



Private Empty Car Storage (PECS)

Frequently Asked Questions

December 2008

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How are the charges calculated?

Private Empty Storage Charges are calculated as total debits less total credits multiplied by the storage fee.

Storage Charges:

- Consignee of the empty rail car will be assessed the charges for all Net Chargeable Storage Days for all empty private equipment.
- Charges will be assessed to all Industrial Products, Agricultural and Chemicals customers.
- Net Chargeable Storage Days equals total debits less credits earned.
- The current storage fee will remain the same, at \$25 per Net Chargeable Storage Day. In order to bring storage charges in line with market levels, we anticipate increasing the storage rate to \$50 per debit after the initial implementation of the program.

Debits:

- One (1) debit will be assessed for every full or partial day that a private empty rail car is in hold status on the Union Pacific network, commencing on the first 12:00 a.m. after the equipment has been placed in hold status.
- Debits will be assessed at any origin, destination, or intermediate holding location.
- Debits will be issued to the Consignee location of the empty rail car.
- Debits will not be assessed for private empty equipment on private track.
- On the first 12:00 a.m. after equipment has been released from hold status, debits will cease to accrue.
- Debits will not accrue if cars remain in released hold status.

Credits:

- Credits are issued to the Consignee of the empty rail car.
- There are three methods of earning credits:
 - Actually Placed (AP) Credits: One (1) credit will be issued for each private empty rail car on the day it is actually placed at destination industry.
 - Placement Credits:
 - If an Order-in customer orders a specific private empty rail car via the Web or Interactive Voice Recognition (IVR), which has arrived in the customer's serving area, but UP does not deliver the car, or delivers an alternative car, two (2) credits per rail car will be issued for each rail car requested but not actually placed.
 - Placement Credits will only be given if the private empty rail car released returns to a hold status instead of being placed at the customer's facility (actually placed). Once the car returns to hold status, the credits will be applied. Cars which are not delivered and remain in a release from hold status will not receive placement credits nor will they receive debits.
 - Capacity Credits:
 - When a Spot-on Arrival customer has available capacity and UP does not bring in a car(s) to fill that capacity, two (2) credits will be issued for each private empty rail car in the serving area up to the customer's maximum available capacity.

See debit/credit example on page three of this document.

Who will receive a bill?

- The Consignee destination location will accumulate the storage fees.
- Consignee will receive a bill if that location has empty storage days.
- If credits exceed debits, no storage bill is generated.

How is chargeable empty car storage defined?

Empty time will be counted if a car is in General Hold status (Constructive Placement - CP or Non-Chargeable Storage - NS) and will begin after the first 12:00 a.m.

If cars are in multiple locations in chargeable storage status, they will be counted together as chargeable time. For example, if empty cars destined to Lake Charles, LA are moved to Dequincy, LA for short-term storage, the time the cars are in Dequincy and the time they are in Lake Charles will both be assessed as valid storage time. Charges for the intermediate hold location (Dequincy) would be billed to the Consignee destination location (Lake Charles).

How often will I receive an empty car storage bill?

Storage fee bills are issued monthly for prior calendar month's inventory.

What about holidays?

Debits and credits (Placement and Capacity) will be \$0 rated for railroad holidays. Actually Placed credits will still be given and rated.

What is the difference between "Order-in" or "Spot-on Arrival"?**Order-in Customer**

A customer facility at which UP does not place cars until the customer has made an order for placement of cars. (Customer has released the car from hold via the Web or IVR.) Until such an order is received, UP holds the cars in the serving area.

Spot-on Arrival Customer

Customers that have notified UP that rail cars may be placed without placement instructions. As rail cars return to the serving area, cars will be automatically placed on a workorder for placement at the facility, if there is available capacity at the facility.

What are the acceptable methods for ordering in an empty car for Actual Placement?

Acceptable methods include Equipment Placement and Release application (www.up.com) and Interactive Voice Recognition (800-272-8777, option 3). Both require a valid UP User ID and password.

Can credits be carried from month to month?

Credits are valid within a calendar month only and do not carryover from month to month.

What if my car is moving as an empty, but is showing up as a load in the Union Pacific system (revenue empty)?

These cars are subject to the Private Empty Car Storage rules if they are held at destination prior to delivery.

What if a car is empty outside one plant and mid-month this car is diverted to another plant location?

All debits accumulated for a car holding for the first plant location will accrue for this plant. Once the car is diverted, the car is no longer in hold status for this plant. Upon arrival at the second plant location, any new hold time would be assessed for this plant location.

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

If you think you have found a discrepancy in your PECS charges, you can dispute them through the Accessorial Management Application (AMA) or Account on the Web (AOW). You can also contact the NCSC Demurrage team via 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 PECS activity and bills online?

Yes, as long as they have a UP User ID and password and have access to that location.

Debit/Credit Example:

History of One Rail Car Over a Ten-Day Period

Month	Day	Car Status	Debit	AP Credit	Placement Credit	Comments
August	1	HD-NS				Car is placed in hold status after 12:00 a.m. on August 1. No debit issued.
August	2	HD-NS	1			Car is still in hold at 12:00 a.m. on August 2. One (1) debit issued.
August	3	HD-NS	1			Car is still in hold at 12:00 a.m. on August 3. One (1) debit issued.
August	4	RH-NS	1			Car is still in hold at 12:00 a.m. on August 4. One (1) debit issued. Car is released from hold after 12:00 a.m. on the same day (August 4).
August	5	HD-NS			2	Car is still in release hold status at 12:00 a.m. August 5. No debit issued. Car is put back in hold status later that day (August 5) and no actual placement occurred. Two (2) placement credits issued.
August	6	RH-NS	1			Car is still in hold at 12:00 a.m. on August 6. One (1) debit issued. Car is released from hold after 12:00 a.m. on the same day (August 6).
August	7	HD-NS			2	Car is still in release hold at 12:00 a.m. August 7. No debit issued. Car is put back into hold status later that day (August 7) and no actual placement occurred. Two (2) placement credits issued.
August	8	HD-NS	1			Car is still in hold on 12:00 a.m. August 8. One (1) debit issued.
August	9	RH-NS	1			Car is still in hold on 12:00 a.m. August 9. One (1) debit issued. Car is released from hold after 12:00 a.m. on the same day (August 9).
August	10	AP		1		Car is still in release hold at 12:00 a.m. August 10. No debit issued. Car is actually placed later that day. One (1) AP credit issued.
TOTALS			6	1	4	6 debits and 5 credits (1 AP credit + 4 placement credits) = 1 net debit, \$25 charge