



*May 8, 2019*

Anne D. Begeman  
Chair

Patrick J. Fuchs  
Vice Chairman

Martin J. Oberman  
Member

Surface Transportation Board  
Attn: Docket No. EP 754  
395 E Street SW  
Washington, DC 20423

Dear Chair Begeman, Vice Chair Fuchs and Board Member Oberman:

**Re: Testimony for Docket No. EP 754**

On behalf of the Glass Packaging Institute (GPI), the North American trade association for the glass container manufacturing, raw materials and suppliers to our industry, I offer the following testimony for Docket No. EP 754.

**Background:**

The US glass container manufacturing industry operates 42 container manufacturing plants, producing roughly 27 billion food and beverage containers annually. Furnace operations at the plants run year-round, 7 days a week/24 hours a day, outside of a brief annual maintenance period.

Glass container plants were strategically built and situated near rail lines in an effort to efficiently receive large quantities of raw materials to produce new bottles and jars. The glass container companies, and our raw materials supplier companies, depend upon efficient, predictable and fair rail shipping policies. Rail service is a critical element of the glass container production and delivery processes.

Expenses connected with rail transportation can represent 60% of the total costs of raw materials and other goods being sent to our plants. Much of this cost is not associated with anticipated shipping charges, but rather exacerbated through demurrage, and other rail-connected fees consistently experienced within our industry.

## Shipping Challenges

Current demurrage charges, assessments and practices do not adequately address circumstances outside the control of the glass container industry. Rail car bunching, bottlenecks, weather and other events contribute to delays – each adding variable and undefined costs to our industry.

Rail lines have the flexibility to adjust the timeframe from when demurrage may be incurred, further adding to the uncertainty of shipping costs. Disputing demurrage and connected charges is a time consuming process, with many of our member companies dedicating staff to review the validity and circumstances associated with each charge.

Because demurrage charges are often assessed in an indiscriminate manner, they cannot be planned for in company budgets. The Board needs to establish clear guidelines and metrics associated with when demurrage may be incurred. The lack of clarity has resulted in enormous costs to both the glass container manufacturing industry and our supplier partners.

Thank you for your consideration of our comments.

Sincerely,



Joseph J. Cattaneo  
President