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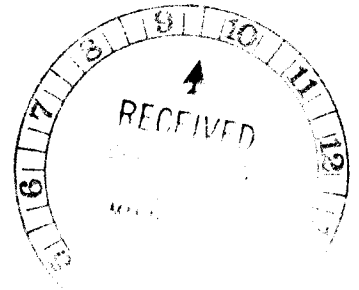
BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of the Secretary

FEB 14 2000

Part of
Public Record

DOCKET NOR 42052



UNION PACIFIC RAILROAD COMPANY
- DECLARATORY ORDER -
UNILATERALLY IMPOSED INTERCHANGE CHARGES

PETITION FOR DECLARATORY
ORDER

UNION PACIFIC RAILROAD COMPANY

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FEB 14 2000

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TRANSPORTATION BOARD

FILED

FEB 14 2000

Dated: February 11, 2000

SURFACE
TRANSPORTATION BOARD

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ATTACHMENTS

<u>TAB 1</u>	-	Excerpts, Tariffs TMBL 6000, IHB 9347 and IAIS 8000
<u>TAB 2</u>	-	Excerpts, Tariffs UP 8005
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<u>TAB 5</u>	-	I.C.C. Suspension Case No. 71632, Letter Decision of Office of Tariffs, January 18, 1994, Rejecting CNW "Car Hire" Tariff 9500

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PETITION FOR DECLARATORY ORDER

I.

**INTRODUCTION AND
REQUESTED ORDER**

This Petition is filed on behalf of Union Pacific Railroad Company ("UP"). It requests that the Board institute a declaratory order proceeding pursuant to 5 U.S.C. § 554(e) to resolve a major controversy which has arisen between UP and certain connecting carriers involving the right of these carriers to unilaterally impose charges on UP (typically in "tariffs") for events which may occur in the course of interchanging cars with UP. Specifically, UP requests the Board to declare that under 49 U.S.C. § 11121, a carrier may not unilaterally impose charges on another carrier for interchange of cars, either by "tariff" or otherwise.¹ Rather, interchange-related charges imposed by one carrier on another

¹49 U.S.C. § 11121 requires rail carriers to "furnish safe and adequate car service and establish, observe, and enforce reasonable rules and practices on car service." Under 49 U.S.C. § 10102(2), "car service" specifically includes the "exchange" and "interchange" of locomotives and cars.

must be either permitted by agreement of the carriers involved or specifically authorized by STB. As we will show below, the practice of unilaterally establishing interchange charges against other carriers is unreasonable, contrary to existing agreements governing interchange of cars and, if permitted to continue and expand, could lead to a breakdown of interchange arrangements across the rail network.

II.

BACKGROUND

A. The Tariffs.

This controversy arises from "tariffs" issued by three railroads which interchange traffic with UP; the Tacoma Municipal Belt Line Railway ("TMBL"), a switching carrier owned by the City of Tacoma, WA, the Indiana Harbor Belt Railroad Company ("IHB"), a switching carrier in the Chicago area owned jointly by CSXT and NS, and Iowa Interstate Railroad, LTD ("IAIS"), a regional railroad operating between Chicago, Illinois and Council Bluffs, Iowa.

Attached at Tab 1 to this Petition are relevant portions of the tariffs issued by each of these railroads. While the tariffs vary in their wording, each of the tariffs purports to impose a charge on a connecting carrier for cars which the connecting carrier does not pull from interchange within specified times as follows:

<u>Tariff Provision</u>	<u>Description</u>
TMBL 6000, Item 100	"Storage" charges ranging between \$25.00 and \$1,000.00 per car (depending on time) for cars not pulled from interchange after TMBL offering

IHB 9347, Item
255

"Train delay" charge of \$130.00 per car for each
12-hour period where carrier fails to pull
interchange or does not permit IHB to physically
deliver cars

IAIS 8000
Item 2450

Charge of \$50.00 per car/per day for "refusing"
to accept cars when offered by IAIS

UP has not agreed to any of these charges.² In fact, UP has published its own tariff provisions making the above charges inapplicable, copies of which are attached hereto at Tab 2. UP 8005-E, Item 610, "Pulling Interchange at Tacoma, WA," reads as follows:

"Charges published in TMBL, Item 100, will not apply in connection with traffic interchanged with the Union Pacific Railroad."

Item 610-A of the same tariff generally makes these kinds of charges inapplicable to UP, as follows:

"Tariffs or other rate documents of connecting carriers assessing storage or other charges for cars not accepted when offered in interchange, shall not apply to cars offered in interchange to Union Pacific Railroad. See Code of Car Hire Rules, Rule 15 (Cars not accepted when offered) for provisions applicable to Union Pacific Railroad."

Each of the three roads is seeking to collect their "tariff" charges from UP, which UP is refusing to pay, and TMBL recently filed a lawsuit against UP in a Washington State Court (see p. 14, infra). The amounts currently in dispute total over \$700,000. UP has not established reciprocal interchange charges against these roads.

²In some cases, UP previously paid switching bills that included these charges. By the time the nature of the charges was clearly understood, the time for recovering the payments under AAR rules had run. UP is not seeking, in this proceeding, to recover any of the charges it actually paid.

B. The AAR Car Service And Car Hire Agreement.

TMBL, IHB and IAIS have each agreed to conduct interchange in accordance with the AAR Car Service and Car Hire Agreement, the relevant portions of which are attached at Tab 3. IHB and IAIS are subscribers to the agreement, while TMBL is obligated to abide by the AAR agreement under Sections 4-5 of a UP-TMBL interchange agreement, attached at Tab 4.

The AAR Car Service and Car Hire Agreement is a comprehensive set of rules (the "Code of Car Service Rules" and the "Code of Car Hire Rules") covering interchange of equipment between railroads. The rules expressly permit railroads to enter into agreements which differ from the rules but, in the absence of such agreements, the rules are mandatory.

The AAR Car Service and Car Hire Agreement specifically addresses failure of a railroad to accept cars from another railroad when offered in interchange. Car Service Rule 7 reads, in relevant part, as follows:

RULE 7 - INTERCHANGE - Error Movements

* * *

C. Delayed Interchange:

When interchange required by Section (B.2.3. or 4.) of the rule cannot be accomplished, the provisions of Car Hire Rule 15 apply.

* * *

Car Hire Rule 15 reads, in relevant part, as follows:

RULE 15 - Cars not Accepted When Offered

A. General Provisions

Car Service Rule 7 sets forth the conditions that must be complied with for the interchange of cars between connections. Special arrangements between the roads involved are permissible to alter these conditions.

B. Responsibility

1. Unless otherwise agreed to between the roads involved, when interchange cannot be adopted due to a road's failure to receive promptly from a connection cars on which it has laid no embargo, the receiving carrier shall be responsible to the car owner for the car hire on cars so held for delivery, including cars owned by either the delivering or receiving line.

* * *

Thus, the Car Service and Car Hire Agreement is clear as to the consequences of a railroad's failure to pull cars offered in interchange by another road. "Unless otherwise agreed to between the roads involved," the consequence is that car hire responsibility is transferred from the delivering road to the receiving road. The tariffs of the three roads cited above are designed to impose an additional consequence for this event, one which is not "agreed to between the roads involved." As we will show in the next section, such a charge cannot be unilaterally imposed either under the Act or under the agreement.

III.

ANALYSIS

A. Interchange Arrangements Under 49 U.S.C. § 11121 Are Matters Of Agreement And Cannot Be Unilaterally Established Or Charged By One Road.

The ICC long ago recognized that interchange arrangements are matters of agreement, see Birmingham Southern R. Co. v. Director General, 61 I.C.C. 551, 555 (1921). The ICC decision in New York, C.& St. L. R. Co. v. New York Central R. Co., 314 I.C.C. 344 (1961) is particularly instructive. The case involved an attempt by the New York Central to unilaterally change the point of interchange with the Nickel Plate Railroad in Cleveland, Ohio. The decision squarely holds that interchange arrangements are to be established by agreement and that New York Central's attempt to unilaterally change the interchange arrangements with the Nickel Plate at Cleveland was unreasonable and unlawful under former 49 U.S.C. § 1(11) (now 49 U.S.C. § 11121). The unilateral imposition of changes by one carrier on another is simply another way of unilaterally changing interchange arrangements, and is similarly offensive to § 11121.

Other I.C.C. decisions also recognize that railroads cannot unilaterally impose charges on other railroads in connection with interchange of cars. In a series of decisions beginning with Exemption from Regulation - Boxcar Traffic, 367 I.C.C. 425 (1983), the I.C.C. addressed a proposal by Con Rail to exempt most boxcar traffic from regulation and to permit railroads to unilaterally impose storage and return charges for boxcars they received in interchange. None of these decisions even suggest that railroads already had the right to impose these equipment charges in the absence of affirmative I.C.C.

authorization, and much of the controversy surrounding the boxcar exemption involved the issue of whether the I.C.C. could or should authorize these charges. Initially, the I.C.C. attempted to authorize the storage and reclaim charges by "exempting" them from regulation, Boxcar Exemption, 367 I.C.C. 425 at 453 and 367 I.C.C. 747 at 757 (1983). However, this portion of the decision was reversed by D.C. Circuit Court of Appeals in Brae Corp. v. United States, 740 F.2d 1023, 1053-1060 (D.C. Cir., 1984), on the grounds that the ICC action was not deregulation, but a rearrangement of regulatory entitlements, which could not properly be accomplished by means of an exemption. The I.C.C. ultimately authorized a modified version of the storage and return charges as a substantive rule under 49 U.S.C. § 11122, Boxcar Car Hire and Car Service, 3 I.C.C.2d 1 (1986). By contrast, none of the three railroads involved in the instant dispute have obtained, or even sought, ICC/STB authorization for the interchange charges they are seeking to unilaterally impose.

The ICC addressed another attempt by a railroad to unilaterally impose charges on other railroads in Docket No. 41201, Chicago and North Western Transportation Co. - Petition for Declaratory Order -- Right of Independent Action As To Car Hire Rates and Rules (not printed) served September 13, 1994. CNW was seeking a declaration from the I.C.C. that it had the right to unilaterally establish car hire charges for railroads using its equipment, and that the using railroads were obligated to pay these charges unless they were set aside in a complaint proceeding. The I.C.C. refused to issue the requested declaration, holding instead that a railroad was not permitted to charge unilaterally set car hire rates pending adjudication of a car hire complaint. This was

because, unlike rates that railroads establish for service to shippers, where the shipper can avoid the charges by not using the service, railroads cannot decline freight cars if they are dissatisfied by rates charged by the owning railroad (Decision, pp. 4-5). Similarly, because of mandatory interchange requirements, UP cannot decline to accept freight cars in interchange if dissatisfied by interchange charges imposed by connecting railroads.

In summary, under ICC/STB precedent, a railroad cannot unilaterally establish the terms of interchange unless expressly authorized to do so by the Board. UP has not agreed to the interchange charges sought by the three roads, and the Board has not authorized them. As such, they may not lawfully be imposed.

B. The Effect Of "Tariff" Publication.

As discussed in Section I.A. above, the interchange charges at issue in this proceeding have been "published" in pricing documents styled as "tariffs." The publishing roads may contend that this form of publication removes the charges from the ambit of § 11121, and gives them some special status under pre-ICCTA legal precedents, see, for example, Maislin Industries v. Primary Steel, 497 U.S. 116 (1990) ("filed rate" doctrine).

The fact that these charges are published in "tariffs" does not give them any special legal status.³ In the first place, even under the old "filed tariff" regime, tariffs imposing charges on other carriers in connection with interchange of cars were improper. For example, in late 1993, the Chicago and North Western Railway Company filed a "car hire tariff" with the I.C.C. purporting to unilaterally establish car hire rates to be paid by

³And even if it did, UP's tariffs expressly make the charges inapplicable to traffic interchanged with UP.

other roads for certain CNW cars. By letter decision dated January 18, 1994, in Suspension Case No. 71632 (copy attached at Tab 5), the ICC (Office of Tariffs) rejected the tariff.⁴ The basis for the rejection was that the tariff provisions of the Interstate Commerce Act applied to services a carrier offers to its potential shippers, not intercarrier matters such as "interchange of cars," which were covered by a different section of the Act (former 49 U.S.C. § 10764). The charges at issue in this proceeding similarly involve "interchange of cars" and are imposed on other railroads, not shippers.

Second, and more important, the ICC Termination Act totally eliminates any special legal status that "tariffs" once had. The ICCTA repealed all of the ICA tariff provisions as to railroads and eliminated all of the legal baggage (such as the principle that filed tariffs have the "force of law") that went with them, see, Removal of Obsolete Rail Tariff Regulations, 1 S.T.B. 4 (1996). Indeed, aside from a reference to the "Wilson Tariff Act" in § 10706 (in a listing of "antitrust" laws), "tariffs" are no longer even mentioned in the rail provisions of the current ICA (49 U.S.C., Subtitle IV, Part A).

The ICCTA replaced the former tariff provisions with requirements for rate notification and rate establishment on reasonable request, 49 U.S.C. § 11101.⁵ The Board's implementing rules make clear that the "rates" covered by the new regime are rates for services a railroad offers to shippers. In particular, under 49 CFR § 1300.3, only

⁴The Office of Tariffs; at the time, had been delegated authority to reject tariffs filed with the ICC, see 49 C.F.R. § 1011.8 (1994).

⁵The ICCTA also repealed 49 U.S.C. § 10764, which had authorized the ICC to require filing of intercarrier arrangements.

a "shipper, or a prospective shipper or person acting on behalf of a shipper" may request a railroad to establish rate or service terms under the rules, Disclosure, Publication & Notice of Change of Rates -- Rail Carriage, 1 S.T.B. 153, 158-159, 164 (1996). Rates applicable to other carriers for interchange and other interline service matters are not covered by this description. Further, while a railroad may choose to continue using pricing documents called "tariffs" to establish shipper rates and service terms, and to give the required notifications, there is no requirement to do so. A simple letter is all that is necessary under the current law. The fact that a railroad chooses to use a "tariff" does not confer any special legal status on the rates and service terms the "tariff" may contain.

C. The Subject Interchange Charges Cannot Be Unilaterally Imposed Under The AAR Car Service And Car Hire Agreement.

The event that triggers the subject interchange charges is a delay by the receiving carrier in pulling cars which have been offered in interchange by the delivering carrier. As discussed above, Car Service Rule 7 and Car Hire Rule 15 specifically address this event, and provide the consequences for a delayed interchange (transfer of car hire responsibility to the receiving road).⁶ The rules do not provide for, or authorize, the imposition of an additional "storage," "delay" or other charge by the delivering road against

⁶The I.C.C. prescribed mandatory car service rules between 1969 and 1980. In eliminating most of the prescribed rules in 1980, the ICC made clear that it expected the AAR to take over this function, Investigation of Adequacy of Freight Car Ownership, 362 I.C.C. 844, 872-876 (1980); see generally, Boxcar Exemption, *supra*, 367 I.C.C. at 4217 (authority to promulgate car services rules "is now largely delegated to the Association of American Railroads"). Clearly, in deprescribing mandatory car service rules, the I.C.C. did not anticipate a free-for-all of unilaterally imposed interchange arrangements.

the receiving road for this event. A receiving and delivering road may, under the rules, agree on such a charge, but it may not be unilaterally imposed.

The I.C.C. specifically addressed the legal effect of the AAR Car Service and Hire Agreement in connection with car hire deprescription, Ex Parte No. 334 (Sub-Nos. 8 and 8A), Joint Petition for Rulemaking on Railroad Car Hire Compensation ("Car Hire"). The proponents of car hire deprescription proposed to voluntarily establish, as part of the Code of Car Hire Rules, an "arbitration rule" providing the procedures for establishing car hire rates, including detailed procedures for establishing rates in the absence of agreement ("default" and "arbitrated" rates). The arbitration rule was expressly not prescribed by the ICC when it adopted car hire deprescription, see Car Hire, 9 I.C.C.2d 1090 (1993). Rather, the substance of the proposed arbitration rule was to be adopted by the railroads themselves, and ultimately was adopted as Car Hire Rule 25 (included at Tab 3).

The ICC Car Hire decisions flatly hold that a railroad that is a party to the car hire rules must abide by the arbitration rule (Rule 25). The only way a railroad may avoid this result is to withdraw entirely from the Code of Car Hire Rules, Car Hire, 9 I.C.C.2d 80, 87 (1992); 9 I.C.C.2d 1090, 1093 (1993). And if there were any doubt about this, the ICC put it to rest in Docket No. 41201, CNW, supra. The proceeding involved an attempt by CNW, which was a party to the Code of Car Hire Rules, to unilaterally establish the car hire rates that other railroads had to pay for use of CNW equipment, rather than to use the procedures specified in Car Hire Rule 25. The I.C.C. held that CNW could not avoid complying with Car Hire Rule 25 unless it withdrew entirely from the Code of Car Hire Rules, and could not unilaterally establish car hire rates.

Car Hire Rule 15, covering delayed interchange, is part of the same body of rules as Car Hire Rule 25, the car hire "arbitration rule" involved in the Car Hire and CNVV decisions. The three carriers which have purported to establish their own "delayed interchange" charges are all contractually bound to the AAR rules, either by being party to the AAR agreement or (in the case of TMBL) by agreeing to abide by the AAR rules in a separate interchange agreement. The "delayed interchange" charges these roads have attempted to unilaterally establish are as much of a departure from the rules as the car hire charges CNW attempted to unilaterally establish in the CNW decision. If CNW could not unilaterally establish car hire charges, then these carriers cannot unilaterally establish "delayed interchange" charges.

IV.

A DECLARATORY ORDER IS AN APPROPRIATE AND EFFICIENT WAY TO RESOLVE THIS CONTROVERSY

A declaratory order proceeding is a particularly appropriate way of resolving the above issues for the following reasons:

- First, this is a major, ongoing controversy with important transportation policy ramifications which go far beyond the specific charges at issue. Simply put, if a railroad can unilaterally establish its own charges against other railroads for "delayed interchange," without regard to existing industry agreements, then there is no principled limit to the types of charges that may be imposed.

Consider the following examples:

- Train delay - It is common practice for a delivering railroad to hold entire trains short of an interchange location if the receiving railroad is unable to accept them due to congestion, adverse weather or a variety of other reasons. For example, UP has often had to hold trains out of the Chicago terminal (in some cases, as far away as Iowa), or at locations short of interchange points within the terminal, because of disabilities on connecting terminal or trunk line roads. Other Chicago gateway roads undoubtedly do the same. If a railroad could unilaterally establish interchange charges for such an event, each Chicago road could assess a charge against connecting roads for each car on each train so held. At the level of charges contained in the TMBL tariff (up to \$1,000 per car), this could easily result in millions of dollars in charges.
- Inspection/Repairs - If a railroad could unilaterally establish interchange charges, it could impose charges against connecting lines for inspecting cars received in interchange and removing bad order cars from trains.⁷ It could also impose repair charges on car owners on top of the charges authorized by industry agreements.
- Car Hire - If a railroad could unilaterally establish interchange charges, there is no principled reason it should not be able to unilaterally establish car hire charges for its equipment, notwithstanding the I.C.C. decisions in Suspension Case 71632 and Docket No. 41201.
- Bunching/Blocking Charges - If a railroad could unilaterally impose interchange charges, a receiving road could impose a per car charge on a delivering road for offering more than a specified number of cars in interchange if over a specified time period. Similarly, the receiving road could unilaterally impose blocking requirements on a delivering road by imposing per car charges for each car which is not tendered in accordance with the blocking requirements dictated by the receiving road.

These are just a few examples. Virtually every event that occurs in connection with interchange between railroads could be the subject of such a charge, and the potential menu of charges is limited only by the imagination of railroad personnel. The net effect of such a development would be a severe deterioration in interchange services

⁷ We understand that at least one railroad may have already imposed such a charge.

between connecting railroads and increased costs to shippers, who would ultimately have to pay the costs railroads imposed on each other.

- Second - While the factual setting in which this controversy has arisen is, of course, useful in understanding the dispute, the issues presented to the Board for resolution are purely legal ones and should not require any factual determinations, see Consolidated Rail Corporation - Declaratory Order - Exemption, 1 I.C.C.2d 895 (1986). UP is not, for example, asking the Board to determine that the particular charges established by TMBL, IHB or IAIS are too high under 49 U.S.C. 11122(b), which could require an extensive factual inquiry. The Board is simply being asked to decide whether these three roads have the right to unilaterally impose these charges on UP.

- Third - If this issue is not resolved now, it will arise repeatedly in piecemeal litigation. TMBL recently filed a lawsuit in a Washington state court against UP involving its interchange charges,⁸ and IAIS has threatened similar litigation in Iowa. Litigation is also likely as to the IHB charges. Piecemeal litigation is likely to multiply as more railroads unilaterally establish their own menus of interchange charges and attempt to collect them. The requested declaratory order proceeding will allow the Board to address the propriety

⁸No. 002 04445 9, City of Tacoma v. Union Pacific Railroad, Pierce County Superior Court, State of Washington, Complaint filed January 19, 2000. UP has removed the case to Federal Court, and is moving to dismiss the case based on the Board's exclusive jurisdiction over car service under 49 U.S.C. 10501(b). The pendency of this litigation does not affect the Board's ability to address interchange issues in a declaratory order proceeding, Consolidated Rail, supra, 1 I.C.C.2d at 897. Indeed, in light of the important transportation policy issues at stake, and the Board's exclusive jurisdiction over regulation of rail transportation, the issues should properly be addressed by the Board, and not by courts.

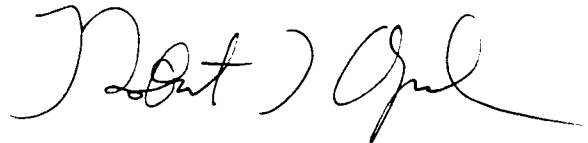
of unilaterally established interchange charges in a single proceeding, and may make unnecessary much of the litigation that would otherwise occur.

V.

CONCLUSION

For the reasons stated above, UP respectfully requests that the Board institute a declaratory order proceeding to resolve the issues raised in this Petition.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert T. Opal", written in a cursive style.

Robert T. Opal
Union Pacific Railroad Company
1416 Dodge Street, Room 830
Omaha, Nebraska 68179
(402) 271-3072

CERTIFICATE OF SERVICE

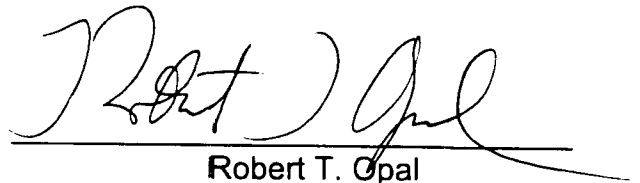
I certify that I have this date served a copy of the foregoing Petition for Declaratory Order on each of the persons listed below by First Class U.S. mail with postage prepaid.

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Dated this 11th day of February, 2000.



Robert T. Opal

ICC TMBL 6000

TACOMA MUNICIPAL BELT LINE RAILWAY

FREIGHT TARIFF TMBL 6000

*Both sides
for to
DAN Schnell
UPRR
1-800-228-5973*

STORAGE RULES AND CHARGES

APPLYING
AT
STATIONS ON THE
TACOMA MUNICIPAL BELT LINE RAILWAY

This tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular items.

ISSUED: April 7, 1995

EFFECTIVE: May 1, 1995

ISSUED BY
Dennis Dean, Superintendent
3628 South 35th Street
P.O. Box 11007
Tacoma, WA 98411-0007

(The provisions published herein, if effective, will not result in an effect on the quality of the human environment.)

