



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Dale W. King, Superintendent, Tacoma Rail
MEETING DATE: October 26, 2022
DATE: October 6, 2022

SUMMARY: Tacoma Rail requests authorization to reissue the TMBL 8807 series freight switching and TMBL 6004 series demurrage tariffs for an effective date of January 1, 2023 and a switching tariff supplement with an effective date of January 1, 2024.

BACKGROUND: Tacoma Rail's customers consist of local industries and other railroads. The switching tariffs define the line haul and miscellaneous switching charges allocated to the movement of railcars. Tacoma Rail's TMBL tariff rates associated with unit train and other Tacoma interchanged line haul traffic were last updated in 2019; miscellaneous switching rates were last updated in 2010.

Tacoma Rail's rates encapsulate cost of service practices. Line haul rates are charged to the BNSF or Union Pacific railroads unless the industry served or shipper elects to pay the fees themselves. The switching tariff rate adjustments for 2023 include a system average rate increase of 4.3% over current rates a special switch rate increase of \$85 to \$600 and a 3% increase to all miscellaneous switching rates. The 2024 tariff supplement increases line haul traffic rates by a system average of 4.3%.

Tacoma Rail's demurrage tariff was last updated in 2018. Demurrage is a federal requirement for railroads to charge for the undo detention of railcars. The proposed tariff increases the rate by \$5 per day, for a total of \$65 and add Juneteenth as a holiday.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.
N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No.

ATTACHMENTS: TMBL 8807-K Switching Tariff Changes, TMBL 8807-K Switching Tariff, TMBL 8807-K Switching Tariff Supplement 1 Changes, TMBL 8807-K Switching Tariff Supplement 1, TMBL 6004-D Demurrage Tariff Changes, TMBL 6004-D Demurrage Tariff

CONTACT:

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