What happens if I request a specific rail car and UP places the wrong car at my facility?

Two (2) Placement Credits will be issued per rail car, per occurrence, if an Order-In customer orders in a specific rail car and the railroad delivers an alternate car.

What happens if I request a specific rail car and UP fails to place any car at my facility?

Two (2) Placement Credits will be issued per rail car if an Order-In customer orders in a specific rail car and Union Pacific does not actually place any car.

What are the acceptable methods for ordering in a loaded car for actual placement?

The accepted methods for ordering in a loaded car for actual placement continue to be the Equipment Placement and Release application (www.up.com) and Interactive Voice Recognition (800-272-8777, option 3). The Equipment Placement and Release application and Interactive Voice Recognition require a valid UP User-ID and password, available at www.up.com.

CES Process for Loading Customers

How are debits assessed for loading customers?

Debits are issued daily for the lesser of either the number of Chargeable Cars (cars in Serving Area plus cars on spot) or the Loading Commitment.

How are credits issued for loading customers?

One credit, called a Billed Credit, will be issued for every railroad-controlled car released with proper billing instructions. The rail car must be released as a load and forwarding instructions must be provided to UP for this credit to be given. If a rail car is released without proper billing, the car will continue to accrue debits until this information is provided. Once provided, one Billed Credit will be issued.

What happens if UP puts more empty cars in the Serving Area or at my facility than I ordered?

If UP places more empty cars in the Serving Area or at your facility than you have requested to date, you will not be assessed any debits for the additional cars.

How is the Loading Commitment determined?

Loading Commitment is a number determined daily during a calendar month using the following equation: It is the difference, on a daily basis, between the number of cars wanted by the customer to be placed by the current date and the total number of rail cars billed and released by the customer during that same time.

Loading Commitment Example

A customer has ordered a total of 15 cars to be placed by March 9. Through the end of the day on March 9, 10 cars have been provided to the customer and have been loaded, billed and released. The difference between the numbers of cars wanted for delivery through that date (15), and the number of cars billed and released (10), is 5. Therefore, the Loading Commitment on March 9 is 5.

What happens when UP does not place the right quantity of cars at my facility by the car wanted date as shown on my car order?

Supply Credits are automatically issued when the Loading Commitment on any day is greater than the number of empty cars actually placed on that same day. The number of Supply Credits given is limited by how much Available Capacity the customer has at their facility.

Supply Credits Example

Using the same scenario cited in the Loading Commitment example above, if the Loading Commitment for March 9 is 5, and UP fails to actually place 5 cars on that date, the customer may be eligible to receive Supply Credits, as long as there is Available Capacity at their facility. On March 9, the customer would receive 5 Supply Credits for that day (which is the difference between the Loading Commitment of 5 and the number of railroad-controlled cars actually placed, which is 0); provided customer has 5 available spots of capacity.

I use pool cars. How does the CES demurrage system affect me?

Assigned cars in a customer pool remain subject to assigned car storage, and assigned car storage bills continue to be issued from the current system. When assigned cars are held on UP property, they will not be affected by the CES demurrage system.