TARIFF ICC TMBL 6000

RULES AND OTHER GOVERNING PROVISIONS GENERAL RULES AND REGULATIONS	SECTION I STORAGE RULES AND CHARGES
ITEM 10 SUPPLEMENTS AND REISSUES When reference is made in this tariff, or supplements, to other publications for rates or other information, it includes Supplements thereto or successive issues thereof. Where reference is made in this tariff to items, it includes "reissues" of such items.	ITEM 100 STORAGE CHARGES FOR FAILURE TO PULL INTERCHANGE Connecting carriers, BN or UP, shall be billed storage charges monthly, accrued daily, for failure to pull interchange offered by fax list as follows: A. Pulled within 12 hours of fax time..... No Charge B. Pulled between 13 - 24 hours of fax time on list..... \$ 25.00 Per Car C. Pulled between 25 - 36 hours of fax time on list..... \$ 50.00 Per Car D. Pulled between 37 - 48 hours of fax time on list..... \$ 100.00 Per Car E. Pulled between 49 - 60 hours of fax time on list..... \$ 200.00 Per Car F. Pulled between 61 - 72 hours of fax time on list..... \$ 400.00 Per Car G. Pulled after 72 hours of fax time on list..... \$1000.00 Per Car
ITEM 15 REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC. Where reference is made in this tariff to another tariff by ICC number, such reference applies also to such tariff as it may be applicable on intrastate traffic, or traffic within Canada. When the words tariff, tariffs or contracts are used in this tariff, they refer to tariffs or contracts lawfully on file with the Interstate Commerce Commission as to interstate traffic and State Commissions as to intrastate traffic.	
ITEM 20 METHOD OF CANCELLING ITEMS As this tariff is supplemented, numbered items with letter suffixes cancel correspondingly numbered items in the original tariff, or in a prior supplement. Letter suffixes will be used in alphabetical sequence starting with A. Example: Item 100-A cancels Item 100 and Item 300-B cancels Item 300-A in a prior supplement which, in turn, cancelled Item 300.	

INDIANA HARBOR BELT RAILROAD COMPANY

FREIGHT TARIFF 9347-B

(For Cancellation, see Page 2)

LOCAL FREIGHT TARIFF
OF
RULES AND REGULATIONS

GOVERNING

ACCEPTANCE AND HANDLING OF FREIGHT TRAFFIC
ATTENDANTS IN CHARGE OF PROPERTY
CONNECTING LINES AND JUNCTIONS
INTERIOR SWITCHING
MILEAGES
SPECIAL SERVICE

STATION LIST
STOPPING IN TRANSIT
STORAGE IN TRANSIT
TEAM TRACKS
WEIGHING

AND OTHER MISCELLANEOUS RULES AND CHARGES

NOTICE

The provisions published herein will, if effective, not result in an effect on the quality of the human environment.

ISSUED: SEPTEMBER 10, 1990

EFFECTIVE: OCTOBER 1, 1990

This publication filed on 20 days' notice under authority of Section 10762 of the Interstate Commerce Act.

ISSUED BY
D.W. NELSON
DIRECTOR OF MARKETING & SALES
P.O. BOX 389
HAMMOND, IN 46325

ITEM	SUBJECT	RULES AND REGULATIONS
245- ♦	CARS RECEIVED WITHOUT NECESSARY FORWARDING DATA	When a car, loaded or empty, is received from a delivering connecting line without necessary data for forwarding (See Note 1), and must be classified to a hold track awaiting disposition, a penalty charge of RB 82 will be assessed against the delivering carrier. In addition, a RB 12 holding charge will be assessed against the delivering carrier for each day, or fraction thereof, that the car is held by IHB awaiting disposition from the delivering carrier. The holding charge will begin on the first 12:01 AM following telephone or facsimile notification until disposition is furnished. Note 1: The character of the necessary data will be determined by the IHB in accordance with the condition of its service.
25(I) (NEV)	<u>TRAIN DELAY DUE TO RECEIVING CARRIER'S FAILURE TO DEPART WITH CARS AT BLUE ISLAND YARD</u>	Cars for IHB connecting line carriers originating trains or picking up cars at IHB's Blue Island yard will be considered available for departure when cars are placed on an outbound track and have been mechanically inspected and air tested. If cars remain on outbound track in excess of 12 hours after cars are available due to failure of the outbound carrier to move cars from the IHB, cars will be subject to a Train Delay charge of RB 130 per car. Thereafter, for every 12 additional hours which the same cars continue to remain on track, cars will be subject to an additional Train Delay charge of RB 130 per car. Train Delay charges named in this item accrue solely to IHB and are in addition to all other charges or divisions of revenue which would apply without regard to this item.
25(I) (NEV)	<u>TRAIN DELAY DUE TO RECEIVING CARRIER'S FAILURE TO TAKE DELIVERY OF CARS FROM IHB</u>	When IHB notifies a connecting line it desires to make a delivery of cars, and the connecting line refuses to accept, or otherwise fails to allow IHB to physically deliver, cars at its receiving yard or other designated interchange location for a period in excess of 12 hours, thus requiring cars to remain on tracks of IHB, cars will be subject to a Train Delay charge of RB 130 per car. Thereafter, for every 12 additional hours that a connecting line refuses to accept delivery and cars remain on tracks of IHB, cars will be subject to an additional Train Delay charge of RB 130 per car. Train Delay charges named in this item accrue solely to IHB and are in addition to all other charges or divisions of revenue which would apply without regard to this item.
26C (NEV)	PULLER SERVICE	When IHB crews are available, and with the concurrence of IHB Superintendent of Transportation, IHB will provide train Puller Service as agent for the carrier requesting the service, with full indemnification of liability regardless of negligence, at a charge of RB 35-A per car, subject to a minimum charge based on 60 cars per train movement.
265 (NEV)	MECHANICAL REFRIGERATION SERVICES PERFORMED BY IHB	(a) It is the obligation of the delivering inbound carrier to deliver a mechanical refrigeration car to IHB with the mechanical unit operating properly. (b) IHB will perform an inbound mechanical inspection on all loaded mechanical refrigerator cars for the account of the inbound delivering carrier at a charge of RB 12-A per inspection. Record will be made of car air temperature as shown by dial thermometer, amount of fuel in tanks as shown by fuel gauge, and whether or not engine is running. (c) If mechanical refrigeration inspection indicates that the unit is not operating properly, the car will be set out for refrigeration service at a charge of RB 150 per car due from the inbound delivering carrier.

For explanation of abbreviations and reference marks, see concluding page of this tariff.

ISSUED: November 3, 1994

EFFECTIVE: November 23, 1994

D. W. NELSON
DIRECTOR OF MARKETING & SALES
2721 181st STREET
HAMMOND, IN 46323-1099

ITEM	SUBJECT	RULES AND REGULATIONS																
270	LOCOMOTIVE POWER WYED at GIBSON YARD or BLUE ISLAND YARD	When IHB is requested to wye locomotive power for another rail carrier with IHB crews, this service will be performed, when practicable, at a charge of RB 120 when this service is performed at Blue Island Yard, or at a charge of RB 60 when this service is performed at Gibson Yard. The charge will be assessed per occurrence and is due from the carrier requesting this service.																
275 (New)	CARS RECEIVED IN ERROR AT INTERCHANGE POINTS ON IHB	Loaded or empty cars received in error from a delivering carrier at interchange points on IHB will be returned to that delivering carrier at the charge, per car, loaded or empty, named in this item. <table><thead><tr><th>CARRIER</th><th>CHARGE</th><th>CARRIER</th><th>CHARGE</th></tr></thead><tbody><tr><td>CRL</td><td>\$399.00</td><td>IC</td><td>\$90.00</td></tr><tr><td>IAIS</td><td>\$150.00</td><td>WC</td><td>\$287.00</td></tr><tr><td colspan="2">All other delivering carriers not named above</td><td></td><td>\$120.00</td></tr></tbody></table>	CARRIER	CHARGE	CARRIER	CHARGE	CRL	\$399.00	IC	\$90.00	IAIS	\$150.00	WC	\$287.00	All other delivering carriers not named above			\$120.00
CARRIER	CHARGE	CARRIER	CHARGE															
CRL	\$399.00	IC	\$90.00															
IAIS	\$150.00	WC	\$287.00															
All other delivering carriers not named above			\$120.00															

TABLE OF RATES (INCLUSIVE OF ALL INCREASES)

References in this tariff to "RB" with a number refer to rate base numbers with corresponding rates and charges as shown below.

RATES IN DOLLARS PER CAR (EXCEPT AS NOTED)

ITEM	RATE BASE NUMBER	RATE
500-D	RB 12	\$20.00 (per day)
	RB 12-A	\$12.50 (per inspection)
	RB 31	\$33.00
	RB 35	◆ \$48.00
	RB 35-A	\$35.00
	RB 48	◆ \$62.00
	RB 60	\$60.00 (per occurrence)
	RB 82	\$90.00
	RB 86	\$93.00
	RB 100	\$100.00
	RB 105	\$114.00
	RB 114	\$123.00
	RB 117	\$126.00
	RB 120	\$120.00 (per occurrence)
	RB 123	\$123.00
	RB 130	<u>\$130.00</u>
	RB 136	\$146.00
	RB 150	\$150.00
	RB 172	\$186.00
	RB 198	\$214.00
	RB 206	\$223.00
	RB 248	\$248.00
	RB 257	\$278.00
	RB 285	\$308.00 (per hour)
	RB 300	\$300.00
	RB 372	\$372.00
	RB 497	\$497.00

For explanation of abbreviations and reference marks, see concluding page of this tariff

ISSUED: July 29, 1996

EFFECTIVE: August 18, 1996

D. W. NELSON
DIRECTOR OF MARKETING & SALES
2721 181st STREET
HAMMOND, IN 46323-1099

STB IAIS 8000-E
Supplement No. 1

IOWA INTERSTATE RAILROAD, LTD.

Supplement No. 1
to
FREIGHT TARIFF IAIS 8000-E
(Tariff 8000-E and Supplement No. 1 contain all changes)

SWITCHING TARIFF

Applicable AT and BETWEEN Stations on the Iowa Interstate Railroad, Ltd.

Governed, except as otherwise provided herein, by the Uniform Freight Classification (UFC),
as provided in Item 5

NOTICE

The provisions published herein will, if effective, not result in an effect on the quality of the
human environment

Issued: 17 February 1997

Effective: 15 March 1997

ISSUED BY

Mr. John J. McGinnis, Assistant Vice President - Marketing
Iowa Interstate Railroad, Ltd.
2920 Industrial Park Road
Iowa City, IA 52240

Supplement No. 1 to Tariff IAIS 8000-E

NEW ITEM

2450

CHARGE FOR DELAY OF CARS



A receiving carrier refusing to accept cars when offered by IAIS shall pay a delay charge of \$50.00 per day for each refused car. Such charges will be in addition to all other applicable charges.

Explanation of symbol:



Increase

The End

2

UNION PACIFIC RAILROAD COMPANY



FREIGHT TARIFF UP 8005-E (Cancels Freight Tariff UP 8005-D)

LOCAL AND JOINT SWITCHING CHARGES AND ABSORPTIONS

AT STATIONS IN

ARKANSAS
CALIFORNIA
COLORADO
IDAHO
ILLINOIS
IOWA

KANSAS
LOUISIANA
MICHIGAN
MISSOURI
MINNESOTA
MONTANA

NEBRASKA
NEVADA
OKLAHOMA
OREGON
SOUTH DAKOTA

TENNESSEE
TEXAS
UTAH
WASHINGTON
WISCONSIN
WYOMING

ON THE UNION PACIFIC RAILROAD

See Item 120 for Intrastate Application.

SWITCHING AND TERMINAL TARIFF

ISSUED FEBRUARY 1, 1999

EFFECTIVE MARCH 4, 1999

ISSUED BY
G. H. OSLER
Manager-Price Simplification
Union Pacific Railroad
1416 Dodge Street
Omaha, Nebraska 68179

(Published by Railroad Publication Services, Atlanta, GA 30335)

TARIFF UP 8005-E

RULES AND REGULATIONS

ITEM	SUBJECT	
590	HEATING FREIGHT IN TANK CARS (APPLIES ONLY WHEN REFERENCE IS MADE HERETO)	PART 1 (Applies only on freight on which the UP receives a Line Haul) This company will furnish steam, to heat freight in tank cars at points on its line, when arrangements are made in advance and where steam heat facilities from stationary boilers or roundhouse facilities are available and when it receives a line haul, at a charge of \$102.00 per car (See Note 1), plus switching charges to and from the heating facility. NOTE 1. Applicable heating charge will be limited to forty-eight (48) hours from time car is connected to steam. A charge of \$51.00 per car will be made for each twenty-four (24) hours or fraction thereof, thereafter. PART 2 (Applies only on traffic not incidental to Line Haul movement) This company will furnish steam to heat freight in tank cars at Los Angeles, CA when arrangements are made in advance and when steam heat facilities from stationary boilers or roundhouse are available, at a charge of \$102.00 per car (See Note 2), plus switching charges to and from heating facility. NOTE 2. Applicable heating charge will be limited to forty-eight (48) hours from time car is connected to steam. A charge of \$51.00 per car will be made for each twenty-four (24) hours or fraction thereof, thereafter.
595	SPLIT DELIVERY-CARLOAD SHIPMENTS WITHIN SWITCHING LIMITS AT DESTINATION - ABSORPTION OF SWITCHING CHARGES	Cars moving under provisions of Items 320, 325, 330, 335, 340 and 345, Tariff TCFB 1015-series, on which UP performs line-haul service to original billed destination will be permitted one placement at destination without charge for each revenue car (See Note) included in the shipment. When cars are placed under the provisions of this item at industry track on private siding served by connecting lines within the switching limits of original billed destination, UP will absorb connecting lines' switching charges as provided in Section 1, not to exceed \$85.00 per car for switching from interchange track with UP to industry track on private siding served by such connecting line. NOTE. The term "revenue cars" as used in this item means the number of separate carloads for billing purposes on which the carload rate and minimum or actual weight is assessed under the provisions of Items 320, 325, 330, 335, 340 and 345, Tariff TCFB 1015-series.
600	SWITCHING CHARGES APPLICABLE ON RAILROAD COMPANY MATERIAL	Articles of railroad company material such as railway cars, railway locomotives, rails, or scrap iron or steel articles, being disposed of by connecting carriers and moving on non-revenue billing via such owner lines to a point of connection with the UP for subsequent movement on switch billing to a UP industry at the same station, will be subject to the rate or charge published in this tariff for inter-terminal service.
605	CHARGES FOR CLEANING AND DISINFECTING CARS	When carriers are required to disinfect or clean cars (other than livestock cars) under State or Federal regulations, a charge of \$274.00 per car will be assessed against the shipment for account of which such cleaning and disinfecting is made. The above charge does not include the charge that may be made for fumigation. This rule will not apply on refrigerator or insulated cars; for charge covering the disinfecting of refrigerator or insulated cars see Rule 140 of Perishable Protective Tariff PPT 619-series.
610	PULLING INTERCHANGE AT TACOMA, WA	Charges published in TMBL 6000, Item 100, will not apply in connection with traffic interchanged with the Union Pacific Railroad.
615	FUMIGATION OF FREIGHT IN CARS	When it becomes necessary to fumigate the contents of a car in order to comply with Federal, State, County or Municipal regulations, or with regulations of other countries, and the carrier performs the service, the actual cost of such fumigation will be assessed against the shipment.
620	LOADING AND UNLOADING BY DERRICKS OR CRANES	When the UP receives a line haul, no charge will be made for the use of power derricks which are a part of the permanent station facilities at Los Angeles, CA, for loading and unloading such freight; provided employees (other than man assigned to operate the mechanism of the derrick who will work under direction and control of shipper or consignee) are provided by the shipper or consignee at their expense and shipper or consignee assumes sole risk and liability for injury to persons (i.e. employees and derrick operators) and damage to lading and equipment (See Note). NOTE. Applies only in connection with shipments in or on open cars or closed cars with removable roofs.
625	LOADING OF MOTOR VEHICLES AT LAS VEGAS, NV	At the request of shipper, the UP will perform loading of motor vehicles at Las Vegas, NV, at a charge of \$20.94 per vehicle, on traffic moving under rates in Item 4715-series, Tariff TCFB 3002-series.

UNION PACIFIC RAILROAD COMPANY



SUPPLEMENT 21
TO

FREIGHT TARIFF UP 8005-E

Cancels Supplements 5 and 13.
Supplements 1, 11, 12, 20 and 21 contain all changes.

LOCAL AND JOINT SWITCHING CHARGES AND ABSORPTIONS

AT STATIONS IN

ARKANSAS
CALIFORNIA
COLORADO
IDAHO
ILLINOIS
IOWA

KANSAS
LOUISIANA
MICHIGAN
MISSOURI
MINNESOTA
MONTANA

NEBRASKA
NEVADA
OKLAHOMA
OREGON
SOUTH DAKOTA

TENNESSEE
TEXAS
UTAH
WASHINGTON
WISCONSIN
WYOMING

ON THE UNION PACIFIC RAILROAD

See Item 120 for Intrastate Application.

SWITCHING AND TERMINAL TARIFF

ISSUED OCTOBER 14, 1999

EFFECTIVE OCTOBER 15, 1999
(except as otherwise provided herein)

ISSUED BY
G. H. OSLER
Manager-Price Simplification
Union Pacific Railroad
1416 Dodge Street
Omaha, Nebraska 68179

(Published by Railroad Publication Services, Atlanta, GA 30335)

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ITEM	SUBJECT	RULES AND REGULATIONS
[13] d-610-A	INTERCHANGE RULES	Tariffs or other rate documents of connecting carriers assessing storage or other charges for cars not accepted when offered in interchange, shall not apply to cars offered in interchange to Union Pacific Railroad. See Code of Car Hire Rules, Rule 15 (Cars not accepted when offered) for provisions applicable to Union Pacific Railroad.

SECTION 1 - SWITCHING DISTRICTS, CONNECTING ROADS OR INDUSTRIES ON UP

ITEM	STATION	INDUSTRY	GROUP
[5] 1015-A	LIST OF INDUSTRIES AT ALBERT LEA, MN (DQ 3550)	Albert Lea Freezer Co *** Imperial Chemical Co., Inc. Streater Industries, Inc. *** Ventura Foods	N
[5] 1018-B (Cancels 1018-A and 1018)	LIST OF INDUSTRIES AT ALEXANDRIA, LA (DQ 3550)	Alexandria Bonded Warehouse Service, Inc *** (EFFECTIVE April 1, 1999 per Sup 4) Avoyelles Wholesale Grocery Co Bancroft Paper Co Carbo Foundry & Machine Co City Beverage Co Clark-Dunbar, Inc Cotton Brothers Baking Co Durawood Treating Co Jones, R.J. & Sons Lee Dee Cigar & Candy Co Louisiana Department of Highways Louisiana Industries, Inc *** Montgomery Ward Nehi Bottling Co Power Silicates Proctor & Gamble Co., The Red River Cotton Products Co Sears, Roebuck and Co Southwest Beverage Co Swift Co United Distributors & Building Specialities, Inc	M

d-EFFECTIVE May 27, 1999, per Supplement 9.



Operations and Maintenance Department • Customer Operations Division
American Railroads Building • Washington, D.C. 20001

CIRCULAR NO. OT-10

IN EFFECT AS OF JANUARY 1, 2000
EXCEPT AS NOTED
CODE OF CAR SERVICE RULES/CODE OF CAR HIRE RULES

PREAMBLE

The Rules contained herein do not foreclose subscribers from entering into other agreements which may differ from these rules.

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SUBJECT	PAGE	SUBJECT	PAGE
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4—Car Flow Balancing		18—Interpretation and Revision of Rules	
5—Boxcars Moving Under 49 CFR 1039.14		19—Plenary Powers of Customer Operations Division	
6—Demand For The Return of Empty Cars To Original Junctions		20—Agreement of Canadian Roads	
7—Interchange—Error Movements		21—Reclaims—"D" Transportation Code	
8—Advertisements		22—Reclaim for Loading Delay—Owner Responsibility	
9—Steamship, Ferry or Barge Restrictions		23—Storage Reclaim under 49 CFR 1039.14(c)(1)(ii)	
10—Responsibility For Charges When Necessary For Transfer or Reorganization of Lading		24—Empty Mileage Charges under Car Service Rule 5	
11—Weighing of Cars		25—Car Hire Arbitration	
12—Cars Containing Refuse		CAR HIRE RULE APPENDICES	OT RULES-34
13—Deleted—Effective September 1, 1994		A—Ref. CHR 5—Interpretation 5(K)	
14—Contaminating Commodities		B—Ref. CHR 11(G), Car Hire Rule(s) Intro., [14 Section 6]	
15—Requests for Cars		C—Eliminated	
16—CSD 145 and 435 Assignment		D—Eliminated	
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ASSESSMENT ORDERS CSD 98, 175, 435	OT RULES-14	H—Ref. CHR 11 A.3.5.	
SPECIAL CAR ORDER NO. 90	OT RULES-14	I—Ref. CHR 11 A.2.5.6	
SPECIAL CAR ORDER NO. 200	OT RULES-13	J—Ref. CHR 11, B.1.	
CUSTOMER OPERATIONS DIVISION CIRCULARS	OT RULES-15	Claim Guidelines	
CODE OF CAR HIRE RULES	OT RULES-25	J.1—Code Definitions	
1—Registration and Rates		K—Ref. CHR 22 A.	
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4—Exemptions from Charges		N—Ref. CHR 13 C.4.	
5—Switching Car Hire Expense Recovery		O—Eliminated	
6—Provisions for Audits		P. I—Deleted effective January 1, 1995	
7—Reclaim for Damaged Equipment—Handling Line Responsibility		P. II—Deleted effective January 1, 1995	
8—Reclaim for Defective Equipment—Owner's Responsibility		Q—Eliminated	
9—Interchange Reporting		R—Ref. CHR 1 A.1.	
10—Instructions for Making Junction Reports		S—Appurtenance Rate Table	

●—Denotes change

CAR SERVICE AND CAR HIRE AGREEMENT

The subscribing railroad company promises and agrees with each railroad company severally which subscribes and files a counterpart hereof with the Secretary of the Customer Operations Division, Association of American Railroads, that the subscribers will abide by and enforce the rules prescribed for the handling of and settlement for freight cars and included in the Codes of Car Service and Car Hire Rules, promulgated by the Association.

Further, That the subscribing railroad company agrees to the creation of a Customer Operations Division with plenary powers, as provided in Car Hire Rule 19, and which Division shall be established and maintained at Washington, and shall cooperate with the Surface Transportation Board in all car service matters on and between all railroads; and generally to act for the subscriber as its Agent in all such car service matters as fully and as effectually as could the subscriber.

Further, That the said Customer Operations Division is hereby designated and appointed as the agent of the subscribing railroad company, upon which service of all orders and directions with respect to car service, in accordance with the provisions as to car service of the Act to Regulate Commerce in force at the time, may be made by the Surface Transportation Board for and in the subscriber's behalf; a duplicate original of this agreement being filed by the subscriber with the Surface Transportation Board to evidence such designation.

This agreement to continue until withdrawn by three months previous notice in writing to the Secretary of the Customer Operations Division of the Association.

