

CHARGEABLE EVENTS AT UNION PACIFIC



Chargeable Events

In direct response to customer feedback, Union Pacific is introducing a new demurrage program this year, called Chargeable Events. This simplified, web-based system uses a set of debits and credits, based on available track capacity at the customer's facility and daily car inventories, in place of the current demurrage system's specific-car, calendar approach with free time for loading and unloading, and free time for Sundays and holidays.

Union Pacific will gradually roll out this new system to customers during the year. Customers will be contacted by Union Pacific personnel prior to being cutover to the new system. At that time, Union Pacific will gather information about their facility. Until that time, the current demurrage provisions will continue to apply to all shipments.

How it Works

With the new Chargeable Events system, the charge for demurrage remains unchanged, generally \$75 for each debit and credit (refer to UP 6004 for the rate on your equipment/commodity). However, the new system is designed to streamline the demurrage process, in response to input from our customers and changing business trends.

The Chargeable Events program will be customized with new information gathered 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 placement at the customer's facility. This information is used to more accurately record the location of cars for placement and the track availability at a customer's facility to receive equipment.

Using a debit and credit system, the new system will assess a debit to a customer 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 empty equipment.

Chargeable Events will calculate demurrage solely on the loading and unloading of rail cars. Current accessorial bills such as Chargeable Storage, Furtherance at Interchange, Hold for Diversion and Despacho Previo bills will continue to be produced under our current system.

Chargeable Events Data Available at www.up.com

- With the new program, loading and unloading demurrage charges will be calculated daily. Customers with a User-ID and password will have access to daily demurrage account balances on our web site: https://c02.my.uprr.com/ces_dem/secure/default.jas.
- Supporting detail is available for analysis through simple Internet drill-down screens.
- Customers will also have the ability to print their monthly bills from the web site.
- Development is also underway to allow customers to inquire, through our web site, about any discrepancies that they think may exist in the daily assessment of debits and credits.

Customer Involvement

Prior to a cutover, a Union Pacific representative will contact each customer, requesting information about track capacity and other data regarding their facility. For our customers who employ an agent for loading and/or unloading, the agent will be contacted for capacity information.

After UP representatives have entered this information into the new Chargeable Events system, loading and unloading demurrage charges will be calculated based on Section 9 of UP Tariff 6004. All other demurrage activity will continue to be subject to Section 1 of Tariff UP 6004. Sections 1 and 9 of Tariff UP 6004 will be displayed and available on the UP web site or through the Union Pacific publication area at 402-544-6711.

If you have any questions concerning the implementation of the new system, please contact your Union Pacific sales representative.



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