



The Fertilizer Institute

Nourish, Replenish, Grow

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MEMORANDUM

TO: TFI Transportation Council
FROM: Pam Guffain, Vice President of Member Services
SUBJECT: Rail Issues
DATE: Oct. 3, 2008

This week the U.S. Senate passed the *Rail Safety Enhancement Act of 2008* and sent the bill to President George W. Bush for signature. Of interest in the legislation are provisions for positive train control for trains carrying toxic-by-inhalation (TIH) materials, regulations for emergency escape breathing apparatus for railroads carrying hazardous materials that pose an inhalation hazard in the event of a release and a track inspection time study. The bill has now gone to President George W. Bush who is expected to sign the bill into law.

Also this week we have been informed of new charges on both the Union Pacific (UP) and the Canadian National (CN) railroads.

- Effective Nov. 1 UP intends to charge \$3000 per car for any non-accidental release or leakage of hazardous or TIH materials; \$500 for each car shipped not meeting DOT requirements; \$2500 per car per day for each TIH car not able to be immediately placed on receiver tracks for any reason not attributable to the carrier; and, new switching rules that hazardous cars that are released without full and complete billing to a final destination will not be accepted and will not be pulled from industry tracks.
- Effective in January, the CN has revised rules and rates in Optional Services Tariff 9000. Car demurrage charges will increase by nine percent; overloaded cars determined by the CN to be unsafe will be charged \$10,000; overloaded cars determined by the CN to be safe to move even though overloaded will be charged \$1,000; leaking cars unsafe to move will be charged \$5,000 to move the car to an isolated track for securement; effective April 1, loaded private TIH cars not accepted by a receiver that remain on CN tracks will be charged \$1,000 per day; and, demurrage fees will be increased by \$30 per railcar per day.

We are in touch with legal counsel to see what, if any recourse is available to shippers with regard to these enormous increases. Please do not hesitate to contact me by telephone at (202) 515-2704 or via e-mail at pguffain@tfi.org with any questions regarding the above issues.