LIST OF SUBSCRIBERS TO CAR SERVICE AND CAR HIRE AGREEMENT

(New subscribers shown by symbol ●) ●●●-Delete ●●●-Change

A & R Line, Inc.
 Abbeville-Gnines Ry.
 Aberdeen & Rockfish RR
 Aberdeen, Carolina & Western Ry.
 Acadiana Ry.
 Adrian & Blissfield RR
 Akron Barberton Cluster Railway Co.
 Alabama Great Southern RR (NS)
 Alabama & Gulf Railway Company
 Alabama & Gulf Coast Railway LLC
 Alabama RR Co.
 Alaska RR
 Albany & Eastern Railroad Company
 Alberta Railnet, Inc.
 Alchappa & Southern RR/Alegheny &
 Eastern Railroad, Inc.
 Allegheny Northern Railroad Inc.
 Allegheny Valley Railroad Company
 Almon RR
 Alton & Southern Ry.
 Amherst Industries Inc.
 AMTRAK (National Railroad Passenger
 Corp.)
 Angelina & Neches River RR.
 Ann Arbor RR.
 Apache Ry.
 Apalachicola Northern RR.
 Appomattox County Community RR.
 Arcade & Albion RR.
 Arizona & California RR.
 Arizona Central RR.
 Arizona Eastern RR.
 Arkansas & Missouri RR.
 Arkansas Louisiana & Mississippi RR.
 Arkansas Midland Railroad Co., Inc.
 Arkansas-Oklahoma Railroad, Inc.
 Ashland Ry.
 Ashstubs Carson & Jefferson RRL
 AT&T RR.
 Atlantic & East Carolina Ry. (NS)
 Atlantic and Western Railway, L.P.
 Bad Water Line
 Ballard Terminal Railroad Co. LLC
 Baltimore & Ohio Chicago Terminal RR.
 Bangor & Aroostook RR.
 Bath & Hammondsport RR.
 Battle Kill RR.
 Baute & Northern Ry.
 Bay Colony RR.
 Bay Line Railroad, LLC.
 BC Rail Ltd.
 Beaufort & Morehead RR.
 Belfast & Moosehead Lake RR.
 Bellingham International Railroad LLC
 Belt Railway Co. of Chicago
 Belvidere & Delaware River Railway
 Berlin Mills Ry.
 Bessemer & Lake Erie RRL
 BHP Nevada Railroad Company
 Birmingham Southern RR.
 Bi-State Development Agency
 Blacklands Railroad, The
 Black River & Western Corp.
 Bloomer Line, The
 Blue Mountain & Reading RR/Blue
 Mountain Railroad
 Boothell Regional Rail Corp.
 Border Pacific RR.
 Boston & Maine Corp.
 Bradford Industrial Rail, Inc.
 Brandon Corp.
 Brandywine Valley RRL Co.
 Brownsville and Rio Grande RR.
 Buckingham Branch RRL
 Buffalo & Pittsburgh RRL
 Buffalo Southern RRL
 Burlington Junction Ry.
 Burlington Northern and Santa Fe
 Railway Company
 California Northern Railroad Company, LP
 Camas Prairie Railnet, Inc.
 Camas Prairie Railroad Company
 Cambria & Indiana RR.
 Camp Chase Industrial Railroad
 Corporation
 Camp Lejeune RRL (NS)
 Canadian American Railroad Company
 Canadian National Ry.
 Canadian Pacific Railway
 C&S Railroad Corp.
 Cando Contracting Ltd. d/b/a Barrie-
 Collingwood Railway
 Canton RRL
 Caney Fork & Western Ry.
 Cape Breton & Central Nova Scotia
 Railway, Limited
 Cape Fear Ry.
 Carlton Trail Railway Company
 Carolina, Clinchfield & Ohio Ry. (CSXT)
 Carolina Coastal Ry.
 Carolina Piedmont Division,
 South Carolina Central RRL
 Carolina Rail Services, Inc.
 Carolina Southern Railroad Company
 Cascade and Columbia River Railroad
 Company
 Cedar Rapids & Iowa City Ry.
 Cedar River RRL
 Cen-Tex Rail Link, Ltd.
 Central California Traction
 Central Indiana & Western RR.
 Central Kansas Railway, Inc.
 Central Manitoba Railway Inc.

Central Michigan Ry.
 Central Montana RR.
 Central New England Railroad Co., Inc.
 Central New York RRL
 Central of Georgia RR. (NS)
 Central of Tennessee Railway &
 Navigation Co.
 Central Oregon & Pacific Railroad
 Company, Inc.
 Central Railroad Co. of Indiana
 Central Railroad Co. of Indianapolis
 Central Western RR.
 Chaparral RRL Co., Inc.
 Chattahoochee Industrial RR.
 Chattooga & Chickamauga Railway Co.
 Chemin De Fer Des Chateaux, Inc.
 Chesapeake & Albemarle RRL Co., Inc.
 ●●●Cheney Railroad Company, Inc.
 Chesapeake & Albemarle RRL Co., Inc.
 Chesapeake Railroad Company
 Chesapeake Western Ry. (NS)
 Chestnut Ridge Ry.
 Chicago & Illinois Western RR. (IC)
 Chicago, Central & Pacific RRL
 Chicago-Chemung RRL
 Chicago Short Line Ry.
 Chicago South Shore & South Bend RR
 Chlicothe-Brunswick Rail Maintenance
 Authority
 Cimarron Valley Railroad, L.C.
 Cincinnati, New Orleans & Texas Pacific
 Ry. (NS)
 City of Columbia d/b/a Columbia Terminal
 City of Princeton Ry.
 City of Rochelle, Illinois
 City of Tacoma d/b/a Tacoma Rail
 Mountain Division
 Clarendon & Pittsford RR.
 Claremont & Concord Ry.
 Clinton Terminal Railroad Company
 CMC Railroad, Inc.
 C & NC Railroad Corporation
 Coe Rail, Inc.
 Colorado & Wyoming Ry.
 Columbia Basin Railroad Company, Inc.
 Columbia & Cowitz Ry.
 Columbia & Northern Railway Co.
 Columbia & Silver Creek Railroad Co.
 Columbus & Greenville Ry.
 Columbus & Ohio River Railroad
 Company
 Commonwealth Ry., Inc.
 ●●●Compania de Ferrocarriles Chiapas
 Mayab, S.A. de C.V.
 Conemaugh & Black Lick RRL
 Connecticut Rail Systems, Inc.
 Connecticut Southern Railroad, Inc.
 Consolidated Rail Corporation
 Cooperstown & Charlotte Valley Ry.
 Copper Basin Ry.
 Cornish & Counce RRL
 R. J. Corman Railroad Corp.
 R. J. Corman Railroad Company/
 Allentown Lines, Inc.
 R. J. Corman Railroad Company/
 Pennsylvania Lines, Inc.
 R. J. Corman RR Co./Cleveland Line
 R. J. Corman RR Co./Memphis Line
 R. J. Corman Railroad Company/
 Western Ohio Line
 Corpus Christi Terminal Railroad, Inc.
 Council Bluffs Ry.
 CP Rail (CASC)
 Crab Orchard & Egyptian RRL
 Crosbyville Ry. Co., Inc.
 Crystal City RRL
 CSX Transportation, Inc.
 Cuyahoga Valley Ry.
 CWRP, Inc.
 D&J RR.
 Dakota, Minnesota & Eastern RR.
 Dakota, Missouri Valley & Western RR.
 Dakota Rail Inc.
 Dakota Southern Ry.
 Dallas, Garland & Northeastern Railroad,
 Inc.
 Danbury Terminal Railroad Company
 Danville & Mount Morris RR.
 Dardanelle & Russellville RR.
 Davenport, Rock Island & North Western
 Ry.
 Decatur Junction Railway Company
 Delaware & Hudson Railway Company,
 Inc.
 Delaware Coast Line RRL
 Delaware/Lackawanna Railroad Co., Inc.
 Delaware Valley Railway Company, Inc.
 Delray Connecting RRL
 Delta Southern RRL
 Delta Valley & Southern Ry.
 Denver Rock Island Railroad
 Dewey, Lancaster & Western Railroad
 De Queen & Eastern RRL
 Devco Ry. (Cape Breton Dev. Corp.)
 Dodge City, Ford & Bucklin Railroad Co.,
 Inc.
 Dominion Atlantic Ry. (CP Rail)
 Dubois County Railroad
 Duluth & Northeastern RRL
 Duluth, Missabe & Iron Range Ry.
 Duluth, Winnipeg & Pacific Ry.
 Dunn-Enwin Ry.
 Durbin and Greenbrier Valley RRL Inc.
 D/B/A West Virginia Central Railroad

Durham Transport Inc.
 E & N Railway Company (1998) Ltd
 East Camden & Highland RR
 East Cooper & Berkeley RR
 East Jersey RR & Terminal Co.
 East Monongahela & Hazleton Railroad
 East Penn Railroad Co.
 East Tennessee Railway, L.P.
 East Texas Central Railroad
 EASX Railroad Corporation
 East Erie Commercial RR.
 East Penn Railways, Inc.
 Eastern Alabama Ry.
 Eastern Idaho Railroad, Inc.
 Eastern Illinois RR.
 Eastern Maine Railway Company
 Eastern Shore RR.
 Elfringham Railroad Company
 Elgin, Joliet & Eastern Ry.
 Elk River RRL
 Ellis & Eastern Company
 Escanaba & Lake Superior RR.
 Essex Terminal Ry.
 Evansville Terminal Company, Inc.
 Everett RR.
 Falls Road Railroad Co., Inc.
 Farmrail
 Ferrocarriles Nacionales de
 Mexico
 Ferrocarril Mexicano S.A. De C.V.
 Fillmore Western Railway Company
 Finger Lakes Railway Corp.
 Flats Industrial Railroad Company
 Florida Central Railroad Co.
 Florida East Coast Ry.
 Florida Midland RR.
 Florida Northern RR.
 Florida West Coast RR.
 Floydada & Plainview RRL Co.
 Fordyce & Princeton RR.
 Ford County Historical Railroad
 Preservation Foundation
 Fore River Ry.
 Fort Meyers Southern RR. (CSXT)
 Fort Smith RRL Co.
 Fort Worth & Dallas Belt Railroad
 Fort Worth & Dallas Railroad Company
 Fort Worth & Western RRL
 Fox Valley & Western, Ltd.
 Fredonia Valley Railroad, Inc.
 Fruit Growers Express Co.
 Fulton County Railroad, Inc.
 Galveston RRL, L.P.
 Garden City Western Ry.
 Gateway Eastern Railway
 Gateway Western Railway
 Gaudy River Railroad, LLC
 Genesee & Wyoming RRL
 Georgetown RRL
 Georgia & Alabama-Division of South
 Carolina Central RRL
 Georgia Central Railway, L.P.
 Georgia & Florida Railnet
 Georgia Great Southern Division
 South Carolina Central RRL Co.
 Georgia Northeastern Railroad Co.
 Georgia Northern Ry.
 Georgia Southern & Florida Ry. (NS)
 Georgia Southwestern-Division of
 South Carolina Central RRL
 Georgia Woodlands RRL
 Gettysburg Railway
 Gettysburg Railway
 Gloster Southern RRL
 Goddard-Exeter Railway Company,
 Limited
 Golden Cat RRL, The
 Golden Isles Terminal Railroad, Inc.
 Golden Triangle RRL
 Gratton & Upton RRL
 Granbelt Corp.
 Grand Forks Railway Company
 Grand Rapids Eastern Railroad, Inc.
 Grand River Ry. (CP Rail)
 Grand Trunk Western Railroad
 Incorporated
 Great Miami & Scioto Railway Co.
 Great River RRL
 Great Smokey Mountains Ry.
 Great Walton RRL
 Great Western Ry.
 Green Mountain RRL
 Gulf, Colorado & San Saba Railroad
 Company
 GWN Switching Services, L.P.
 H & S Railroad Company, Inc.
 Hampton Railway, Inc.
 Hardin Southern Railroad, Inc.
 Hartwell RRL
 High Point, Thomasville & Denton RR.
 Holidayburg and Roaring Spring
 Railroad Company
 Hollis & Eastern Railroad Company
 Honey Creek Railroad
 Housatonic RRL
 Houston Belt & Terminal Railway
 Company
 Hudson Bay Railway Company
 Huntsville & Madison County RR.
 Authority

Huron Central Railway, Inc.
 Huron & Eastern Ry.
 Hutchinson & Northern Ry.
 Idaho Northern & Pacific Railroad
 Company
 Illinois Central Gulf RRL
 Illinois & Midland Railroad, Inc.
 Illinois Railnet, Inc.
 Illinois Western Railroad Company
 I & M Rail Link LLC
 Indian Creek RRL
 Indiana RR.
 Indiana & Ohio Central RRL, Inc.
 Indiana & Ohio Ry.
 Indiana Harbor Belt RRL
 Indiana Hi-Rail Corp.
 Indiana Northeastern Railroad Company,
 Inc.
 Indiana Southern Railroad Company, Inc.
 International Rail Road Systems, Inc.
 Iowa Interstate RRL
 Iowa Northern RRL
 Iowa Southern RRL
 Iowa Traction RRL
 ISS Rail, Inc.
 J K Line
 Jefferson Warrior RR.
 Jersey Southern Ry./Joppa & Eastern
 Railroad Company
 Juniata Valley Railroad Company
 Kankakee, Beaverville & Southern RR.
 Kansas City Public Service Freight
 Operation
 Kansas City Southern Ry.
 Kansas City Terminal Ry.
 Kansas Eastern Railroad, Inc.
 Kansas Southwestern Ry.
 Kentucky & Tennessee Ry.
 Keokuk Junction Ry.
 ●●●Keystone Railroad, d/b/a Michigan &
 Indiana Railroad Company
 Kiamichi Railroad Company, LLC.
 Kingwood Northern Inc. d/b/a West
 Virginia Northern Railroad
 Kiski Junction Railroad
 Klamath Northern Railway Company
 Knox & Kane RRL
 Knoxville & Holston River Railroad Co.,
 Inc.
 KWT Ry.
 Kyle RRL
 Lackawanna Ry.
 Lake County Railroad
 Lake Erie & Northern Ry. (CP Rail)
 Lake State Railway Company
 Lake Erie, Franklin & Clinton RRL
 Lake Superior & Ishpeming RRL
 Lake Terminal RRL
 Lakeside Transportation, LLC.
 Lamotte Valley RRL
 Lancaster & Chester Ry.
 Landsville Railroad, Inc.
 Launenburg & Southern RRL
 Lewis & Clark Ry.
 Lines Coshutta Durango SA de CV
 Little Kanawha River Rail, Inc.
 Little Rock & Western Railway, L.P.
 Little Rock Port RRL
 Lvonika, Avon & Lakeville RRL
 Logansport & East River Short-Line
 Co. Inc.
 Lone Star Railroad, Inc.
 Longhorn Railway Company (The)
 Long Island RRL
 Longview, Portland & Northern Ry.
 Los Angeles Junction Ry.
 Louisiana & Delta Railroad, Inc.
 Louisiana & North West RR.
 Louisville & Indiana Railroad
 Louisville & Wadley Ry.
 Louisville, New Albany & Corydon RR.
 Louisville & Beaver River RRL
 Lowville & Northern Ry.
 Luzerne Valley Railroad, Inc.
 Luzerne & Susquehanna Railway
 Company
 Lyscoming Valley Railroad Company
 Madison RRL
 Magna Arizona RRL
 Mahoning Valley Ry.
 Maine Central RRL
 Maine Coast RRL
 Manufacturers' Junction Ry.
 Manufacturers Ry.
 Maryland & Delaware RRL
 Maryland & Pennsylvania RRL
 Maryland Midland Ry.
 Massachusetts Central RRL
 Massena Terminal RRL
 Maurice & Western Railroad Corporation
 M & B Railroad, LLC.
 McCloud Ry. Co.
 McKeesport Connecting RRL
 McLaughlin Line RRL
 MG Rail
 Michigan Shore RRL
 Michigan Southern RRL
 Middletown & Hummelstown RRL
 Middletown & New Jersey Ry.
 Midland Terminal Co.

LIST OF SUBSCRIBERS TO CAR SERVICE AND CAR HIRE AGREEMENT

(New subscribers shown by symbol @) @-Delete @-Change

Mid-Michigan RR.
 Midwest Coal Handling
 Mineral Wells & Eastern Ry. Co.
 Minnesota Commercial Railway Co.
 Minnesota, Dakota & Western Ry.
 Minnesota Northern Railroad, Inc.
 Mississippi & Skuna Valley RR.
 Mississippi & Tennessee Railroad, Inc.
 Mississippi Central Railroad Company
 Mississippi Delta RR.
 Mississippi Ry. Cooperative, Inc.
 Mississippi Export RR.
 Missouri Central Railroad Company
 Missouri & Northern Arkansas Railroad, Inc.
 Mohawk, Adirondack & Northern RR.
 Molalla Western Railway
 Monongahela Connecting RR.
 Monongahela Ry. (CR)
 Montana Rail Link, Inc.
 Montana Western Ry.
 Morristown & Erie Ry.
 Moscow, Camden & San Augustine RR.
 Mt. Hood Railroad Company
 Municipality of East Troy Wisconsin RR.
 Napa Valley RR.
 Nash County RR.
 Nashville & Ashland City RR.
 Nashville & Eastern RR.
 Naugatuck Railroad Company, Inc.
 NDC RR.
 Nebraska Railway, Inc.
 Nebraska Central Railroad Company
 Nebraska, Kansas & Colorado Railroad, Inc.
 Nebraska Northeastern Railway Company
 New Brunswick East Coast Railway Company, Inc.
 New Brunswick Southern Railway Company Limited
 Newburgh & South Shore Railroad Co.
 New England Central Railroad, Inc.
 New England Southern RR.
 New Hampshire and Vermont Railroad Co.
 New Hampshire Central Railroad, Inc.
 New Hampshire Northcoast Corp.
 New Hope & Highland RR. d/b/a Bucks County RR. Preservation & Restoration Corp.
 New Orleans & Gulf Coast Railway Co., Inc.
 New Orleans Lower Coast RR.
 New Orleans Public Belt RR.
 New Orleans Terminal Co. (NS)
 New York & Atlantic Railway Company
 New York & Greenwood Lake Railway
 New York & Lake Erie RR.
 New York, Susquehanna & Western RR.
 New York & Ogdensburg Railway Company, Inc.
 Nicolet Badger Northern RR.
 Nims/Hallen & Tuscarawas Railway Co.
 Nitany & Bald Eagle RR.
 Nobles Rock Railroad
 Norfolk & Portsmouth Belt Line RR.
 Norfolk & Western Ry. (NS)
 Norfolk Southern Ry. Co.
 North Carolina Ports Railway Commission
 North Carolina & Virginia RR.
 North Coast Railroad
 North Shore RR.
 Northeast Kansas & Missouri Div. of Mid-Michigan RR. Co., Inc.
 Northern Central Railway, Inc.
 Northern Ohio & Western Railway, Ltd.
 Northern Indiana Commuter Transp. District
 Northern Nevada Railroad Corporation
 Northern Plains Railroad, Inc.
 Northern Vermont Railroad
 Northwestern Oklahoma RR.
 Northwestern Pacific Railroad Company
 Oakland Terminal Ry.
 Ogechee Railway Co.
 Ohio & Pennsylvania Railroad Company
 Ohio Central RR., Inc.
 Ohio Southern Railroad Co.
 Oni-Rail Corp.
 Oil Creek & Titusville Lines
 Okanagan Valley Railway Company
 Oklahoma Central RR.
 Old Augusta RR.

Olympic RR.
 Omaha, Lincoln & Beechey Ry.
 Ontario Central RR.
 Ontario L'Orignal Railway, Inc.
 Ontario Midland RR.
 Ontario Northland Ry.
 Orange Port Terminal Railway
 Oregon, Pacific & Eastern Ry.
 Ormet Railroad Corporation
 Osage RR.
 Ottawa Central Railway
 Otter Tail Valley RR.
 Ottumwa Terminal RR.
 Ouchits RR.
 Ouego and Hartford Railway, Inc.
 Owensville Terminal Co., Inc.
 Paducah & Louisville Ry.
 Palouse River & Coulees City Railroad, Inc.
 Panhandle Northern Railroad Company
 Park Terminal Railroad
 Pacific Harbor Line, Inc.
 Patapasco & Back Rivers RR.
 Pearl River Valley RR.
 Pecos Valley Southern Ry.
 Pee Dee River RR.
 Pend Oreille Valley RR.
 Peninsula Terminal
 Penn Eastern Rail Lines, Inc.
 Penn Jersey Rail Lines, Inc.
 Peoria & Pekin Union Ry.
 Philadelphia, Bethlehem & New England RR.
 Pittsburgh Industrial Railroad, Inc.
 Pickens Railway Company
 Pigeon River RR.
 Pine Belt Southern Railroad Co., Inc.
 Pioneer Industrial Railway Co.
 Pioneer Valley RR.
 Pittsburgh & Shennott Railroad, Inc.
 Pittsburgh, Allegheny & McKees Rocks RR.
 Pittsburgh, Chartiers & Youghioheny Ry. (CR)
 Pittsburgh Industrial Railroad, Inc.
 Plainview Terminal Company
 PL&W Railroad, Inc.
 Plymouth Short Line
 Pocahontas Northeast Ry.
 Point Comfort & Northern Ry.
 Port Blainesville RR.
 Port of Oakland
 Port of Tillamook Bay RR.
 Port Railroad, Inc.
 Port Royal RR.
 Portland Terminal
 Portland Traction Co.
 Portland & Western Railroad, Inc.
 Prescott & Northwestern RR.
 Providence & Worcester RR.
 The Puget Sound & Pacific Railroad Company, A Division of the Arizona & California Railroad Co. LP
 Quincy Bay Terminal
 Quebec Central Ry. (CP Rail)
 Quebec Gagneau Railway, Inc.
 Quebec Railway Corporation Inc.
 Quebec Southern Railway
 RailLink Canada Ltd. d/b/a RailLink
 Mecklenburg Northern
 RailLink Canada Ltd. d/b/a RailLink
 Ottawa Valley
 RailLink Canada Ltd. d/b/a RailLink
 Southern Ontario
 Railroad Switching Service of Missouri, Inc.
 Rarus Ry.
 Reading Blue Mountain & Northern RR.
 Red Coat Road & Rail Ltd.
 Red River Valley & Western RR.
 Red Spring & Northern RR.
 Rio Valley Switching Company
 River Terminal Ry.
 Roberval & Saguenay Ry.
 Rochelle Railroad Co.
 Rochester & Southern RR.
 Rockdale, Sandow & Southern RR.
 Rocky Mountain Railcar
 Roscoe, Snyder & Pacific Ry.
 Rutland Line, Inc.
 Sabine River & Northern Ry.
 Saginaw Valley Railway Company
 St. Croix Valley Railroad Company

St. Lawrence & Atlantic Railroad Co.
 St. Lawrence & Atlantic Railroad (Quebec) Inc.
 St. Lawrence & Hudson Railway Company Limited
 St. Lawrence & Raquette River RR.
 St. Marys River RR.
 St. Marys RR.
 Salt Lake City Railroad Co., Inc.
 Salt Lake, Garfield & Western Ry.
 Sandersville RR.
 San Diego & Imperial Valley RR.
 Sand Springs Ry.
 San Joaquin Valley RR.
 San Luis Central RR.
 San Manuel Arizona RR.
 San Pedro & Southwestern Railway Co.
 Santa Cruz Big Trees & Pacific Ry.
 Santa Fe Southern Railway, Inc.
 Santa Maria Valley RR.
 Sault Ste. Marie Bridge Company
 Savannah Port Terminal Railroad, Inc.
 Savannah State Docks RR.
 Seagraves, Whiteface & Lubbock RR.
 Seminole Gulf Ry. L.P.
 Semo Port Railroads, Inc.
 Sequatchie Valley RR.
 SF&L Railway, Inc.
 Shamokin Valley RR.
 Shawnee Terminal Railway Company, Inc.
 Sheffield Station Junction Railway
 Shenandoah Valley Railroad Co.
 Sidney & Lowe RR.
 Sierra RR.
 Sierra Ry. Co. of CA
 Sisseton Millbank Railroad
 Sisseton Southern Ry.
 SMS Rail Service, Inc.
 Somerset RR.
 Soo Line RR.
 South Branch Valley RR. Line
 South Brooklyn Ry.
 South Buffalo Ry.
 South Carolina Central RR.
 South Central Florida Express, Inc.
 South Central Tennessee Railroad Corporation
 South East Kansas RR.
 South Kansas & Oklahoma RR.
 South Orient Railroad Company, Ltd.
 South Plains Lamesa Railroad, Ltd.
 South Plains Switching Co., Inc.
 Southeastern International Corporation
 Southern Alabama RR.
 Southern Freight Railroad
 Southern Indiana Ry.
 Southern Manitoba Railway, Inc.
 Southern Railroad Co., of New Jersey
 Southern Railway of British Columbia
 Southern Rail Cooperative Ltd.
 Southern Switching Company
 Southwest Pennsylvania Railroad Company
 Southwestern RR. Co.
 State University RR. (NS)
 Steelton & Highgate RR.
 Sterling Belt Line Ry.
 Stewartstown RR.
 Stillwater Central Railroad Company, Inc.
 Stockton Terminal & Eastern RR.
 Stourbridge RR. Co.
 Sunset Ry.
 Tacoma Eastern Railway Co.
 Talleyrand Terminal Railroad Company, Inc.
 Tennessee, Alabama & Georgia Ry. (NS)
 Tennessee Ry. (NS)
 Tennessee Southern RR. Co.
 Tenneson RR.
 Terminal Ferrovie Del Valle de Mexico SA de CV
 Terminal RR. Asso. of St. Louis
 Terminal Ry. Alabama State Docks
 Terre Haute, Brazil & Eastern RR.
 Texas, Gonzales & Northern Railway Company
 Texas & Northern Ry.
 Texas & Oklahoma RR.
 Texas Central RR.
 Texas Mexican Ry.
 Texas-New Mexico R.R./Div. of Austin & Northwestern RR.
 Texas, Oklahoma & Eastern RR.
 Texas Northeastern Division Mid-Michigan RR.

Texas North Western Ry.
 Texas Rock Crusher Railway Company
 Texas South-Eastern RR.
 Texas Transportation Co.
 TFM, S.A. De C.V.
 Toga Central RR.
 Thermal Belt Ry.
 The Central Railroad Company, Inc.
 Toledo, Peoria & Western Ry. Corp.
 Tomahawk Ry., L.P.
 Tonawanda Island RR.
 Toppish, Simcoe & Western Railroad
 Toronto, Hamilton & Buffalo Ry. (CP Rail)
 Towanda-Monroeton Shippers Lifeline
 Trans Kentucky Transportation RR.
 Trinidad Railway, Inc.
 Trinda Ry.
 Tucson, Cornelia & Gila Bend RR.
 Tulsa Valley Railroad Company
 Tulsa Sapulpa Union Railway Company
 Turtle Creek Industrial RR.
 Tuscola & Saginaw Bay Ry.
 Twin Cities & Western RR.
 Twin State RR.
 Tyburn RR, Inc.
 Tyson Railroad, Inc.
 Union County Industrial Railroad Company
 Union Pacific RR.
 Union RR.
 Upper Merion & Plymouth RR.
 Utah Central Railway Company
 Utah Ry.
 V & S Railway, Inc.
 Valosta Ry., L.P.
 Van Buren Bridge Company
 Vancouver & Lulu Island (CP Rail)
 Vandalia RR.
 Vaughan Railroad Company
 Ventura County Railroad Company
 Vermont Ry.
 Virginia Southern Railroad Division of North Carolina & Virginia RR. Co., Inc.
 Wabash Central Railroad Corporation
 Wabash & Grand River Ry. Co.
 Wacoamaw Coastline RR.
 Wacoamaw Coast Line Railroad Co., Inc.
 Clinton Div.
 Walkersville Southern Railroad
 Walling Horse & Eastern Ry.
 Warren & Saline River RR.
 Warren & Trumbull Railroad Company
 Washington County RR.
 Waterloo RR. (ICG)
 WCTU Ry.
 Wellsboro & Corning Company
 West Chester Railroad Co. d/b 4 States
 Railway Service, Inc.
 West Isle Line, Inc.
 West Michigan Railroad Co.
 West Shore RR.
 West Tennessee RR.
 West Texas and Lubbock Railroad Company, Inc.
 Western RR.
 Western Railroad Properties, Inc. (CNW)
 Wheeling & Lake Erie Ry.
 Wichita, Tillman & Jackson Ry.
 Wilmette & Pacific Railroad, Inc.
 Wilmette Valley Railway
 Williams & Grand Ponds Ry.
 Wilmington & Western Ry.
 Wilmington Terminal RR.
 Winamac Southern Railway Company
 Winchester & Western RR.
 Windsor & Hanterport Railway Company, Limited
 Winifrede RR.
 Winston-Salem Southbound Ry.
 Wiregrass Central RR.
 Wisconsin & Southern RR.
 Wisconsin Central Ltd.
 Wyandotte Southern RR.
 Wye Transportation Co.
 Wyoming & Colorado RR.
 Yadin Valley RR. Co.
 Yolo Shortline RR.
 Yorlark, Inc.
 Youngstown & Austintown RR.
 The Youngstown Belt Railroad Company
 Yreka Western RR.

DEFINITIONS

Home Car A car on the road to which it belongs.
 Foreign Car A car on a road to which it does not belong.
 Private Car A car having other than railroad ownership.
 Home A location where a car is in the hands of its owner.
 Run-Through Train Train interchange between two (2) roads with locomotive, cars and if applicable, cabooses.
 Run-Through Blocks Cars in a train interchanged between two (2) roads by agreement which are switched at other than the interchange point.
 Home Road The road which owns a car, or upon which the home of a private car is located.
 Private railroad-controlled refrigerator car lines will list in The Official Railway Equipment Register those roads which will be considered home roads (owners) in the application of Car Service Rules upon car line cars included in time-mileage car hire settlement.

Home Junction A junction with the home road.
 Haulage Movement Carrier (Host Road) a carrier not named in the waybill, but physically transporting the equipment moved under the haulage agreement for the haulage rights carrier (Tenant Road).
 Haulage Rights Carrier (Tenant Road) a carrier that has contracted a service from another carrier to move shipments or return empty equipment.
 Haulage a method for haulage rights carrier (tenant road) to establish itself as providing services at stations along a track segment that it does not own.
 Subscriber A road which is a subscriber to the Car Service and Car Hire Agreement.
 Non-Subscriber A road which is not a subscriber to the Car Service and Car Hire Agreement.

LIST OF SUBSCRIBERS TO CAR SERVICE AND CAR HIRE AGREEMENT

(New subscribers shown by symbol ●) ●●-Delete ●●●-Change

HOME ROADS

ANY PART OF THE FOLLOWING NAMED ROADS WILL BE CONSIDERED "HOME" FOR CARS BEARING MARKS OF ANY OF THE ROADS NAMED AS COMPONENT PART OF SUCH SYSTEM. IN SOME INSTANCES "OLD NAMES" ARE INCLUDED ON ACCOUNT OF CARS BEARING THESE MARKS STILL BEING IN SERVICE.

Burlington Northern Santa Fe	Cincinnati Railroad Company CRR	Missouri Pacific Corp. MSRC	Maine Central R.R. Co. MEC
Atchafalaya & Santa Fe ATSF	Georgia Railroad GA	St. Louis & North St. Louis SR, GMSR	Portland Terminal PTM
Burlington Northern	Louisville & Nashville Railroad LN	Tenn. Rail Corp. TNR, CCR	Springfield Terminal Ry. Co. ST
Chicago, Burlington & Quincy CBO	Monon MON	Norfolk Southern Ry.	Union Pacific R.R. Co.
Colorado & Southern Ry. Co. CS	Nashville, Chattanooga & St. Louis NC	NOTE: Now Home Road to the following:	ARMN
Fort Worth & Denver Ry. Co. FWD	New York Central NYC	Akron, Canton & Youngstown ACY	Chicago and Eastern Illinois CEI
Great Northern GN	Port Huron & Detroit RR PHD	Central of Georgia Railway Company CG	Chicago Great Western CGW
Northern Pacific NP	Seaboard Air Line SAL	Chesapeake Western CHW	Chicago Heights Terminal Transfer CHTT
St. Louis—San Francisco Railway Co. SLSF	Seaboard Coast Line SCL	Consolidated Rail Corporation CR	Chicago and North Western Transportation Co. CNW
Spokane, Portland & Seattle SPS	Seaboard System SBD	Illinois Terminal RR. Co. ITC	Denver & Rio Grande Western DRGW
Canadian National Railways	Western Maryland Ry. Co. WM	Lehigh Valley LV	Fort Dodge, Des Moines & Southern FDDM
Detroit, Toledo and Ironton Railroad DTI	Western Ry. of Alabama WA	Nickel Plate NKP	Minneapolis & St. Louis MSTL
Detroit and Toledo Shore Line Railroad DTS	Fox Valley and Western Ltd.	Norfolk Western NW	Missouri-Kansas-Texas MKT, BKT, MKT
Duluth, Winnipeg & Pacific Railway DWP	Ahnapee & Western Railway Company AHW	Penn. Central Transportation PC	Missouri Pacific MP
Grand Trunk Western RR Co. GTW	Fox Valley Railroad Company FRVR	Pennsylvania Railroad PRR	Oklahoma, Kansas & Texas OKKT
Northern Alberta Ry. NAR	Green Bay and Western Railroad Company GBW	Peoria & Eastern PAE	Southern Pacific SP
CP Rail System	Illinois Central	Pittsburgh & West Virginia Railway Co. PWV	Spokane International SI
Canadian Pacific Railway	Chicago & Illinois Western Railroad CIW	Reading RDG	St. Louis Southwestern SSW
Delaware & Hudson Railway DH	Gulf, Mobile & Ohio GMO	Southern SOU	Texas & Pacific TP
Soo Line Railroad SOO	Illinois Central Gulf ICG	Virginian VGN	Western Pacific R.R. WP
CSX Transportation, Inc.	Waterloo WLO	Wabash Railroad WAB	Union R.R.
Atlanta & West Point AWP	Kansas City Southern Ry.	Providence & Worcester Railroad Co.	Bessemer & Lake Erie R.R. BLE
Atlantic Coast Line ACL	Louisiana & Arkansas Ry. LA	Warwick Ry. Co. WRWK	McKeesport Connecting R.R. MKC
Baltimore & Ohio Railroad Co. BO	Midkousiana Rail Corp. MDR, NLG	ST Rail System	
		Boston & Maine Corp. BM	

CODE OF CAR SERVICE RULES AND INTERPRETATIONS—FREIGHT

RULE 1—Loading of Empty Foreign Cars

Unless covered by a Customer Operations Division order or directive, or moving under the optional empty mileage charge provision of 49 CFR 1039.14 (c)(1)(i) as provided in Car Service Rule 5, foreign cars may be loaded without regard to route or destination.

RULE 2—Empty Foreign Cars Not Needed For Loading**A. Handling of Cars:**

Unless covered by a Customer Operations Division order or directive, foreign cars not needed for loading must have doors closed and may be:

1. Delivered to the home road at any junction, subject to Rule 6.
2. Forwarded to the road (including the haulage rights carrier-tenant) from which originally received under load, at the junction where received, except that when handled in road haul service, cars of direct connection ownership may not be delivered empty to a road which does not have a direct connection with the car owner. If the junction where received under load is also a junction with the car owner, the car must be delivered to the owner at that junction.
3. Returned to the delivering road (including the haulage rights carrier-tenant) when handled only in switching service, unless at a junction with the home road.
4. Stored (applies only to boxcars, as authorized in 49 CFR 1039.14 (c)(1)(ii), that are not moving under empty mileage charges).

B. Notification of Intention to Store Cars:

The holding railroad must notify the Car Service Officer of the owning railroad of its intention to store cars under the provisions of this rule. Notification must:

1. Be transmitted by midnight of the third day after cars were released from inbound load or received at initial storage or loading point in one of the following manners:
 - a. TRAIN message, or
 - b. wire, or
 - c. by telephone confirmed in writing.
2. Include the initial and number of individual cars.
3. Include the date and location cars were released empty or received at initial storage point.

C. Definition of Junction:

"Junction" as used in this rule means stations where roads interchange cars at a common point or within switching limits over their own lines, or an intermediate line or lines, or a car ferry or float within such limits. Roads so interchanging cars shall be considered direct connections.

This information should be registered in the Industry Reference Junction and Interchange File and when the interchange is other than over their own rails, the channel through which the interchange is effected must be shown.

RULE 3—Car Quota, Assistance & Relocation Directives**A. Car Quota Directives:**

Upon request of a railroad, and provided that criteria established by the Committee on Car Service are met, the Customer Operations Division will issue a Car Quota Directive providing assistance for specific car types and car grades of miscellaneous ownerships from direct connections only. Such orders are intended to provide prompt empty delivery of a specific number of unrestricted cars per week.

B. Car at a Junction with a Home Road:

Upon request of a car owner, the Customer Operations Division will, without regard to criteria, issue a directive requiring cars of a specific type and grade of that ownership at a junction with the home road to be:

1. Loaded at that junction to or via home rails.
2. Delivered empty at that junction to the home road.
3. Both (1) and (2) above.

C. Car Assistance and Relocation Directives:

Upon request of a car owner, the Customer Operations Division will issue orders or directives for car distribution purposes provided that criteria established by the Committee on Car Service are met. When the Customer Operations Division finds it necessary to issue directives, such directives may require that owner's cars of specific type and grade be:

1. Loaded closer to the owning road.
2. Loaded to a Home Region.
3. Loaded to or via the owning road.
4. Loaded to the owning road.
5. Returned empty to the owning road.
6. Handled under any other restriction to meet requirements of prevailing circumstances.

D. Assessments:

The above directives may subject carriers to assessments by the Customer Operations Division for failure to comply therewith as provided in Car Hire Rule 19.

E. Definition of Junction:

"Junction" as used in this rule means stations where roads interchange cars at a common point or within switching limits over their own lines, or an intermediate line or lines, or a car ferry or float within such limits. Roads so interchanging cars shall be considered direct connections.

This information should be registered in the Industry Reference Junction and Interchange File, and when the interchange is other than over their own rails, the channel through which the interchange is effected must be shown.

RULE 4—Car Flow Balancing

Upon request by a railroad, the Customer Operations Division of the A.A.R. may direct and administer a car-flow balancing system between that railroad and other railroads which have agreed to such a system covering cars of their respective ownerships.

RULE 5—Boxcars moving under 49 CFR 1039.14

Empty boxcars moved at the request of the owner, ICC or AAR under the provision of 49 CFR 1039.14 (c)(1)(i) may be subject to the optional charge per mile as authorized therein.

The empty mileage charge in 49 CFR 1039.14 (c)(1)(i) is adjusted for inflation or deflation using the Rail Cost Adjustment Factor (RCAF) published periodically by the Surface Transportation Board in Ex Parte No. 290 (Sub No.2). Effective October 1, 1999, the empty mileage charge is: \$.55.

INTERPRETATION

Question: Can a haulage rights carrier (tenant) request the optional per mile charge to move empty boxcars at the request of the owner, STB or the AAR?

Answer: Yes.

RULE 6—Demand for the Return of Empty Cars to Original Junctions

A home road may demand the return of empty cars at the junction where delivered under load if the movement of traffic (movement regularly through a junction point utilizing the same car type and, if applicable, car grade) requires such return. However, cars offered to a home road for repairs, in accordance with the Interchange Rules of the Mechanical Division, must be accepted by owners at any junction point.

The Car Service Officer of the home road must notify the Car Service Officer of the receiving road specifying the car type codes, car grades (if applicable) and particular junctions involved.

INTERPRETATIONS

1. Car Service Rule 6 gives to a railroad which may deliver regularly, to a direct connection through any junction, traffic of any kind in (or on) its cars of the same class, the right to require connection participating in the handling of traffic from the junction point, to use that point of interchange for the return of the class of empty cars engaged in the service, instead of returning them at some other junction less favorable to the receiving (owning) railroad. (April 25, 1923.)

Question: Can a haulage rights carrier (tenant) demand the return of empty cars at the junction where delivered under load?

Answer: Yes, but only for those cars or the same car type and grade if applicable, for loaded cars it moved as a line haul carrier through that junction.

RULE 7—Interchange-Error Movements**A. Responsibility for Cars Delivered:**

1. Cars shall be considered as having been delivered to a connecting railroad when placed upon the track agreed upon and designated as the interchange track for such deliveries, preceded by (or, "accompanied or preceded by" in the case of non-EDI road) the necessary data for forwarding and to insure delivery, and accepted by the designated representative of the receiving road. The character of the necessary data will be determined by each receiving road in accordance with industry defined Rail EDI Standards. All cars delivered in interchange shall be preceded by a EDI Advance Interchange Consist 418 transaction set.

2. Carriers not in general compliance with EDI (Electronic Data Interchange), that is, generally not furnishing proper data according to industry defined Rail EDI Standards, will be subject to a graduated penalty assessment by the Association of American Railroads according to Class of railroad, until such time as general compliance is obtained. A railroad may request that the AAR investigate a railroad to determine if it is in general compliance with this paragraph. Effective July 1, 1990, if the AAR determines that a railroad is not in general compliance the following penalty assessments will become applicable thirty (30) days after such determination if that railroad does not reach general compliance within that thirty (30) day period. Penalty assessment scale will be as follows:

CODE OF CAR SERVICE RULES AND INTERPRETATIONS—FREIGHT

Class I carriers—\$500.00 per day
 Class II carriers—\$200.00 per day
 Class III carriers—\$100.00 per day

Carriers may enter into bi-lateral agreements to cover special circumstances.

NOTE: General compliance is defined as having EDI in place at all interchange points allowing that periodically some cars may not be reported through EDI due to clerical error or mechanical difficulties.

3. Notwithstanding the foregoing paragraphs, the receiving road shall be responsible for the cars, contents and car hire after receipt of the proper data for forwarding and to insure delivery. This responsibility shall continue with respect to cars rejected by the designated representative of the receiving road until such cars have been returned to the delivering road. The effect of this paragraph may be altered by special arrangements made between the roads concerned.

B. Prompt Interchange of Cars:

Each railroad, with due regard for efficient and economical railroad operating practices or conditions beyond the carrier's control, will interchange within 24 hours after arrival or release at interchange station, all cars which it properly may interchange in accordance with the provisions of Section (A) of this rule, subject to the following exceptions:

1. Cars covered by an embargo.
2. Traffic covered by a mechanical advisory. Traffic is defined as loaded freight cars, shipped up to 2 days after the effective date of the advisory, and empty freight cars shipped after the effective date of the advisory. This shall include carrier and privately owned or leased freight cars. This shall not include empty cars returning home or to their assigned loading point in accordance with Car Service Rules, empty private cars returning to their previous loading point, or any empty movements directed by specific orders of the Customer Operations Division.
3. Cars covered by written or telegraphic notification given by the intended receiving line stating that it is unable to receive.
4. Cars which cannot be placed physically upon the designated interchange track.

C. Delayed Interchange:

When interchange required by Section (B.2, 3. or 4.), of the rule cannot be accomplished, the provisions of Car Hire Rule 15 apply.

D. Lack of Necessary Documents for Loaded Cars:

In the event loaded cars are placed on interchange tracks without necessary data for forwarding, receiving carrier will give written or telegraphic notification to delivering carrier of the lack of such forwarding data.

Upon request of carrier delivering cars without proper forwarding data, receiving carrier will return such cars to delivering carrier's designated interchange track or, if receiving carrier agrees, car may be delivered to the proper carrier within the same switching district. When an intermediate switching carrier is used in disposing of such cars within the same switching district, any intermediate switching and car hire charges applicable will be paid by the line-haul delivering carrier, except those for which the switching carrier is directly responsible.

E. Error Delivery—Receiving Carrier Options:

At the option of the receiving carrier, cars delivered to it in error may be:

1. returned to the delivering carrier,
2. delivered to the proper carrier within the same switching district, or
3. if empty, moved to or in the direction of the home road in accordance with Car Service Rule 2, Special Car Orders or Directives.

F. Error Delivery—Notifications and Definitions:

The receiving carrier must give prompt notice to the delivering carrier of the error delivery. Notice involving errors in local service and notice involving errors in run-through trains or blocks must be sent to person responsible for the local interchange point and the Car Service Officer listed in the section of *The Official Railway Equipment Register*, titled "LIST OF RAILWAYS, PRIVATE CAR COMPANIES AND TRANSPORTATION LINES OFFICERS IN CHARGE OF: 5-Car Distribution, Including Supply and Use of Cars." Where notification is required in this rule, the method may be modified when agreed to in writing by the carriers involved.

Error deliveries, for the purpose of this rule, are defined as follows:

1. Loaded Cars involved in Error Deliveries
 - a. delivered to a road not in the waybill routing.
 - b. delivered as empty equipment.
2. Empty Cars involved in Error Deliveries
 - a. delivered to a road not in the waybill routing.
 - b. which should be accompanied by a waybill, transmitted in industry defined Rail EDI Standards, but such waybill is missing, incomplete, or in error with respect to movement instructions. For the purpose of this rule, last contents of empty tank cars is considered necessary waybill information for movement.
 - c. delivered as loads.
 - d. delivered in violation of Car Service Rule 2, Special Car Orders or Directives. When an intermediate switching carrier is used in disposing

of such cars, any intermediate switching and car hire charges applicable, except those for which the switching carrier is directly responsible, will be paid by the delivering line-haul carrier.

e. delivered to a carrier in switching service, but not ordered by that carrier.

INTERPRETATIONS

Question: After a car has been accepted by the designated representative of the receiving road, is the delivering road relieved from responsibility for damage to car and contents?

Answer: Yes (June 20, 1924).

Question: Where a car has been accepted by the designated representative of the receiving road, but is not accompanied or preceded by proper data for forwarding and to insure delivery, is the receiving road relieved from responsibility for damage to the car and contents?

Answer: No; but the rule gives the right to receiving road to refuse to accept in interchange cars which are not accompanied or preceded by proper data for forwarding and to insure delivery, and when such cars are not accepted in interchange they are still in the possession of the delivering road (June 20, 1924).

When a loaded freight car containing a shipment destined to a non-agency station (a station at which there is no freight agent), billed collect or insufficiently prepaid, is offered in interchange, it shall be accepted from the connecting carrier and forwarded to destination (January 25, 1926).

Rules of the A.A.R. Accounting Division make provision for the adjustment of freight charges between the originating and the delivering carrier.

A haulage rights carrier (tenant) is responsible for error deliveries and therefore, must maintain EDI or paper documents for the receipt of empty cars or the delivery of forwarded traffic. This includes the delivery of empty cars under AAR Car Service Rules, Orders or Directives.

Rule 8—Advertisements

The placing of advertisements or banners of any kind upon any freight or passenger car or locomotive (including permanent stakes which are a part of open-top cars), is prohibited except:

1. Advertisements or banners may be placed thereon for photographic purposes only, while such equipment is at rest on private tracks, or on service tracks of the railroad and when so placed must be removed prior to movement of the equipment, the placement and removal to be by and at the expense of the shipper or consignee.

2. Advertisements may be painted upon passenger equipment used in special train movements, the expense of painting and removal to be borne by the user.

This does not prohibit the placing of advertisements or banners on the lading or attaching them to temporary stakes used to secure the lading on open-top cars. (See Mechanical Division Interchange Rule 84.)

Rule 9—Steamship, Ferry or Barge Restrictions

Cars of railway ownership must not be loaded for or delivered to a steamship, ferry or barge line for transportation by water, except for transportation in interstate commerce by common carriers by water between points within the continental United States (not including Alaska), without permission of the owner filed with the Customer Operations Division (see SCO No. 30).

Rule 10—Responsibility for Charges When Necessary For Transfer or Rearrangement of Lading

Unless otherwise agreed, the cost of transferring or rearranging the lading of freight cars shall be assumed as follows: (See Field Manual Interchange Rule 92.)

A. By the Delivering Road:

- When transfer or rearrangement of load at junction is due to:
1. Defective equipment that is not safe to run and/or safe for lading.
 2. Car not loaded in compliance with the following rules:
 - a. Governing Loading of Commodities in Open Top Cars.
 - b. 42-Series Circulars Covering Loading of Carload Shipments of Commodities in Closed Cars.
 - c. Department of Transportation Regulations for Transportation of Explosives and Other Dangerous Articles by Freight.
 3. Normal load that becomes a concentrated overload due to shifting of lading en route.

B. By the Switch or Roadhaul Originating Carrier:

- When transfer or rearrangement of load at junction or intermediate point is due to:
1. Load exceeds stenciled load limit.
 2. Overloaded in violation of rules Governing Loading of Commodities in Open Top Cars or 42—Series Circulars Covering Loading of Carload Shipments of Commodities in Closed Cars, except when lading becomes a concentrated overload due to shifting of lading en route.

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3. Cars and/or car parts prohibited in interchange per Rule 90, unless waiver has been issued.

C. By the Originating Road Haul Carrier

(The road which originates the billing and participates in the road haul revenue) when transfer or rearrangement of lading at junction or intermediate point is due to:

1. Gross weight of car and lading in excess of the published weight restrictions indicated in the current issue of the publication *Railway Line Clearances*.

2. Dimensions of load of open top cars being in excess of the published clearances of any of the roads indicated in the routing, as shown in the current issue of the publication, *Railway Line Clearances*.

3. Closed car that will not pass published clearances of any of the roads indicated in the routing, as shown in the current issue of the publication, *Railway Line Clearances*.

4. Car which cannot pass the approved third rail clearances of the AAR as shown in the current issue of the publication, *Railway Line Clearances*.

5. Cars which cannot be handled to destination due to exceeding the approved limited clearances of the AAR, shown in the current issue of the publication, *Railway Line Clearances*. (See Outline Equipment Diagram of Approved Limited Clearance as shown in current issue of publication *Railway Line Clearances*.)

6. Cars loaded in violation of Car Service Rule 9.

D. By the Receiving Road

When transfer or rearrangement of load at junction or intermediate point is due to:

1. Cars which are properly loaded.

2. Receiving road's refusal to accept car when accompanied with authority to transfer or adjust lading. In such case, the delivering road should effect transfer or adjustment of such load and render bill versus receiving road.

3. Cars which cannot be handled to destination as a result of disability of receiving line.

4. Receiving road desiring to transfer to save cost of car hire.

RULE 11—Weighing of Cars

A. The first road haul carrier shall be responsible for providing scale weight for all carloads including those loaded on terminal switching lines for outbound road haul, or one of the following weighing endorsements:

1. Shippers Weight Agreement. Weights provided by shippers are determined under controlled condition.

2. Destination Weight Agreement. Weights provided by consignee or receivers under controlled condition.

3. Tariff Authorized Weight. Weights Authorized by tariff or classification.

4. Manifest Weight. TOFC and FAK weights based upon shippers manifest.

5. Official Weight. Federal Grain Inspection Service or state agency delegated by FGIS.

6. Grain Exchange Weight. Weights authorized and controlled by a grain exchange.

Each carrier in the route is responsible for furnishing this information to the subsequent carrier in the route prior to interchange.

B. Missing Endorsement:

Unless otherwise agreed, when carloads are delivered by one road haul carrier to another carrier on waybills (transmitted in industry defined EDI Rail Standards) that do not indicate the scale weight or one of the VALID WEIGHING ENDORSEMENTS in the "Weighed" portion of the transaction, or are not preceded by a specific EDI weight transaction, any carrier participating in the routing, including an intermediate switching line, may weigh the car, and the originating road haul carrier shall pay the weighing carrier seventy-five dollars (\$75) per car weighed.

The first subsequent carrier failing to furnish the next road the weight information specified in Paragraph (B) shall pay the weighing carrier the seventy-five dollars (\$75) penalty per car weighed.

C. Failure to Forward Weighing Data:

The railroad transmitting a waybill or specific EDI weight transaction must indicate its name in the transaction along with the date it was transmitted and along with the weighing data required in Paragraph (B) or scale weight if used. Failure to include the weighing data will result in a seventy-five dollar (\$75) penalty per car weighed payable to the weighing carrier by the carrier transmitting the waybill.

D. Handling of Bills:

Bills made under this rule must be presented within three (3) months from the last day of the month in which the penalty charges accrued and must be accompanied by a copy of the EDI transmission used to create the waybill. Carrier receiving such bills must pay undisputed items and return with explanation as to unpaid items within three (3) months from the last day of the month of receipt.

E. Definition of Loading Point:

The point at which loading is completed is considered the point of origin of a stop-off car and the road haul carrier on which loading is completed shall be responsible for complying with Paragraph (A) or (B).

F. Interterminal Service:

Unless otherwise agreed, the road on which a car is loaded shall be responsible for proper weighing of carload moving in interterminal switching service when weighing is required for assessment of freight charges.

G. Shortlines:

Short Line Railroads as defined in Appendix "B" to the Code of Car Hire Rules-Freight, that do not have scales should make arrangements with their connections for the weighing of cars loaded and handled in road haul on the Short Line. Otherwise, the provisions of Paragraph (B) apply.

INTERPRETATION

Question: When does a haulage rights carrier (tenant) have an obligation to provide the scale weight?

Answer: When it's the first road haul carrier.

RULE 12—Cars Containing Refuse

Cars containing refuse may be rejected by the receiving road when offered in interchange as empty cars (except empty boxcars graded X, Y or Z).

RULE 13—Deleted — Effective September 1, 1994

RULE 14—Contaminating Commodities

A. Box cars grade A or B per AAR Car Grade System, or refrigerator cars, must not be loaded with K graded commodities listed in Appendix A, list of K grade commodities.

B. Municipal Waste (STC Code 4029114; Car Grade W) may only be loaded in equipment assigned for that purpose.

C. If a car is loaded in violation of A or B above and it becomes necessary to renew floors, lining or sheathing (including associated parts), or portions thereof, in order to restore car to previous loading classification because of contamination due to such loading, the cost of the repairs, notwithstanding any other provisions of these rules, shall be assumed by the road (either switching or road haul) responsible for furnishing the car for such loading.

RULE 15—Requests for Cars

A. Information to be Recorded:

Carriers shall record all requests for cars for loading. If order covers more than one date, it must state number of cars wanted separately for each day. Requests shall include the following information if available:

1. Date and time
2. Name of party
3. Name of person receiving request
4. Kind and size of cars wanted
5. Number of cars wanted
6. Date wanted
7. Commodity to be loaded
8. Destination and route
9. Pricing Authority reference number (e.g. tariff or contract number)

B. Road that must Record:

Request for cars shall be accepted only by the road which serves (switches) the car-ordering entity.

C. Roadhaul Traffic Originating in Switch Service:

On cars originating in switching service, the serving carrier shall inform the originating roadhaul carrier of the order. If such cars are not immediately available from the originating roadhaul carrier, the switching carrier may take such actions as necessary to provide equipment for the shipper. These actions may include, but are not limited to, the ordering of appropriate equipment from other roadhaul carriers. Cars ordered by switching carriers from an originating roadhaul carrier for return loading in originating roadhaul service will be furnished by originating roadhaul carrier in the same manner and to the same extent as cars ordered by industries directly served by it. This provision is not intended to affect the rights or obligations a switching carrier or an originating roadhaul carrier may have to supply equipment under law or a lawful tariff provision.

D. Intraterminal Traffic:

Switching carriers are obligated to furnish or arrange for cars required for loading to destinations within the same switching limits.

CODE OF CAR SERVICE RULES AND INTERPRETATIONS—FREIGHT

INTERPRETATION

Question: When is the haulage rights carrier (tenant) responsible for the shipper's car order?

Answer: When it is considered the line haul carrier directly serving the shipper.

RULE 16—CSD 145, and 435 Assignment

A. Procedures of Assignment:

When specific cars covered by CSD 145, and 435 series are assigned to a shipper for its use, such assignment shall be made subject to the following conditions:

1. Shipper must request in writing of originating road haul carrier(s) assignment at least ten (10) days before its intended use of a specific number of cars. If originating carrier(s) agrees to such assignment but desires other road haul carriers to participate in assignment, it will advise shipper accordingly and will make request on such other carriers. A road haul carrier may assign cars but must have the concurrence of the originating carrier which may or may not be a switching carrier.

2. Pools of assigned cars including cars of ownership other than the originating road haul carriers may be expanded only upon the acceptance by the originating road haul carriers.

3. When cars are assigned in accordance with this Rule, they will remain and be treated as assigned cars until the shipper, originating road haul carrier(s), pool operator or owning railroad serves notice that such assignment is modified or canceled. One day written notice is sufficient.

B. Handling of Empty Assigned Cars:

All assigned cars are exempt from Car Service Rules 1 and 2. Cars assigned to a shipper will not be held empty en route to loading point except as follows:

1. Upon written instructions of assignee.
2. When assignee cannot immediately accept on arrival at loading point and cars cannot reasonably be held on other tracks at loading points.
3. For necessary repairs (not cleaning).

C. Reporting of Assignment:

Assignment by a carrier of specific cars for the use of a shipper at a particular point must be reported by the Designated Pool Reporter to the Customer Operations Division of the Association of American Railroads. This reporting must comply with the formats and time limits prescribed in the UMLER Data Specification Manual. The Customer Operations Division of the Association of American Railroads will maintain a current record of cars assigned and distribute such information to car owners assigning cars to a specific shipper at each location, as well as to the roads originating traffic from such assignment, including originating switching line serving the shipper involved. The foregoing provisions of this paragraph need not apply when all cars assigned to

the use of a shipper at a particular point are system cars of a single road haul carrier serving the shipper at such point.

D. Designated Pool Reporter:

Assignment by a carrier of specific cars covered by CSD 145, and 435 series to agency or commodity pools must be reported by the Designated Pool Reporter to the Customer Operations Division of the Association of American Railroads. This reporting must comply with the formats and time limits prescribed in the UMLER Data Specification Manual. The foregoing provisions of this paragraph need not apply when all cars assigned to an agency or commodity pool are system cars.

INTERPRETATION

Question: Can a haulage rights carrier (tenant) create UMLER 16-C pools for shipper, agent, contaminated and commodity pools?

Answer: Yes.

RULE 17—Arbitration Committee

To render formal interpretations of these rules and to settle disputes arising under them, the Operations General Committee, O & M Department, shall act as an Arbitration Committee. Members representing a majority of the total votes of the Operations General Committee's membership shall be present to constitute a quorum.

In the event any question or dispute arises concerning these rules, it may be submitted to the Arbitration Committee in abstract through the Secretary of the Customer Operations Division. The abstracts shall briefly set forth the matter to be interpreted, or the points at issue in the instant dispute and each party's interpretation of the rules, orders or directives upon which its position is based. The Arbitration Committee shall base its decision upon the rules and the abstracts submitted. Should one of the parties refuse to participate, the Arbitration Committee will consider the case on the basis of the information submitted by the participating party. In case a question shall arise not covered by these rules, the parties disagreeing may, by mutual consent, submit such questions to the Arbitration Committee. Any expenses incurred by the Arbitration Committee shall be divided equally between each of the parties to the dispute. The decision of the Arbitration Committee shall be final.

RULE 18—Interpretations & Revisions

The Committee on Car Service of the Customer Operations Division, Association of American Railroads, shall have authority to informally interpret these rules, and to make recommendations for changes or revisions thereto to the Operations General Committee, O & M Department, Association of American Railroads. Upon approval by the General Committee, such changes or revisions to these rules will be submitted to the Subscribers for vote by letter ballot (one vote for each revenue freight car bearing railroad reporting marks which is owned or controlled by Subscribers, with an affirmative majority vote of all Subscribers' freight cars necessary for approval).

REFERENCE CAR SERVICE RULE 14

K GRADE AND W GRADE COMMODITIES

APPENDIX A				APPENDIX A			
GRADE	DESCRIPTION	LOW STCC	HIGH STCC	GRADE	DESCRIPTION	LOW STCC	HIGH STCC
K	Sugar Beets or Cane	0119700	0119899	K	Salts, Sodium Organic	2818990	2818990
K	Animal Hides & Pelts	0192300	0192899	K	Ammonium Compounds	2819100	2819115
K	Marine Animal Skins	0913200	0913299	K	Ammonium Compounds	2819117	2819124
K	Radioactive Ore	1092300	1092399	K	Ammonium Compounds	2819126	2819130
K	Crude Petroleum	1311100	1311109	K	Ammonium Compounds	2819132	2819142
K	Crude Petroleum	1311111	1311199	K	Ammonium Compounds	2819144	2819145
K	Salts, Potassium Alkali, Cure, Dry	1471310	1471310	K	Ammonium Compounds	2819147	2819147
K	Salt, Rock	1471510	1471510	K	Ammonium Compounds	2819149	2819153
K	Asbestos, Crude	1491915	1491915	K	Ammonium Compounds	2819156	2819160
K	MEAT PRODUCTS			K	Ammonium Compounds	2819182	2819199
K	Frozen Beef Extracts	2013911	2013919	K	Nitric Acid	2818200	2819499
K	Meat Products	2013921	2013928	K	Salts, Zinc, nec	2819547	2819547
K	Meat Products	2013930	2013944	K	Radio Active Chemicals	2819700	2819799
K	Meat Products	2013946	2013952	K	Salts, Sodium, nec	2819990	2819990
K	HIDES, PELTS OR SKINS			K	Cultures or Specimens	2831108	2831108
K	Hides, Pelts or Skins	2013956	2014109	K	Medicine or Drugs	2831170	2831170
K	Hides, Pelts or Skins	2014111	2014144	K	Medicine or Drugs	2831190	2831190
K	Hides, Pelts or Skins	2014146	2014309	K	Poisoned Grain	2842237	2842237
K	Inedible Animal Products	2014311	2014324	K	Poison Liquid	2851210	2851210
K	Animal Fats, Grease or Oil	2014326	2014349	K	Gum Wood Chemicals	2861200	2861222
K	Animal Fats, Grease or Oil	2014351	2014409	K	Gum Wood Chemicals	2861224	2861233
K	Animal Fats, Grease or Oil	2014426	2014449	K	Gum Wood Chemicals	2861236	2861238
K	Animal Tankage	2014451	2014970	K	Gum Wood Chemicals	2861240	2861247
K	Animal Tankage	2014972	2014982	K	Gum Wood Chemicals	2861249	2861252
K	Animal Tankage	2014986	2014999	K	Tara Wood Sugar	2861255	2861256
K	POULTRY			K	Gum Wood Chemicals	2861260	2861299
K	Poultry Quills & Trimmings	2015800	2015814	K	Fertilizer	2871432	2871999
K	Poultry Refuse	2015816	2015899	K	Salt, Common (Sodium Chloride) in bulk	2899112	2899112
K	Bakery Refuse	2051118	2051118	K	Salt, Common (Sodium Chloride) in bulk, suitable only for curing	2899117	2899117
K	SUGAR PRODUCTS			K	BLACKS		
K	Raw Sugar Cane or Beets	2061100	2061624	K	Carbon Blacks	2899600	2899609
K	Sugar Molasses	2061626	2061674	K	Carbon Blacks	2899611	2899612
K	Dried Molasses	2061676	2061689	K	Carbon Blacks	2899614	2899615
K	Molasses	2061691	2061809	K	Carbon Blacks	2899617	2899627
K	Bagasse	2061811	2061899	K	Carbon Blacks	2899629	2899639
K	Sugar Products	2061901	2061929	K	Carbon Blacks	2899641	2899642
K	Sugar Products	2061931	2061999	K	Carbon Blacks	2899644	2899645
K	Sugar By-Products	2062500	2062514	K	Carbon Blacks	2899647	2899699
K	Sugar By-Products	2062516	2062699	K	Carbon Blacks	2899680	2899680
K	FISH SCRAPS OR OILS			K	Salt, by-products from caustic soda	2899680	2899680
K	Marine Oils	2094100	2094209	K	CHEMICALS		
K	Fish Meal Oil	2094211	2094236	K	Chemicals, NEC	2899991	2899991
K	Fish Scraps	2094238	2094249	K	PETROLEUM OR COAL PRODUCTS		
K	Fish Scraps	2094251	2094299	K	Gasoline Fuels	2911100	2911224
K	Wool or Mohair	2297400	2297421	K	Distillate Fuels	2911226	2911314
K	Wool Grease	2297423	2297499	K	Petro Compounds	2911316	2911414
K	CHEMICALS & ALLIED PRODUCTS			K	Petro Compounds	2911416	2911489
K	Sodium Alkalies & Compounds	2812200	2812310	K	Petro Lube Grease	2911491	2911529
K	Sodium Borate	2812313	2812315	K	Petro Lube Grease	2911531	2911534
K	Sodium Compounds	2812317	2812318	K	Petro Lube Grease	2911536	2911589
K	Sodium Compounds	2812320	2812321	K	Petro Lube Grease	2911591	2911599
K	Sodium Cyanide	2812323	2812329	K	Petro Residual	2911600	2911609
K	Sodium Compounds	2812331	2812339	K	Petro Residual	2911611	2911613
K	Sodium Peroxide	2812343	2812344	K	Petro Residual	2911615	2911633
K	Sodium Compounds	2812346	2812352	K	Petro Residual	2911636	2911661
K	Sodium Sulphite	2812354	2812354	K	Petro Residual	2911663	2911665
K	Sodium Compounds	2812356	2812357	K	Petro Residual	2911667	2911669
K	Sodium Compounds	2812359	2812386	K	Petro Residual	2911671	2911690
K	Sodium Compounds	2812388	2812399	K	Petro Residual	2911692	2911714
K	Potassium Compounds	2812400	2812503	K	Petro Residual	2911716	2911734
K	Potassium Compounds	2812505	2812507	K	Petro Residual	2911736	2911790
K	Potassium Compounds	2812509	2812517	K	Petro Refin, Nec.	2911792	2911945
K	Potassium Compounds	2812519	2812533	K	Petro Refin, Nec.	2911947	2911954
K	Potassium Compounds	2812535	2812535	K	Petro Refin, Nec.	2911958	2911986
K	Potassium Compounds	2812537	2812551	K	Petro Refin, Nec.	2911988	2911989
K	Potassium Compounds	2812553	2812566	K	Petro Refin, Nec.	2911991	2912199
K	Potassium Compounds	2812568	2812612	K	Misc. Coal Petro	2991100	2991111
K	Barium Carbonate	2812613	2812613	K	Misc. Coal Petro	2991113	2991124
K	Barium Chlorate	2812614	2812614	K	Misc. Coal Petro	2991126	2991127
K	Barium Chloride	2812615	2812615	K	Misc. Coal Petro	2991130	2991134
K	Barium Calcium	2812616	2812629	K	Misc. Coal Petro	2991136	2991199
K	Calcium Carbonate	2812631	2812631	K	Lubricants	2991200	2991209
K	Calcium Compounds	2812634	2812637	K	Lubricants	2991211	2991244
K	Calcium Compounds	2812641	2812642	K	Anti-Knock Compound	2991245	2991245
K	Calcium Compounds	2812644	2812648	K	Lubricants	2991246	2991299
K	Magnesium Compounds	2812650	2812651	K	Petro Coke	2991300	2991313
K	Magnesium Phosphate	2812655	2812655	K	Petro Coke	2991316	2991414
K	Magnesium Calcium Chloride	2812657	2812699	K	Petro Coke	2991416	2991424
K	Salts, Waterproofing, Dry	2818630	2818630	K	Petro Coke	2991426	2991429
K	Bromobenzyl Cyanide	2818815	2818815	K	Petro Coke	2991431	2991436
K	Chloroacetophenone	2818825	2818825	K	Petro Coke	2991438	2991489
K	Poison Gases	2818831	2818890	K	Petro Coke	2991491	2991909
K	Carbon Bisulphide	2818961	2818961				

REFERENCE CAR SERVICE RULE 14

K GRADE AND W GRADE COMMODITIES

APPENDIX A				APPENDIX A			
GRADE	DESCRIPTION	LOW STCC	HIGH STCC	GRADE	DESCRIPTION	LOW STCC	HIGH STCC
K	Petro Coke	2991911	2991914	K	Non-ferrous Metal & Scrap	4021992	4021999
K	Petro Coke	2991916	2991924	K	TEXTILE WASTE & SCRAP		
K	Petro Coke	2991926	2991939	K	Textile Waste & Scrap	4022100	4022109
K	Petro Coke	2991941	2991949	K	Carpet Scrap	4022119	4022125
K	Petro Coke	2991956	2991962	K	Textile Waste & Scrap	4022128	4022134
K	Petro Coke	2991964	2991982	K	Carpet Scrap	4022138	4022139
K	Petro Coke	2991984	2991999	K	Hair & Glass Fibre Scrap	4022144	4022145
K	Asbestos Articles	3292910	3292910	K	Jute Hill Sweepings	4022147	4022148
K	PRIMARY METAL PRODUCTS			K	Flax Mill Waste	4022150	4022150
K	Copper Matte	3331209	3331209	K	Textile Scrap	4022162	4022155
K	Copper Matte	3331216	3331219	K	Old Twine	4022167	4022157
K	Copper Matte	3331221	3331229	K	Jute Waste	4022159	4022159
K	Copper Matte	3331231	3331299	K	Old Sisal	4022164	4022164
K	Lead Matte	3332200	3332219	K	Cotton & Manila Waste	4022167	4022169
K	Lead Matte	3332221	3332224	K	Hosiery & Quilting Scrap	4022175	4022176
K	Lead Matte	3332226	3332240	K	Leatherboard Scrap	4022178	4022179
K	Lead Matte	3332242	3332299	K	Cotton Grabols & Grass Twine	4022181	4022187
K	Zinc Dross Residue	3333200	3333209	K	CHEMICAL & PETROLEUM WASTE		
K	Zinc Dross Residue	3333211	3333214	K	Chemical Waste, Liquid	4025100	4025109
K	Zinc Dross Residue	3333216	3333219	K	Petroleum Waste	4025111	4025114
K	Zinc Dross Residue	3333221	3333224	K	Petroleum Waste	4025117	4025124
K	Zinc Dross Residue	3333226	3333234	K	Petroleum Waste	4025127	4025134
K	Zinc Slimmings	3333235	3333235	K	Petroleum Waste	4025136	4025143
K	Zinc Dross Residue	3333236	3333244	K	Styrene Monomer	4025145	4025145
K	Zinc Dross Residue	3333246	3333299	K	Petroleum Waste	4025147	4025150
K	Misc. Nonfer Residue	3339800	3339839	K	Petroleum Waste	4025152	4025172
K	Misc. Nonfer Residue	3339841	3339854	K	Petroleum Waste	4025174	4025177
K	Misc. Nonfer Residue	3339856	3339859	K	Petroleum Waste	4025179	4025199
K	Misc. Nonfer Residue	3339861	3339869	K	STONE, CLAY OR GLASS SCRAP		
K	Hides, Pelts & Furs	3997100	3997199	K	Clay or Silicon Carbide Scrap	4027100	4027114
K	WASTE AND SCRAP MATERIALS			K	Stone & Clay Waste	4027118	4027157
K	Ashes	4011200	4011207	K	Leather Waste	4028116	4028139
K	Fly Ash	4011208	4011208	K	Misc. Waste & Scrap	4028141	4029113
K	Ashes	4011209	4011212	W	Municipal Garbage Waste	4029114	4029114
K	Ashes	4011214	4011219	K	Misc. Waste & Scrap	4029116	4029122
K	Ashes	4011221	4011224	K	Fertilizer Scrap	4029124	4029124
K	Ashes	4011226	4011234	K	Hatters Fur Waste	4029126	4029126
K	Ashes	4011238	4011239	K	Misc. Waste & Scrap	4029128	4029135
K	Ashes	4011241	4011250	K	Wax Scrap	4029137	4029144
K	Ashes	4011262	4011299	K	Misc. Waste & Scrap	4029146	4029155
K	Iron Steel Scrap	4021100	4021109	K	Hypo-Mud, Photo Silver	4029167	4029157
K	Iron Steel Scrap	4021111	4021114	K	Misc. Waste & Scrap	4029169	4029162
K	Iron Steel Scrap	4021116	4021117	K	Misc. Waste & Scrap	4029164	4029175
K	Iron Steel Scrap	4021120	4021121	K	Iron Sludge	4029177	4029177
K	Iron Steel Scrap	4021123	4021124	K	Misc. Waste	4029180	4029185
K	Iron Steel Scrap	4021126	4021127	K	Misc. Waste	4029187	4029189
K	Iron Steel Scrap	4021129	4021134	K	Contaminated Waste	4029191	4029199
K	Iron Steel Scrap	4021139	4021139	K	HAZARDOUS WASTE		
K	Iron Steel Scrap	4021153	4021155	K	Waste Nickel Carbonyl	4808050	4808051
K	Iron Steel Scrap	4021157	4021157	K	Waste Chemicals	4810118	4810118
K	Iron Steel Scrap	4021159	4021173	K	Waste Flammable Liquid	4810171	4810185
K	Iron Steel Scrap	4021175	4021187	K	Waste Resin Solution	4810280	4810280
K	Scrap Iron & Brass	4021189	4021209	K	Waste Spirits of Nitro	4810310	4810311
K	Brass Scrap	4021211	4021214	K	Waste Chemicals	4810560	4810560
K	Brass Scrap	4021216	4021219	K	Misc. Waste Chemicals	4813116	4813190
K	Brass, Bronze Copper	4021221	4021239	K	Combustible Waste Liquid	4815185	4815190
K	Brass, Bronze or Copper Scrap	4021240	4021240	K	Misc. Waste Chemicals	4816140	4816736
K	Brass, Bronze Copper	4021241	4021249	K	Misc. Waste Chemicals	4816755	4817140
K	Brass, Bronze Copper	4021251	4021254	K	Waste Flammable Solid	4817332	4817332
K	Brass, Lead Zinc Scrap	4021256	4021309	K	Waste Tetranitromethane	4818180	4818180
K	Lead & Zinc	4021311	4021314	K	Waste Ammonium Dichromate	4818330	4818330
K	Lead & Zinc	4021318	4021319	K	Misc. Waste Chemicals	4818510	4818745
K	Lead Borings	4021321	4021329	K	Misc. Waste Chemicals	4818747	4818795
K	Lead & Zinc Scrap	4021331	4021339	K	Misc. Waste Chemicals	4819178	4823510
K	Lead & Zinc Scrap	4021341	4021344	K	Misc. Waste Chemicals	4826320	4826345
K	Lead & Zinc Scrap	4021346	4021349	K	Waste Battery	4836511	4836511
K	Lead & Zinc Scrap	4021351	4021359	K	Waste Cleaning Liquid	4836520	4836520
K	Lead & Zinc Scrap	4021361	4021369	K	Waste Corrosive Liquid	4836536	4836536
K	Lead & Zinc Scrap	4021391	4021394	K	Waste Corrosive Solid	4836545	4836545
K	Lead & Zinc Scrap	4021396	4021399	K	Misc. Waste Chemicals	4840310	4844185
K	Alum Scrap Tailings or Wst	4021400	4021499	K	Waste Asbestos	4845705	4845705
K	Non-ferrous Metals	4021900	4021911	K	Weed Killing Sub.	4860105	4860125
K	Non-ferrous Metal & Scrap	4021913	4021915	K	Misc. Waste Chemicals	4860131	4860687
K	Non-ferrous Metal & Scrap	4021917	4021929	K	HAZARDOUS MATERIALS		
K	Non-ferrous Metal & Scrap	4021931	4021942	K	Pyrophoric Liquid	4906000	4906145
K	Non-ferrous Metal & Scrap	4021944	4021947	K	Chemicals Flammable	4909147	4910101
K	Non-ferrous Metal & Scrap	4021949	4021951	K	Chemicals Flammable	4910105	4910106
K	Non-ferrous Metal & Scrap	4021953	4021959	K	Chemicals Flammable	4910108	4910151
K	Non-ferrous Metal & Scrap	4021961	4021967	K	Chemicals Flammable	4910153	4910190
K	WASTE AND SCRAP MATERIALS			K	Chemicals Flammable	4910194	4910224
K	Non-ferrous Metal & Scrap	4021969	4021975	K	Chemicals Flammable	4910226	4910245
K	Non-ferrous Metal & Scrap	4021977	4021979	K	Paint Chemicals	4910249	4910250
K	Non-ferrous Metal & Scrap	4021981	4021985	K	Paint Chemicals	4910252	4910302

REFERENCE CAR SERVICE RULE 14

K GRADE AND W GRADE COMMODITIES

APPENDIX A				APPENDIX A			
GRADE	DESCRIPTION	LOW STCC	HIGH STCC	GRADE	DESCRIPTION	LOW STCC	HIGH STCC
K	Alcoholic Beverages, Flam.	4910306	4910306	K	HAZARDOUS MATERIALS		
K	Chemicals Flammable	4910310	4910340	K	Chemicals Misc.	4916747	4918900
K	Alcoholic Beverages, Flam.	4910344	4910344	K	Intermediate Chemicals	4918933	4918933
K	Chemicals Flammable	4910346	4910560	K	Chemicals Misc.	4920103	4925109
K	Chem. Flam. Combu.	4910570	4915101	K	Tear Gas Solution	4925135	4925135
K	Chemicals Combu.	4915105	4915106	K	Chemicals Misc.	4925210	4925830
K	Chemicals Combu.	4915108	4915190	K	Chemicals Misc.	4925841	4936505
K	Chemicals Liq. Combu.	4915194	4915224	K	Chemicals Misc.	4936510	4936511
K	Chemicals Liq. Combu.	4915226	4915303	K	Chemicals Misc.	4936514	4936524
K	Chemicals Liq. Combu.	4915306	4915307	K	Compound Rust Prevent	4936530	4936530
K	Chemicals Liq. Combu.	4915313	4915353	K	Weed & Tree Killing Liq.	4936532	4936532
K	Chemicals Liq. Combu.	4915360	4915410	K	Chemicals Misc.	4936534	4936548
K	Chemicals Liq. Combu.	4915414	4915474	K	Chemicals Misc.	4936553	4936568
K	Chemicals Liq. Combu.	4915478	4915480	K	Chemicals Misc.	4936570	4936573
K	Chemicals Liq. Combu.	4915486	4916740	K	Chemicals Misc.	4936575	4936580
K	Chem. Solid Flam.	4916750	4917307	K	Chemicals Misc.	4936585	4944199
K	Flammable Solid	4917310	4917310	K	Asbestos	4945108	4945108
K	Flammable Solid	4917314	4917327	K	Battery Parts	4945305	4945305
K	Fish Meal & Scrap	4917328	4917332	K	Fish Meal Scrap	4945328	4945328
K	Flammable Solid	4917346	4917355	K	Asbestos	4945705	4945706
K	Tankage Flammable	4917367	4917367	K	Asbestos Scrap	4945708	4945708
K	Flammable Solid Sweepings	4917370	4917374	K	Weed Killing Sub.	4960125	4966994
K	Flammable Chemicals Solid	4917386	4917394	K	BULK COMMODITIES		
K	Flammable Chemicals Solid	4917396	4917404	K	Cottonseeds	5001110	5001110
K	Flammable Solid	4917412	4917440	K	Crushed Oyster Shells	5009105	5009105
K	Flammable Solid	4917450	4917462	K	Cotton Seed Hulls & Meal	5020240	5020240
K	Chemicals Misc.	4917470	4918309	K	Peanut Hulls	5020295	5020295
K	Chemicals Misc.	4918312	4918405	K	Rape Seed Meal	5020306	5020306
K	Chemicals Misc.	4918415	4918745	K	Clay & Stone Products	5032107	5032108
							*ADD

CIRCULAR NO. OT-28-B

ASSOCIATION OF AMERICAN RAILROADS
Operations and Maintenance Department
Customer Operations Division

SHORT LINE CONNECTIONS

Effective: January 1, 2000

TO THE MEMBERS:

In connection with Appendix B to the Code of Car Hire Rules, attached for your information is a list of short lines for whose account car hire is being reported direct to car owners by trunk line connections.

Those roads reporting car hire direct to car owners on behalf of their short line connections should review this Circular thoroughly, and inform me of any listing that is not consistent with its current accounting procedure.

Any road granting this privilege under Appendix B, to any new or existing short line should report such to the Secretary, AAR Customer Operations Division, immediately.

Very truly yours,
J. J. Carroll

Supersedes Circular No. OT-28-A Dated 3-1-74

Railroads Reporting Car Hire Direct To Owners For Short Line Connections Are Shown By Initials In Parentheses After Short Line Connections As Follows:

AR	Aberdeen and Rockfish RR.	CSXT	CSX Transportation, Inc.	KCS	Kansas City Southern Ry.	VTR	Vermont Ry.
BNSF	Burlington Northern Santa Fe	DH	Delaware & Hudson Ry.	MEC	Maine Central RR.	WC	Wisconsin Central Ltd.
BM	Boston and Maine Corp.	FEC	Florida East Coast Ry.	PCY	Pittsburgh, Chartiers &		
CN	Canadian National Rys.	GNWR	Genesee & Wyoming RR.		Youghiogheny Ry.		
CAGY	Columbus and Greenville Ry.	IC	Illinois Central RR.	UP	Union Pacific System		

Acadians Ry. (UP)
Alamo Gulf Coast RR (UP)
Alaska RR. (CN)
Albany Port Dist. R.R. (DH)
Almaror R.R. (UP) (BNSF)
Angeline & Neches River RR. (UP)
Apache Ry. (BNSF)
Arkansas-Oklahoma Railroad Inc. (UP)
AT&L RR. (UP)

Beaumont & Northern Ry. (UP)
Bellast & Moosehead Lake RR. (MEC)
Border Pacific Railroad (UP)

Canada & Gulf Terminal Ry. (CN)
Cape Fear Rys. (AR)
Carrollton RR. (CSXT)
City of Princeton Ry. (UP)
Clarendon & Concord Ry. (BM)
Clarendon & Pittsford RR. (VTR)
Columbia & Cowitz Ry. (UP)
Columbia Basin Railroad (BNSF)
Crab Orchard & Egyptian RR. (UP)

Danville & Mount Morris RR. (GNWR)

East Camden & Highland RR. (UP)
El Dorado & Wesson Railway (UP)

Georgetown RR. (UP)
Goderich-Essex Ry. (CN)
Great River RR. (CAGY)

Hampton & Branchville RR. (CSXT)
Holls & Eastern RR. (UP)
Hutchinson & Northern Ry. (UP)

Little Rock Port Railroad (UP)
Longview, Portland & Northern Ry. (UP)

Magma Arizona RR. (UP)
Messers Terminal RR. (CN)
McCloud Railway Co. (UP)
Mississippi & St. Louis Valley RR. (IC)
Mississippi Delta RR. (IC)
Molokai Western Ry. (UP)

Moscow, Camden & San Augustine RR. (UP)
Mount Hood Railroad (UP)
Municipality of E. Troy, Wisconsin RR. (WC)

National Railroad Passenger Corporation NEC (CSXT, NS)

Omaha, Lincoln & Beatrice Ry. (UP)
Oregon, Pacific & Eastern Ry. (UP)

Pacific Harbor Line (BNSF)
Pease Valley Southern Ry. (UP)
Peninsula Terminal Co. (UP)
Pittsburgh, Allegheny & McKees Rode RR. (PCY)
Point Comfort & Northern Ry. (UP)

Quincy RR. (UP)

Red River Valley and Western Railroad (BNSF)
Roberval & Saguenay Ry. (CN)
Rockdale, Sandow & Southern RR. (UP)

Sabine River & Northern RR. (KCS) (UP)

St. Marie River RR. (UP)
Salt Lake, Garfield & Western Ry. (UP)

San Luis Central RR. (UP)
San Manuel Arizona RR. (UP)
Santa Maria Valley RR. (UP)
SEMO Port RR. Inc. (UP)
Sierra RR. (UP)
Southern San Luis Valley RR. (UP)

Tenniken RR. (IC)
Texas & Northern Ry. (KCS)
Texas, Gonzales & Northern Ry. (UP)
Trons Ry. (UP)

West Isle Railroad (BNSF)
Western Rail Road Company (UP)
Williams & Grand Ronde Ry. (UP)

Yreka Western RR. (UP)

●—Add
●●—Delete
●●●—Change

CODE OF CAR HIRE RULES AND INTERPRETATIONS - FREIGHT

Effective January 1, 1994

GOVERNING SETTLEMENT FOR THE USE OF FREIGHT CARS* AND APPURTENANCES (AUTO-RACK SUPERSTRUCTURES) OWNED BY RAILROADS BETWEEN ALL COMMON CARRIER RAILROADS EXCEPT AS PROVIDED IN APPENDIX "B."**

*Applicable also to free running refrigerator cars owned by FGE per ICC decision in EX PARTE No. 334 served August 22, 1979.

**Rules apply to appurtenances in the same manner as they do to freight cars.

As used in these rules the terms prescribed rate and fixed rate are synonymous, as are the terms non-prescribed rate and market rate. See Appendix "E" for ICC regulations concerning car hire.

RULE 1 - Registration and Rates**A. UMLER Registration**

Individual freight cars and appurtenances shall be registered in the Universal Machine Language Equipment Register (UMLER) maintained by the Secretary, Customer Operations Division (Secretary). A railroad must furnish to the Secretary complete and accurate UMLER data on all its cars and appurtenances used in interchange or commercial service. Such information received by the Secretary by the last working day of the month, except submissions requiring data entry by AAR staff must be received by the 25th day of the month, will be effective the first day of the subsequent month. When data submitted to UMLER do not meet the completeness and accuracy edits performed by the Customer Operations Division that equipment will not be eligible for prescribed or non-prescribed car hire rates.

B. Rate Master Registration

1. Equipment (prescribed and non-prescribed) registered in the UMLER file will be registered in the Rate Master file. When submitted UMLER data fails to meet completeness and accuracy edits performed by the Customer Operations Division, the car will be registered but will be zero rated until the first day of the month following the month in which such data are corrected. Equipment deleted from the UMLER file in a given month will be retained in the Rate Master file at the last effective rates through the following month.

2. Cars registered with a transportation code S, X or Y are not eligible for car hire earnings and will be assigned a zero rate.

C. Rates and Registration

As used in these rules, car hire rates mean the rates (both prescribed and non-prescribed) for the use of freight cars and appurtenances as recorded in a Rate Master file maintained by the Customer Operations Division. In order to collect car hire rates, the owner must register the car with the Secretary as specified in Paragraphs A. and B.

D. Prescribed Rates

1. This Paragraph applies to freight car rates prescribed by the Interstate Commerce Commission (ICC). The Customer Operations Division will compute the rates for time (by the hour) and actual line haul mileage charges, as specified in the "Car Hire Rate Table," Appendix R, and record them in the UMLER file and enter them in the Rate Master file. Owners whose cars are entitled to special rates under Ex Parte 346 (Sub. No. 19) must give notice to the Secretary that a car is entitled to rates under that order. A car owner may reduce its rates by giving notice to the Secretary. Circular No. OT-37 may affect the calculation of prescribed rates, as outlined in 49 CFR 1033.1.

2. In addition, appurtenance rates as specified in Appurtenance Rate Table, Appendix S, shall be paid for the use of railroad owned multi-level auto-rack super structures.

E. Non-Prescribed Rates

1. This Paragraph applies where rates for the use of freight cars and appurtenances are not prescribed by the ICC. Rates by loaded and/or empty status may be based on time (hourly) and/or actual line-haul mileage, or any combination thereof. See Rule 25 for procedures to establish such rates.

F. Adjustments-Prescribed Car Hire Rates

1. To recover the differences for changes in estimated values that result in a retroactive increase in prescribed car hire rates an owner must, within five (5) months from the month of the change, issue a statement to the using carriers. The statement must show month earned, month allowed, the difference in rate and a deduction of thirty (30) percent penalty. This statement constitutes a valid Car Hire Claim and must be handled within the time limitations of Car Hire Rule 11. Statements for amounts of \$25.00 or less shall not be issued. Reclaims will not be resettled to recover rate differences on this equipment. The only retroactive collection of car hire permitted is that resulting from cars entitled to prescribed rates registered with estimated values.

2. When an owner: (1) makes a valuation correction to the UMLER file, or (2) changes the UMLER registration classification from estimated to actual value and such change results in a retroactive decrease in the prescribed car hire rates, the Secretary will be so notified. Once cars have been reported to the UMLER file, any of the foregoing changes that result in a retroactive decrease in the prescribed car hire rates will be identified by the Secretary. The car owner will be required to furnish the Secretary assurance that the change was the result of an actual decrease and advice as to any applicable prescribed car hire rate adjustments which are required. Within five (5) months from the date of the change the owner will notify all

using carriers of such decrease with either supporting details or a summary of the over-collections, including penalty of thirty (30) percent of the total over-collections. Statements for amounts of \$25.00 or less shall not be issued. After receiving such notification, it will be the responsibility of the using carriers to deduct such amount(s) in their next open car hire report to the car owner. If the Secretary does not receive owner assurance of having notified users of over-collected amounts within the five (5) months, the Secretary shall circularize the industry providing the car initials and number(s) involved and the user(s) may take their own deduction plus sixty (60) percent penalty.

3. The Secretary will periodically request an owner having equipment subject to prescribed rates registered on an estimated basis to verify that it is as yet unable to furnish the actual values. The Director of Auditing of the AAR will periodically verify that such cars residing in the UMLER file are still eligible for registration with an estimated value and will also check for any deficiencies in the reimbursement procedures.

4. If a road refuses to reprocess its car record data to correct deficiencies which have resulted in a retroactive decrease in the prescribed car hire rates, after having been identified by the Secretary or discovered by the AAR Director of Auditing, the Committee on Car Service will review the magnitude of the deficiency as identified by either the Secretary or the AAR Director of Auditing and the road's position for refusing to reprocess its car record data and, if it is deemed necessary, order an audit under the provisions of Appendix L. The entire cost of the audit will be paid by the deficient road.

5. The provisions of Paragraphs 1 and 2 relating to reimbursements and the recovery of additional amounts will not apply to Class III switching roads, except when cars of their ownership may be involved.

G. Refrigerator cars - Mileage Basis

1. A car owner may place its refrigerator cars of Class "R" Mechanical Designation (if subject to prescribed car hire rates) on a mileage only basis upon notice to the Secretary, providing description of such cars is furnished to the Secretary as required in the Universal Machine Language Equipment Register (UMLER) format. The Secretary will advise all interested carriers accordingly stating the effective date, which shall be the first day of the month following the date of notice to the Secretary. A car owner is not required to place its total ownership of Class "R" refrigerators on a mileage basis, but may place all of its cars of a particular Mechanical Designation on a mileage basis and permit its refrigerators of other Class "R" Mechanical Designation to operate under the time and line haul mileage charges. Such arrangement must remain in effect at least one (1) year and thereafter may be cancelled on the first day of the month following the date of notice to the Secretary.

2. Refrigerator cars of Class "R" Mechanical Designation carrying railroad reporting marks, when placed on a mileage only basis rather than car hire basis of compensation by the car owner in accordance with subparagraph 1, will be subject to the rates shown in Freight Tariff No. RPS 6007-Series, or where applicable in respect to movements within Canada, Canadian Freight Tariff No. 6544 Series. The following roads have placed their refrigerator cars, identified by reporting mark and mechanical designation, on a mileage basis under the provisions of this rule.

Railroad	Date Effective
Burlington Northern Santa Fe (BN)-RB; (NP)-RB	10-1-75
San Luis Central (SLC)-RPL	6-1-75

H. Responsibility for Cars Delivered to Non-Subscribers

In the event a non-subscriber does not pay car hire to an owner, the subscriber interchanging freight cars to a non-subscriber (including a common carrier by water) shall pay the car hire rates applicable under Paragraphs D. and E. while such cars are in possession of the non-subscriber and until such cars are again interchanged to a subscriber, as evidenced by the official interchange created through LCS processing.

I. Tax Rate Adjustments

1. The car hire rates paid to United States and Canadian car owners for the use of their freight cars in the Republic of Mexico shall be the same as those specified in Paragraphs D. and E., plus an increment to cover the then prevailing Mexican Government taxes. The increment is added to ensure that a car owner received a net payment (after taxes are withheld) not less than that which would have been received had the equipment not been utilized in Mexico. The appropriate rates including provision for the taxes may be determined by dividing the car hire rates specified in Paragraphs D. and E. (or totals thereof) by .95.

CODE OF CAR HIRE RULES AND INTERPRETATIONS - FREIGHT

2. The rates for the use in the United States of freight cars owned by the Mexican Railroads which are "Non-Resident Foreign Corporations" under the United States revenue laws, shall be the same as those specified in Paragraphs D. and E., except that the car hire rate or rates are equivalent to seventy (70) percent of the applicable rate or rates. The increment added to the rates provided in Paragraphs D. and E. is to cover income taxes on such car hire earnings payable to the United States Government by or for account of the respective car owners. The full rate or rates including tax may be determined by dividing the car hire rates by .70.

J. Default Rate

Section J applies to cars built or rebuilt (Interchange Rule 88 and AAR Circular OT-37) on or after January 1, 1994, and depreciable cars for which there are no negotiated or arbitrated rates.

1. A car will have a rate equal to the lowest negotiated positive rate in effect for that car type at the end of the previous quarter or if no positive negotiated rate exists, the car will have the lowest prescribed rate for that car type at the end of the previous quarter in the following cases:

a. A car built or rebuilt (Interchange Rule 88 and AAR Circular OT-37) on or after January 1, 1994, which does not have a negotiated or arbitrated rate.

b. A depreciable car or a car built or rebuilt (Interchange Rule 88 and AAR Circular OT-37) on or after January 1, 1994, changing reporting mark from one railroad to another railroad, which does not have a negotiated or arbitrated rate by the acquiring railroad.

c. A depreciable car or a car built or rebuilt (Interchange Rule 88 and AAR Circular OT-37) on or after January 1, 1994, owned by a new railroad which does not have a negotiated or arbitrated rate by that railroad.

d. A depreciable car or a car built or rebuilt (Interchange Rule 88 and AAR Circular OT-37) on or after January 1, 1994, used by a new railroad which does not have a negotiated or arbitrated rate with the owner.

2. Determination of car type will be based on four digit car type code; if none, on three digit car type code; if none, on two digit car type code; if none, on one digit car type code.

3. Once a default rate is applied to a car, it will remain in effect until changed as a result of negotiation or arbitration.

4. When a car built or rebuilt (Interchange Rule 88 and AAR Circular OT-37) prior to January 1, 1994, is depreciable and no negotiated or arbitrated rate exists, the last rate in effect will remain as the default rate until changed by negotiation or arbitration.

K. Merged Railroads - Payable/Receivable Car Hire Rate Application

1. When the merger of two or more railroads occur, car hire rate applications will be as follows:

a. Payable Rates on Foreign Equipment

(1) If only one of the merging roads will continue to exist after the merger, it must notify the AAR 60 days in advance of the merger date which road will continue to exist. At that time, the merged railroad must also state who is responsible to negotiate rates for the merged property (could still be the parties of the merger roads until merger date). The AAR will then notify other railroads of this election. After the merger, the payable rates for the road that continues to exist will apply, except:

(a) Rates previously paid by the now non-existent railroad(s) no longer apply unless the car had a rate with an end date. Rates with end dates will continue to apply to the merged property.

(b) If each of the merging roads have rates with end dates in effect on the same cars, the car owner will determine which rates with end dates will apply on the date of the merger. The AAR will provide the car owner with a listing of cars where there are multiple rates with end dates on the same cars. The car owner must respond to the AAR within 15 days following notification from the AAR. If the car owner does not respond to the AAR within 15 days following notification, the payable rate applicable to the merging road which continues to exist after the merger will become the rate with end dates.

(c) Its arbitrated rates will apply to the merged property provided that the now non-existent railroad did not have arbitrated rates on the same cars on the date of the merger.

(d) If the now non-existent railroad had arbitrated rates, those rates will be applied as market rates on the merged property provided that the merging road which continues to exist after the merger did not have arbitrated rates on the same cars on the date of the merger.

(e) If each of the merging roads have arbitrated rates in effect on the same cars, the car owner will determine which arbitrated rate will apply as a market rate on the date of the merger. The AAR will provide the car owner with a listing of cars where there are multiple arbitration decisions. The car owner must respond to the AAR within 15 days following notification from the AAR. If the car owner does not respond to the AAR within 15 days following notification, the payable rate applicable to the merging road which continues to exist after the merger will become the market rate for these previously arbitrated cars.

(f) If the merging roads have a mixture of negotiated rates with end dates and arbitrated rates on the same car, negotiated rates with end dates will be applied.

(2) If a new railroad is created through a merger, the merged railroad must notify the AAR 60 days in advance of the merger date which payable rates it elects to apply to the new railroad. At that time, the merged railroad must also state who is responsible to negotiate rates for the merged property (could still be the parties of the merger roads until merger date). The AAR will then notify other railroads of this election. The new railroad must choose to pay the payable rates of one of the merged railroads, except:

(a) Rates previously paid by the railroad(s) not chosen will no longer apply unless the car had a rate with an end date. Rates with end dates will continue to apply to the merged property.

(b) If each of the merging roads have rates with end dates in effect on the same cars, the car owner will determine which rates with end dates will apply on the date of the merger. The AAR will provide the car owner with a listing of cars where there are multiple rates with end dates on the same cars. The car owner must respond to the AAR within 15 days following notification from the AAR. If the car owner does not respond to the AAR within 15 days following notification, the payable rate applicable to the merging road after the merger will become the rate with end dates.

(c) Arbitrated rates in existence for the railroad chosen for payable rates will continue as arbitrated rates provided that the other merged property(s) did not have arbitrated rates on the same cars on the date of the merger.

(d) Arbitrated rates associated with the other railroad(s) in the merger will continue as market rates provided that the road's rates that have been chosen did not have arbitrated rates on the same cars on the date of merger.

(e) If each of the merging roads have arbitrated rates in effect on the same cars, the car owner will determine which arbitrated rate will apply as a market rate to become effective on the date of the merger. The AAR will provide the car owner with a listing of cars where there are multiple arbitration decisions. The car owner must respond to the AAR within 15 days following notification from the AAR. If the car owner does not respond to the AAR within 15 days following notification from the AAR, the rate chosen by the new entity to apply as its payable rates will become the market rate for these previously arbitrated cars.

(f) If the merging roads have a mixture of negotiated rates with end dates and arbitrated rates on the same car, negotiated rates with end dates will be applied.

b. Receivable rates on system equipment

(1) When only one of the merging roads continues to exist after the merger, all cars now owned by the merged railroad will retain previous rates for receivable purpose. However, any arbitrated rates on the now non-existent railroad's cars will be retained as market rates.

(2) When a new railroad is created, all cars now owned by the new railroad will retain previous rates for receivable purposes. However, any arbitrated rates on the cars owned by that railroad not chosen as the payable rate will be retained as market rates.

RULE 2 - Calculation of Hours and Mileage**A. Hours**

When computing the payable hours, the minutes shall be disregarded. The first hour of a loaded or empty cycle shall be disregarded and payment made for the first hour of a loaded or empty cycle. A car received and delivered within the same hour accrues no time charge. For calculation purposes, the days on which daylight savings time begins and ends shall be considered as having twenty-four (24) hours.

B. Miles

Line-haul mileage will be computed for each loaded and empty movement cycle on the basis of actual line-haul miles.

C. Record Source

1. Interchange records of receipt and delivery under this rule shall be those obtained from the reports provided for in Rule 9.

2. Other cycle event records under this rule shall be those obtained from the paying road's records.

D. Cycles

1. The loaded cycle shall begin with the earliest loaded event (e.g., loaded receipt, loaded release, loaded inbound/outbound movement, etc.).

2. The empty cycle shall begin with the earliest empty event (e.g., empty receipt, empty release, empty inbound/outbound movement, etc.).

3. Back to back empty or loaded cycles will be reported as separate cycles.

INTERPRETATION

Question: How should cycles that span more than one month be settled?

Answer: For cars on hand at the end of a month car hire shall be reported through the last hour of the month even though the cycle has not been completed. The subsequent month's reporting shall begin at the zero hour.

RULE 3 - Reporting Procedures and Record Retention**A. Payments**

1. Car hire, separated by the car's individual loaded and empty cycles as defined in Rule 2, must be reported to the car owner (person or company).

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at a single address, to whom the reporting marks are assigned) within one (1) month and ten (10) days from the last day of the month in which it is earned including payment for cars on hand at the end of that month. When additions which result from records subsequently received are not reported to the car owner at the correct rates within two months and ten (10) days from the last day of the month in which it is earned, the total hourly and mileage earnings (including appurtenances) shall be increased fifteen (15) percent. Car hire includes applicable time and mileage data for equipment properly registered in UMLER for which reporting road makes no payment to owner (Zero rate).

2. Car hire charges will be allowed on cars out of service for repair, unfit for service or lying idle, except as provided for in Car Hire Rules 7 and 8.

3. If a car hire report is not transmitted in AAR Data Exchange format, the receiving carrier will apply a one dollar (\$1.00) per car handling charge to be applicable to all car hire payments, exclusive of reclaim to cover administrative costs associated with preparing the information for automated processing.

B. Instructions for Making Reports

1. A car hire report shall be made on a form 8-1/2 inches by 11 inches with a minimum of 3/4 inch binding space at the left hand side as shown in Appendix G. Report shall show the car number in full and shall be in number sequence. Car hire must be reported by the individual loaded and empty cycles for each car for each settlement period. A car earning zero rate car hire shall be reported indicating hours and miles earned but no amount. Participants in the AAR Car Hire Data Exchange Program will not be required to furnish to other participants the same detail in printed car hire report form as prescribed in Appendix G and Appendix I, but will be required to furnish only the summary report as described in Paragraph 2.

2. A Summary Report shall be made on a form 8-1/2 inches by 11 inches with a minimum of 3/4 inch binding space at the left hand side. The report shall show the car hire, trailer, appurtenance charge, reclaims and miscellaneous other charges as shown on sample report in Appendix H. Car hire shall be summarized separately for the current month, each voluntary month, and prior allowances.

3. Only one report shall be furnished for each month.

4. Errors and omissions must be reported in an adjustment report of the same size with the same binding space as this provided for the car hire report (Appendix G) and shall be prepared as shown in Appendix I. Penalty shall not be included on Appendix I adjustment report but shall be shown in space provided on Appendix H summaries. Adjustments for more than one earnings month may be shown on a single sheet beginning with allowances for earliest month, using the first line to identify earnings month and year, followed by individual car listings in numerical sequence, followed by a line identifying the earnings month and year of the next group of adjustments.

5. The first portion of car hire allowed in any month shall be deducted in car hire reports forwarded within two (2) months and ten (10) days, and the mileage portion within five (5) months and ten (10) days, from the last day of the month for which the car hire was reported as having been earned, without requesting authority from car owners. Deductions shall not be made after those periods without authorization from the car owner. Subject to the same procedures as described for showing additional adjustments, Appendix I shall be used for showing deductions. Deductions must not be shown on the same sheet as additions.

6. Car Hire reported and subsequently deducted in accordance with this rule cancels such car hire and leaves the owner in the same position as if the car hire had never been reported.

7. A railroad owner of an appurtenance may designate the non-railroad owner of a car bearing that appurtenance as its agent for equipment accounting.

C. Retention of Records

In order to make appropriate adjustments and audits, all roads shall retain records necessary to support car hire receipts and payments for three (3) full calendar years prior to the current year.

RULE 4 - Exemptions From Charges

A. Revenue Billed Empty Cars

For empty cars handled under revenue billing in line haul or switching service, car hire costs for the revenue billed cycle shall be reclaimed from the car owner.

B. Time Limits and Procedures

Refer to Car Hire Rules 13 and 14 to determine time limits and procedures for issuing, handling and deducting reclaims.

RULE 5 - Switching Car Hire Expense Recovery

A. Terminal Switching Service

Car Hire, on the basis of actual time involved in the handling of each car loaded or unloaded in Terminal Switching Service for the month(s) in which the car hire accrues, subject to a maximum of 120 hours per switching event, shall be the responsibility of the carrier road for which the switching service was performed, provided the terminal switching road reports the required information (Paragraph E) to the carrier road and car owner via the AAR TRAIN System.

B. Intermediate Switching Service

1. Car Hire, on the basis of actual time involved in the handling of each loaded and empty car in Intermediate Switching Service for the month(s) in which the car hire accrues, subject to a maximum of 24 hours per switching event, shall be the responsibility of the carrier road provided the intermediate switching road reports the required information (Paragraph E) to the carrier road and car owner via the AAR TRAIN System.

2. Car Hire, on the basis of actual time involved in the handling of each loaded and empty car in Intermediate Switching Service for the month(s) in which the car hire accrues, subject to a maximum of 24 hours per switching event, shall be the responsibility of the carrier road when received from a road performing terminal switching service, provided the intermediate switching road reports the required information (Paragraph E) to the responsible carrier road and car owner via the AAR TRAIN System.

C. Unit Train and/or Multi-Car Service

Car Hire, equal to the actual car hire accruing on each car moving in unit trains and/or multi-car shipments, subject to the maximum set forth in Paragraphs A and B, and handled in switching service shall be the responsibility of the carrier road for which the switching service was performed, provided the individual switching road reports the required information (Paragraph E) to the responsible carrier road and car owner via the AAR TRAIN System.

D. Interterminal Switching Service

Car Hire, on each car handled in Interterminal Switching Service shall be the responsibility of the carrier performing the service.

E. Reporting Requirements

1. Roads performing switching service will be required to report via the AAR TRAIN System, car initial, car number, loaded or empty status, station and type of switching (terminal or intermediate), to the carrier for which the service was performed, as well as to the car owner. Additional information on each car must also be reported as follows:

a. Inbound Terminal Switching Service:

(1) Month, day and time of loaded receipt as evidenced by the official interchange created through LCS processing; month, day and time of release from inbound load as evidenced by the demurrage record or month, day and time of the 120th hour, whichever activity occurs first. If the day and time of release from inbound load does not exceed the 120th hour, also report the month, day and time of empty delivery as evidenced by the official interchange created through LCS processing or the month, day and time of the 120th hour after the loaded receipt, as evidenced by the official interchange created through LCS processing, whichever activity occurs first. For cars reloaded or diverted in line haul service, report month, day and time of release from inbound load as evidenced by the demurrage record or month, day and time of the 120th hour, whichever activity occurs first, rather than delivery data.

(2) Cars owned by, or which are home on the switching road, report month, day and time of loaded receipt as evidenced by the official interchange created through LCS processing; and month, day and time released from inbound load as evidenced by the demurrage record or month, day and time of the 120th hour, whichever activity occurs first.

b. Outbound Terminal Switching Service:

For all cars report the month, day and time of loaded delivery, as evidenced by the official interchange created through LCS processing, report, as the ending event of outbound switch activity. Additional reporting events that either start or change cycle status are required as follows.

1. For cars owned by or at home on the switching carrier, report month, day and time the car is released loaded as evidenced by the demurrage record or 120th hour preceding the official loaded delivery created through LCS processing, whichever occurs later.

2.a. For cars of foreign ownership, which are covered by Car Hire Rule 22 and Car Hire Rule 23, report the month, day and time the car is placed for loading as evidenced by demurrage record or 120th hour preceding the loaded delivery as evidenced by the official interchange created through LCS processing, whichever occurs later.

b. Also report the month, day and time the car is released loaded as evidenced by demurrage report, if release event occurs after event reported in 2.a.

3.a. For cars of foreign ownership which are received in either empty or loaded linehaul service and subsequently loaded in switch service, report the month, day and time the car is placed for loading as evidenced by demurrage record or 120th hour preceding the official loaded delivery created through LCS processing, whichever occurs later.

b. Also report the month, day and time the car is released loaded as evidenced by demurrage report, if release event occurs after event reported in 3.a.

4.a. For cars of foreign ownership which are reloaded in switching service, report the month, day and time the car is released empty from inbound load as evidenced by demurrage record or the 120th hour preceding loaded delivery, whichever occurs later.

b. Also report the month, day and time the car is released loaded as evidenced by demurrage report, if release event occurs after event reported in 4.a.

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5.a. For all other cars, report the month, day and time of empty receipt as evidenced by official interchange created through LCS processing or 120th hour preceding the official loaded delivery created through LCS processing, whichever occurs later.

b. Also report the month, day and time the car is released loaded as evidenced by demurrage report, if release event occurs after event reported in 5.a.

c. Intermediate Switching Service:

Month, day and time of receipt as evidenced by the official interchange created through LCS processing and month, day and time of interchange delivery as evidenced by the official interchange created through LCS processing or the month, day and time of the 24th hour, whichever activity occurs first.

2. Reporting Time Limits

a. Roads performing switching service must report the information required in Paragraph E.1. not before 6 days and within 30 days from the day the switching service is completed, except when, an Inbound Terminal Switch, as described in E.1.A.(1), exceeds the 120th hour from the official inbound interchange created through LCS processing, then the information must be reported not before 6 days and within 30 days from the date and time that ends the transfer of liability.

b. Failure to report within the time limits of 2.a., shall cause the road performing switching service to be liable for all car hire while such cars are in switching service.

F. Erroneous Transfer Of Liability Reclaim

1. A special reclaim can be issued against the Terminal and/or intermediate switching carrier to recover car hire on the following:

a. On issuance of legitimate switching exception as specified by the Freight Mandatory Rules.

b. Car hire liability transferred to a carrier without a switch charge being issued.

2. The prescribed or default time rate (whichever is applicable) must be used for this reclaim.

3. Each special reclaim shall be prepared on a form similar to that shown in Appendix N and must be presented and handled within time limits prescribed by Rule 13B. Reclaim data may be included on the car hire data exchange tape using No Financial Value records.

INTERPRETATION

Question 1: When reporting a transfer of liability for Terminal Switching activity, if more than 120 hours occurs between an interchange event and any other event which would normally be used to break the cycle between load and empty, how is the loaded/empty status to be reported?

Answer: Report the entire transfer of liability as one loaded cycle.

Question 2: Upon completing a switch move the switching carrier offers cars to the receiving carrier who is unable to accept these cars. How is the Rule 5/Rule 15 TOL (Transfer of Liability) to be determined?

Answer: The Rule 15 portion is calculated treating the Rule 15 offering time as the delivered time. The Rule 15 portion protects the period of time from offering to official delivery created through LCS processing.

RULE 8 - Provisions for Audits

A. Authority

Railroads and the AAR Director of Auditing will have the right of independent audit to verify compliance with the Code of Car Hire Rules. Such audits will be permitted within a period not to exceed three (3) years from the service month involved.

B. Reprocessing Guidelines

1. When the AAR Director of Auditing has developed that a railroad is not in compliance with the Code of Car Hire Rules and such railroad chooses to reprocess the data to correct its deficiencies, potentially affected roads will, in such case, have up to six (6) months from receipt of the reprocessed data and allowances to initiate an independent audit.

2. If a road refuses to reprocess its data to correct deficiencies discovered by the AAR Director of Auditing, the Committee on Car Service will review the magnitude of the deficiency as presented in the AAR Audit Report and the road's position for refusing to correct the deficiency and, if it is deemed necessary, order an audit under the provision of Appendix L. The entire cost of the audit will be paid by the deficient road.

C. Payment Guidelines

1. A road receiving an independent audit report, as provided for in this rule, excluding audits conducted on a sampling basis, will allow the net amount of the audit with or without exception within three (3) months from receipt. The penalty provided for in Rule 3 A. must be added to the net amount allowed.

2. A road electing not to reprocess its data will not be given credit for overpayments and forfeits all rights to future deductions and/or offsets to amounts requested in audit reports for the period it elects not to reprocess.

RULE 7 - Reclaim for Damaged Equipment-Handling Line Responsibility

A. Reporting Requirements

When a car is destroyed or badly damaged, the handling carrier must report damage to the equipment owner as specified in AAR Interchange Rule 107.

B. Acceptance of Settlement Value

Car hire responsibility shall cease at 12 Noon of the date the handling carrier authorizes car owner to issue bill for Settlement Value. If requested settlement value is not received by the handling carrier after 15 days from the date of the request car hire shall cease.

C. Non-Acceptance of Settlement Value

1. Car Ordered Home

Car hire reclaim will not be granted to carrier damaging equipment

2. Cars sent to shop

If car is forwarded to shop for repairs, car hire responsibility will cease at date and time car is reported as interchanged to shop—or if car hire is paid for shop time a reclaim will be granted under the provisions of Paragraph E. Reclaim time is defined as interchange to shop to release from shop.

D. Intermediate Carriers

Intermediate carriers are responsible for car hire on cars moving home or to a shop on its own wheels or loaded on another car(s), but the car hire paid may be reclaimed under the provisions of Paragraph E but not to exceed 720 hours for the overhead or for the movement to an on-line shop.

E. Time Limits and Procedures

Car hire shall be paid to the car owner and recovered by reclaim. Refer to Rules 13 and 14 to determine time limits and procedures for issuing, handling and deducting reclaims.

RULE 8 - Reclaim for Defective Equipment—Owner's Responsibility

A. Reporting Requirements

Handling line shall report defective equipment. Car hire reclaim will be granted on equipment requiring repairs that reference home or contract shopping of cars and owner's responsibility for defects as contained only in AAR Interchange Rules 1, 59 and 108.

B. Home Shop/Contract Shop Disposition

1. If owner orders car sent home or to a contract shop for repairs, car hire reclaim will be granted under the provision Paragraph D. Reclaim will be allowed from 12 Noon of the date disposition is requested from the car owner until the car is interchanged off-line or to shop. In no event shall reclaim exceed 720 hours after owner furnishes disposition.

2. If the car owner orders car to a shop the time while the car is in the shop is not subject to car hire. Shop time is defined as interchange to shop to release from shop.

C. Intermediate Carriers

Intermediate carriers are responsible for car hire on cars moving home or to a shop on its own wheels or loaded on another car(s), but the car hire paid may be reclaimed under the provisions of Paragraph D but not to exceed 720 hours for the overhead or for the movement to an on-line shop.

D. Time Limits and Procedures

Car hire shall be paid to the car owner and recovered by reclaim. Refer to Rules 13 and 14 to determine time limits and procedures for issuing, handling and deducting reclaims.

RULE 9 - Interchange Reporting

A. Authority

Car Service Rule 7 determines the rules and procedures for interchange of equipment. This rule is not intended to contradict such procedures but rather to incorporate reporting instructions correction procedures, and Liability Continuity Systems (LCS) default logic to permit correct payment of car hire.

B. Governing Record

The official Interchange record created through LCS processing will be the record used for car hire payment and transfer of liability requirements.

C. Methods of Preparation

Interchange information will be reported through the AAR TRAIN system and processed through LCS which shall be the official interchange record and take precedent over any conflicting information reported otherwise.

D. Content and Frequency of Reportings

The information reported to the AAR TRAIN System must include car initial and number, status (loaded or empty), month, day and hour of interchange, delivering road, receiving road, and station of interchange. Failure to report an interchange or correction within 120 hours of the event will result in the official interchange record being generated based on the connecting road's reporting of delivery receipt or LCS logic.

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RULE 10 - LCS Default Logic and Junction Reports

A. Default Logic

1. All applications of default logic require a minimum of three (3) in-sequence logical events prior to the application of LCS logic. Default logic will not benefit the carrier that failed to report. Multiple data elements, within a single interchange record, may be changed by Liability Continuity System (LCS) default logic to create the official LCS interchange.

2. Reporting events used by LCS to properly correct interchange reportings are:

Interchange (Receipt and Delivery)
Placement (Actual and Constructive)
Arrival
Departure
Release
Pull

3. Neither Carrier Reports

a. When both carriers fail to report an interchange and continuity between the two carriers can be established prior to the 120th hour of the subsequent month, LCS will create a default interchange one (1) minute prior to the time of the first event reported by the receiving carrier. The load/empty status will be taken from the delivering carrier, and the location will be determined by LCS processing.

b. When both carriers fail to report an interchange and continuity is not established prior to the 120th hour of the next report month, LCS will create a default interchange on the first minute of the report month that continuity is established.

4. Delivering Carrier Does Not Report

When the delivering carrier fails to report an interchange, LCS will create an official interchange using the reporting of the receiving carrier.

5. Receiving Carrier Does Not Report

When the receiving carrier fails to report an interchange, LCS will create an official interchange using the reporting of the delivering carrier.

6. Both Carriers Report But Do Not Agree

a. When both carriers attempt to report the same interchange activity but the location is different, the delivering carrier's location will be used.

b. When both carriers attempt to report the same interchange activity but the time is different by four (4) hours or less, the delivering carrier's time will be used.

c. When both carriers attempt to report the same interchange activity but the time is different by more than four (4) hours, LCS will allocate the time equally between the two carriers.

B. Junction Reports

All interchange reports will be matched or generated and LCS processing done in accordance with these rules, and returned as junctions to the delivering road, receiving road and the equipment owner.

RULE 11 - Claims Handling

A. General

Interchange as referred to under this rule includes both the official interchange record created by LCS processing and car hire liability transfer reportings as specified in Rules 5 and 15. The official interchange created by LCS processing will be used for claims issuance and settlement.

B. Instructions For Issuing Claims

1.a. Claims covering errors, including incorrect rates, or omissions in car hire reports shall be presented in accordance with Appendix J. Claims shall be presented after three (3) months and within five (5) months from the last day of the month in which the car hire was earned.

b. Claims and deduction requests for amounts of \$25.00 or less shall not be issued.

2. A request for authority to deduct the time portion of car hire reported as having been earned constitutes a valid claim when presented to car owner within five (5) months from the last day of the month for which the car hire was reported.

3. Claims shall not be presented until all amounts previously reported have been properly credited. When the total hours for which the applicable car hire received on any car is equal to or greater than the total number of hours the car was off the owner's line, no claims for short hours will be issued against any road.

4. Claims for car hire shortage must show the applicable time and mileage rates. The rates claimed shall be the prescribed or bi-lateral rates on prescribed cars and the negotiated or default rates on deprescribed cars. If the applicable bi-lateral or negotiated rates provides for separate loaded and empty rates, the highest rates will be used. Interchange records must be shown on all claims issued. Cycle information is optional.

5. If complete interchange reports have not been received, claims should be filed against the road having apparently failed to furnish a report, and claimant should indicate that such information has not been received by including subsequent interchange record(s), and show hours allowed by that road for month claimed.

6. The following rules govern the records required for the month(s) prior and subsequent to the month claimed:

a. A claim covering car ON HAND at beginning of month must show date and hour of preceding interchange record or on-line event instead of "OH"

b. A claim covering car ON HAND at end of the month must show date and hour of succeeding interchange record or on-line event instead of "CH"

c. A claim covering a car off-line at beginning of month must show the last interchange record prior to the month claimed.

d. A claim covering a car off-line at end of month must show the first interchange record in the subsequent month(s), if available.

7. A claim presented in accordance with the rule may be continued, provided the car owner returns the claim to the road to which originally presented or presents it to another road within a period of two (2) months from the last day of the two (2) month period allowed the road which handled the claim prior to reissuance. The number of hours shown on the original claim may be increased by the car owner if investigation develops that the car hire is due from a road other than the road to which the claim was originally addressed.

8. Claims properly presented in accordance with this rule which are not handled as provided in Paragraph C. shall become due and payable with double penalty added to the amount claimed, upon presentation by the claimant of a statement accompanied by copies of the claims, provided such statement is presented within six months from the date amount claimed became due.

C. Instructions to Road Receiving Claims

1. A road initially receiving a claim in accordance with Paragraph B.1., from car owner must, within seven (7) months from the last day of the month in which car hire was earned: (1) pay all car hire claimed with resultant penalty in the next car hire report and claim should not be returned to car owner; (2) pay partial amount due with resultant penalty in the next car hire report and disprove further responsibility with official LCS interchange record, returning disproved claim to car owner; (3) disprove any responsibility with official LCS interchange record, returning disproved claim to car owner.

2. If claim is not satisfied, car owner shall handle with the next delinquent road in accordance with Paragraph B.

3. A road receiving a claim from car owner must, within two (2) months from the last day of the month that limits the reissuance of such claim (as prescribed in Paragraph B.7., handle as provided in Paragraphs C.1., (1) and (2).

D. Adjustment of Errors Developed in the Handling of Claims

1. Overpayment or erroneous payment of car hire as set forth in the following paragraphs of this section constitute a valid claim under the provisions of Paragraph C., above, and must be so handled.

2. When car hire has been reported to other than car owner under incorrect initials and/or for the wrong month, which fact is developed in the investigation of a claim, the reporting road shall be responsible to car owner for car hire earned at the increased car hire rate in accordance with Rule 3.A., or Rule 11.B.2., and shall have the privilege of continuing such claim for refund of car hire incorrectly paid, regardless of the amount shown on original claim, from the road to which it was incorrectly reported.

3. When car hire has been reported to car owner under incorrect initials or number, or for the wrong month, which fact is developed in the investigation of a claim, the reporting road shall deduct the car hire previously allowed and realow the car hire plus penalty to the car owner.

4. If such deduction of car hire from a car number leaves car owner short car hire on the number, the car owner shall have the privilege of continuing claim under the car number on which the deduction was made.

E. Adjustment of Accounting Errors

Car hire deducted in error on a car on which car hire has not been earned or reported as having been earned can be restored without penalty. Penalty will not accrue on adjustments for correction of errors in addition of car hire on the car hire report or on transcription to summary report.

RULE 12 - Settlements vs. Reclaims and Recoveries

The settlement of amounts accruing for the use of cars shall be made monthly without regard to reclaims pending or other car hire rules which provide for recovery of car hire.

RULE 13 - Time Limits for Processing Reclaim(s) (Effective with the October 1996 Service Month)

A. Scope

This rule applies to those roads who do not participate in the AAR Car Hire Data Exchange program. This rule will also apply to AAR Car Hire Data Exchange participants who elect not to utilize the data exchange process for recoveries provided for in Rule 14.

B. Car Hire Rule(s) 4, 5, 7, 8, 21, 22 and 23

1.a. Reclaim under Car Hire Rules 4, 7, 8, 21, 22 and 23 shall be presented within three (3) months from the last day of the month in which the car hire accrued. In case car hire accrued in more than one (1) month,

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the last calendar month will be considered as the month car hire accrued. Supplementary reclaims covering errors and/or omissions shall be presented within five (5) months from the last day of the month car hire accrued. Original and supplementary reclaims shall be allowed with or without deduction not later than the tenth (10th) day of the third (3rd) month following month in which reclaim is received.

1 b. Exceptions and supplementary reclaims under Rule 5 shall be presented as follows:

For items covered under Rule 5.F. after the third month but before the fifth (5th) month from the month in which the switch occurred.

2. Counter reclaims shall be presented to the original claimant within nine (9) months from the last day of the month in which reclaim was allowed. Counter reclaims shall be allowed with or without deduction not later than the tenth (10th) day of the third (3rd) month following month in which counter reclaim is received.

3. Reclaims and counter reclaims that are partially or totally declined must be returned to the reclaiming road prior to the last day of the third (3rd) month following month in which reclaim was received. The privilege of continuance of reclaim thereafter shall cease when either road fails to return it to the other within two (2) months from the last day of the month in which it was last received, the delinquent road to be responsible for the unadjusted amount.

C. General Provisions

1. The provisions of Paragraphs A. & B. will not prevent the continuance of any reclaim after the period named if it has been previously opened when the reclaim eventually rests upon some road other than the one originally addressed, except that the reclaim shall be presented to such other road within two (2) months from the last day of the month in which it was last received by claimant. Further handling shall be subject to the provisions of Paragraphs A. & B.

2. Reclaims shall be made by the designated officer of the road which pays the car hire to the designated officer of the road from which the allowance is reclaimed, unless specifically agreed by the interested roads to permit the presentation and acceptance of such reclaims by local representatives.

3. When reclaims are not handled with the reclaiming railroad within the time limits prescribed in Paragraphs A. & B., the reclaim amount will be increased ten (10) per cent.

4. To facilitate processing, reclaims prepared within the provisions of Paragraphs A. & B. of this rule must be summarized on a Car Hire Summary form similar to that illustrated in Appendix N.

RULE 14 - Time Limits for Deducting Reclaims

A. General Provisions

The deduction provisions contained in this rule are only applicable if: The road is a participant in the AAR Car Hire Data Exchange Program (Reclaim Format).

2. Reclaim is under Car Hire Rule(s) 4, 7, 8, 21, 22 and/or 23.

3. Provided for in Bilateral or Special Agreements.

Participants will not be required to furnish the paper reclaim detail to other participants as may be prescribed in these rules, but will be required to furnish a paper summary report for each reclaim item; totals shall be shown in the appropriate lines of the reclaim section of Appendix H. Paper detail and summary reports must be provided to a nonparticipant in the month for which the deduction is made. The continuance of any reclaim beyond the scope of this rule will be handled under the provisions of Rule 13.

B. Original Reclaim

Original reclaim(s) as provided for in Paragraph A may be deducted within three (3) months and ten (10) days from the last day of the month the car hire accrued.

C. Counter Reclaim

Counter reclaim statements to the original reclaim statements may be counter deducted on a one-time basis within three (3) months and ten (10) days of the original reclaim deduction. Counter reclaims other than the one-time basis shall be presented as provided in Rule 13.

D. Supplementary Reclaim

Supplementary reclaim statement may not be deducted. They must be handled under the provisions of Rule 13.

RULE 15 - Cars Not Accepted When Offered

A. General Provisions

Car Service Rule 7 sets forth conditions that must be complied with for the interchange of cars between connections. Special arrangements between the roads involved are permissible to alter these conditions.

B. Responsibility

1. Unless otherwise agreed to between the roads involved, when interchange cannot be accomplished due to a road's failure to receive promptly from a connection cars on which it has laid no embargo, the receiving carrier shall be responsible to the car owner for the car hire on cars so held for delivery, including cars owned by either the delivering or receiving line.

C. Notification Procedures

1. It shall be the duty of the connection holding cars when interchange cannot be accomplished to notify the delinquent line.

a. After notification, an EDI Transaction Set 418 (advance consist) with a unique offering indicator including the equipment initial and number, load empty status, location where equipment is held and interchange location may be transmitted by the holding road and addressed to the delinquent road and to RAILINC.

b. A holding road may elect to transfer the liability via a TRAIN08 message in lieu of transmitting a unique Transaction Set 418.

c. Car hire liability transfers from connection holding cars to the delinquent line effective with the date and time the transmission is received by RAILINC.

2. The AAR will notify the holding road, equipment owner and receiving road of the date and hour car hire responsibility will transfer from the delivering road to the receiving road via a TRAIN28 message.

D. Acceptance Procedures

1. When cars can be accepted, the delinquent line must notify the holding carrier the date and hour cars can be accepted on the interchange track and the holding carrier must deliver such cars within 24 hours.

INTERPRETATIONS

Question 1: In case a car held for a certain road is not delivered to that road, but is used by the holding road, can car hire liability be transferred to road refusing car?

Answer: Yes, from date and hour offered until date and hour concurrence for such use is given by the delinquent road prior to use by the holding carrier.

Question 2: In case cars are held for a certain road and subsequently are delivered to another road in the same switching district to expedite the movement, can car hire liability be transferred to road refusing cars?

Answer: Yes, from date and hour offered until date and hour concurrence for such movement is given by the delinquent road prior to such handling.

Question 3: In case cars are held for a certain road and subsequently are forwarded on road holding cars to expedite the movement, can car hire liability be transferred to road refusing cars?

Answer: Yes, from date and hour offered until date and hour concurrence for such movement is given by the delinquent road prior to such handling.

Question 4: After delinquent line has notified holding carrier that cars can now be accepted but before all offered cars are delivered, the delinquent line again notifies of its inability to accept some or all of the cars, will the transfer of car hire reported by the holding carrier continue on the remaining cars not yet delivered as if the delinquent line had not notified of its inability to accept these remaining cars?

Answer: Yes.

Question 5: How is Rule 15 applied to cars handled in switching service?

Answer: The Rule 15 only protects the period of time from offering to official interchange.

RULE 16 - Intentionally not used

RULE 17 - Arbitration Committee

A. Scope

To formally interpret these rules and to settle disputes arising under them, the Operations General Committee, Operations and Maintenance Department, shall act as an Arbitration Committee. Members representing a majority of the total votes of the Operations General Committee's membership shall be present to constitute a quorum.

B. Rule Disputes

In case any question or dispute arises under these rules, it may be submitted to the Arbitration Committee through the Secretary of the Customer Operations Division in abstract. The abstracts shall briefly set forth the points at issue and each party's interpretation of the rules upon which its claim is based. The Arbitration Committee shall base its decisions upon the rules and the abstracts submitted, and its decisions shall be final. Should one of the parties refuse to participate, the Arbitration Committee will consider the case on the basis of the information submitted by the participating party. All decisions shall be reported to the Association through the Operations General Committee, Operations and Maintenance Department.

C. Non-Rule Disputes

In case a question shall arise not covered by the rules, the roads disagreeing may, by mutual consent, submit such questions to the Arbitration Committee.

D. Allocation of Expenses

The Operations General Committee, Operations and Maintenance Department, may appoint a Secretary for the Arbitration Committee, who shall be paid by the Association. The other expenses of the Arbitration Committee shall be divided equally between each of the parties to the dispute and the Association. The expenses shall be first paid by the Association, and then billed to the parties concerned by the Treasurer of the Association.

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RULE 18 - Interpretation and Revision of Rules

The Committee on Car Service of the Customer Operations Division, Association of American Railroads, shall have authority to informally interpret these rules, and to make recommendations for changes or revisions thereto to the Operations General Committee, Operations and Maintenance Department, Association of American Railroads. Upon approval by the General Committee, such changes or revisions to these rules will be submitted to the Subscribers for approval.

RULE 19 - Plenary Powers of Customer Operations Division

A. General Provisions

1. The Board of Directors of the Association of American Railroads shall establish a Customer Operations Division, headquartered in Washington, D.C., within the Operations and Maintenance Department to maximize the utilization of freight cars consistent with equitable distribution thereof, particularly in times and areas of car shortages. The car service and car hire activities of the Customer Operations Division shall be under the supervision of an Assistant Vice President appointed by the Vice President, Operations and Maintenance Department, and, for the aforesaid purposes, shall be vested with plenary power to:

- Supervise the application of Car Service and Car Hire Rules.
- Suspend or permit departures from Car Service Rules 1 to 6, inclusive, except as provided in Rule 20.
- Exempt when necessary, cars of any type from the provisions of Car Service Rules 1 to 6, inclusive, and provide other regulations under which such cars shall be handled.
- Transfer cars from one railroad or territory to another when necessary to meet traffic conditions, consistent with car ownership and requirements. Issue embargoes and reroute orders as agent for the serving or disabled railroad(s) to prevent undue freight car accumulation and insure the timely movement of traffic.
- Conduct investigations, including examination of car records, as may be necessary to insure the observance of Car Service and Car Hire Rules and of any orders and directives issued by the Customer Operations Division, and when deemed necessary or desirable, report all the facts with a recommendation to the General Committee, Operations and Maintenance Department.

1. Obtain car location statements and other car performance statistics as deemed necessary in carrying out its functions.

g. (1) Assess railroads for failure to comply with Car Distribution Orders, Directives and Special Car Orders issued by the Customer Operations Division when such orders or directives provide that the provisions of this Paragraph (g.) shall apply thereto. The amount of assessment for failure to deliver cars in accordance with such Distribution Orders issued by the Customer Operations Division shall be a minimum of \$50.00 for each car that is not delivered in accordance with the order. The amount of assessment for violation of such Directives and such Special Car Orders issued by the Customer Operations Division shall be a minimum of \$50.00 for each act which constitutes a violation. With prior approval of the President of the Association of American Railroads, and to be effective during any stated period of time, the amount of assessment herein authorized may be set by the Customer Operations Division at a level up to \$500.00. Notice of all changes in level above the \$50.00 minimum will be given to each railroad subject to this rule at least five (5) days in advance of the effective date of such change.

(2) For the purpose of this rule, the car owner is the railroad which controls the cars for car service purposes. Upon complaint of a car owner, the Customer Operations Division shall investigate whether that railroad's cars have been loaded in violation of any applicable Customer Operations Division Directive within 90 days prior to receipt of such complaint. If the Asst. Vice President of the Customer Operations Division determines that violations have occurred, the Car Service Officer of the car owner shall be notified of the facts and circumstances of such violations. The car owner shall communicate with the Car Service Officer of the "violating" railroad and seek an equitable arrangement associated with such usage. If the car owner cannot reach an equitable agreement with the violating railroad, the car owner must, within 45 days after it was originally notified by the AAR of the violations, advise the AAR:

(a) Of the date the car owner notified the Car Service Officer of the violating railroad of the facts and circumstances of the alleged violations, and

(b) that the car owner is unable to reach an equitable arrangement with the violating railroad concerning the car usage in question.

The AAR will report the details of the facts and circumstances of the alleged violations to the Committee on Car Service at its next meeting in order that the Committee can determine if assessments should be levied in accordance with Paragraph (g)(1). If the next meeting of the Committee occurs within 30 days of the date the violating railroad was notified of the alleged violations, then the matter will be addressed at the following meeting. Each party may present a written abstract and oral presentation before the Committee. A majority of the membership of the Committee shall constitute a quorum and a majority vote of those present shall govern. Members may be excused from attendance and their votes may be considered without discussion.

from discussing and voting on the dispute being considered. The Committee's decision is final.

(3) All funds received from the assessments provided for in this paragraph (g) shall be payable to the Association of American Railroads. A percentage of the funds collected will be used by the Customer Operations Division to defray its costs associated with administering the assessment process. The remaining percentage will be distributed to the car owner involved in each assessment check. Funds collected will be disbursed as follows:

ASSESSMENT LEVEL	AAR PORTION	OWNER PORTION
\$100.	90%	10%
\$200.	80%	20%
\$300.	75%	25%
\$400.	70%	30%
\$500.+	65%	35%

h. Perform such other duties as may be assigned by the Vice President, Operations and Maintenance Department.

RULE 20 - Agreement of Canadian Roads

Departure from Car Service Rules 1 to 6, inclusive, affecting Canadian Railway cars on United States Railroads, or United States Railroad cars on Canadian Railways, shall be only by agreement as between the Association of American Railroads and the Railway Association of Canada.

RULE 21 - Reclaims - "D" Transportation Code

A. Authority and Content

1. Carriers which cannot advance an empty car containing a "D" Transportation Code may, after notification to the owner, reclaim the time portion of the car hire paid from the date and hour the owner was notified until date and hour the empty car is interchanged to another carrier. Reclaims shall contain the car's initial and number, storage location, beginning date and hour and ending date and hour.

2. If car hire is reclaimed under this rule, such car hire shall not be reclaimed for the same time period under any other car hire rule.

3. If the holding road elects to load the car after notification to the owner, the right to reclaim under this rule is forfeited.

B. Time Limits

Refer to Car Hire Rules 13 and 14 to determine time limits and procedures for issuing, handling and deducting reclaims.

RULE 22 - Reclaim for Loading Delay - Owner Responsibility

A. General

1. Reclaims made under this rule shall be prepared on a form similar to that shown in Appendix K.

2. Loading point, referred to in this rule, means any point within the limits of the switching district in which the industry being serviced is located.

3. The date and hour placed for loading, referred to in this rule will be the date and hour demurrage free time commences or the date and hour released loaded, whichever comes first.

4. When assignee is granted relief from storage charges as provided in service orders or tariffs, car owner will allow reclaim for the hours car is so exempted from storage charges.

B. Car Service Rule 16 Assigned Cars

1. When owner or lessee orders cars which are assigned to a specific shipper, in accordance with the provisions of Car Service Rule 16 to a road for loading, reclaim for idle time while held at the loading point will be allowed from the date and hour of arrival at the loading point, as evidenced by the car movement record, to the date and hour placed for loading as evidenced by demurrage report, or to the date and hour subject to storage charges.

2. When empty cars are held at a holding point short of the loading point, in excess of 24 hours, owner or lessee will allow reclaim for all detention time from date and hour of arrival at holding point to date and hour of departure from holding point, as evidenced by the car movement records, excluding hours cars are subject to storage charges.

3. When empty cars are ordered home from a holding or loading point, reclaim for all car hire will be allowed from date and hour of arrival at holding or loading point, as evidenced by the car movement records, to date and hour delivered to owner, excluding hours cars are subject to storage charges.

4. When empty cars are ordered from a holding or loading point to a new loading point, reclaim will be allowed from date and hour of arrival at holding or loading point to the date and hour forwarded, as evidenced by the car movement records, excluding hours cars are subject to storage charges.

5. With the concurrence of all roads involved, agreements may be negotiated to allow reclaims on a proration of detention of all cars assigned by participating carriers in direct relation to the proportion of revenue received, or any other agreed upon basis.

C. Other Assigned Cars

With the concurrence of the transportation or other officer of the holding road, assigned cars may be ordered to a road for loading. Reclaim for idle time while held at the loading point will be allowed from the date and hour of arrival at the loading point, as evidenced by the car movement records.

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to the date and hour placed for loading as evidenced by the demurrage report, or to the date and hour storage charges commence. Provisions of Paragraphs B.2., 3., 4. and 5. will apply to these cars.

D. Rates

The rates to be used in calculating reclaims shall be the rates paid by the reclaiming road to the car owner.

E. Time Limits

Refer to Car Hire Rules 13 and 14 to determine time limits and procedures for issuing, handling and deducting reclaims.

RULE 23 - Storage Reclaim Under 49 CFR 1039.14(c)(1)(II)

A. Authority and Content

1. Carriers may reclaim car hire payments on boxcar equipment as authorized by 49 CFR 1039.14(c)(1)(II). Reclaims shall contain the individual car's storage location, beginning and ending month, date and hour.

2. If car hire is reclaimed under this rule, such car hire shall not be reclaimed for the same time period under any other car hire rule.

3. Refer to Car Hire Rules 13 and 14 to determine time limits and procedures for issuing, handling and deducting reclaims.

RULE 24 - Empty Mileage Charges Under Car Service Rule 5

A. Statement Procedures

1. Statement of charges shall be presented to the requesting road or the car owner (as applicable) within three (3) months from the last day of the month in which the cars moved. Statement shall contain the individual car's origin, destination, month and date arrived, and the billable mileage. Charges shall be allowed with or without deduction not later than the 10th day of third (3rd) month following month in which statement is received.

2. Statements of charges that are partially or totally declined must be returned to the issuing road prior to the last day of the third (3rd) month following month in which statement was received. The privilege of continuance thereafter shall cease when either road fails to return it to the other within two (2) months from the last day of the month in which it was last received, the delinquent road to be responsible for the unadjusted amount.

RULE 25 - Car Hire Arbitration

A. Definitions

As used in this rule, the following terms shall have the following meanings:

1. Arbitration Award: The decision of an arbitrator as to the car hire rate determined pursuant to arbitration under Paragraph C of this rule.
2. Arbitrator: An arbitrator selected pursuant to Paragraph C.7.b. of this rule.
3. Car: A freight car bearing railroad reporting marks and for which car hire rates are not prescribed by the Interstate Commerce Commission.
4. Owner: A rail carrier entitled to receive car hire.
5. User: A rail carrier in possession of a car of which it is not the owner.

B. Negotiation Process

1. Whenever an owner or a user proposes to establish a new rate or change the existing rate to be paid for the use of a car, it shall either file such proposed rate with the AAR or negotiate a bilateral agreement directly with the other party. The AAR shall permit only the owner and user of such car to have access to any proposed rate that has been filed and shall keep rates confidential.

2. If the rate proposed by the owner and the rate proposed by the user are identical, such proposed rate shall automatically take effect. If an owner proposes to charge less than the existing rate or a user proposes to pay more than the existing rate, such proposed rate shall automatically take effect, provided, however, that if such rate is proposed to be effective for a specified period of time, that rate shall be effective only for such period. At the expiration of such period of time, if any, the user shall pay the rate previously in effect. In the case of a car for which a rate is currently in effect, a change in the existing rate may be proposed to be effective for a specified period of time. If the rates proposed by the owner and the user are identical and are proposed to be effective for an identical period of time, that rate shall automatically take effect for such period of time. At the expiration of such period of time, the user shall pay the rate previously in effect.

3. If an owner proposes to charge more than the existing rate or the rate proposed by the user or if a user proposes to pay less than the existing rate or the rate proposed by the owner, the user shall continue to pay the rate last in effect, whether prescribed by the Interstate Commerce Commission or established by a bilateral agreement or an arbitration award. In the absence of an existing rate, the car shall be deemed to have a rate equal to the lowest negotiated positive rate in effect for that car type at the end of the previous quarter.

4. The rate to be paid may be changed at any time by filing with the AAR a new rate set by a bilateral agreement, provided, however, that the AAR receives confirmation of such rate from both parties. The rate to be paid may be changed at any time after the expiration of the effective period (established pursuant to Paragraph C(5)(h) of this rule) for a car hire rate established by an arbitration award by filing with the AAR a certified copy of a subsequent arbitration award.

5. A new rate established pursuant to this rule will become effective on the first day of the next calendar month after such rate is filed with the AAR.

6. Notwithstanding the definition of "car" in Paragraph A of this rule:

a. (1) An owner and a user may conclude a bilateral agreement for a car for which a car hire rate is prescribed by the Interstate Commerce Commission through the use of the negotiating process established by Paragraph 3 of this rule.

(2) Any owner voluntarily electing to designate a car as one for which car hire rates are not prescribed by the Interstate Commerce Commission must provide notice of such election to the AAR at least 90 days prior to the effective date of such election. If the owner does not hold legal title to the car, such notice shall include a written consent to such election from the party holding legal title if such consent is required by 49 CFR 1033.1. If the car subsequently becomes subject to rates prescribed by the Interstate Commerce Commission pursuant to 49 CFR 1033.1, the owner shall notify the AAR.

b. In the case of a car for which there is a written and binding contract to purchase or build, an owner and a user may conclude a bilateral agreement through the use of the negotiating process established by Paragraph B of this rule and may arbitrate pursuant to Paragraph C of this rule prior to placement of the car in service.

C. Arbitration

1. If the owner and user of a car are unable successfully to conclude a bilateral agreement on car hire:

a. The parties may jointly seek to resolve the dispute pursuant to any procedure they agree upon, or

b. Either party may submit the matter to the American Arbitration Association for arbitration pursuant to this rule.

2. a. Either party may require an exchange of best and final offers by notifying the other party and the AAR. Upon receipt of such request, the AAR shall notify both parties to file with the AAR best and final offers by a date certain that is 28 calendar days after the date notification is sent by the AAR. If a party fails to file a best and final offer with the AAR within the 28-day period, the proposed rate it last filed with the AAR shall be deemed to be its best and final offer. If a party that fails to file its best and final offer has also not previously filed a proposed rate with the AAR, the previously existing rate, will be deemed to be its best and final offer. The AAR shall simultaneously disclose best and final offers to the parties as soon as both best and final offers have been received. If the car owner's best and final offer (time, mileage and appurtenance rates, if applicable) is equal to or lower than the user's best and final offer, the owner's best and final offer will become a market rate effective the first of the subsequent month. All other best and final offers remain binding for purposes of arbitration for a period of 180 calendar days following the date that such best and final offers were disclosed by the AAR.

b. If all cars designated in an owner's or user's request for a best and final offer are new (built, Rule 88 rebuilt or OT-37 January 1, 1993 or after) and the current applicable rate for all cars is the default rate, then the non-requesting party's best and final offer response will become the effective rate for all such cars on the first day of the following month, subject to arbitration as described below. This Paragraph will remain in effect from September 1, 1998 through August 31, 2000.

c. Notwithstanding Paragraph 2.b., above, if the car owner requests a best and final offer and its best and final offer (time, mileage and appurtenance rates, if applicable) is equal to or lower than the user's best and final offer, the owner's best and final offer will become effective as a market rate on the first day of the subsequent month. All other best and final offers remain binding for purposes of arbitration for a period of 180 calendar days following the date that such best and final offers were disclosed by the AAR.

3. At any time after best and final offers have been disclosed to the parties by the AAR, either party may initiate final and binding arbitration in accordance with Paragraph C of this rule.

4. When the merger of two or more railroads occur, the best and final offer process will be as follows:

a. If only one of the merging roads continues to exist after the merger, best and final offers applicable to that railroad will continue. If the other railroad(s) being merged as part of that transaction have outstanding best and final offers, they will be canceled on the effective date of the merger.

b. If a new railroad is created, that railroad will choose to pay the payable rates of one of the merged railroads in all cases (see Rule 1.K). Any best and final offers associated with the railroad whose payable rate was chosen by the new railroad will continue. If the other railroad(s) being merged as part of that transaction have outstanding best and final offers, they will be canceled on the effective date of the merger.

5. When the merger of two or more railroads occur, the arbitration process will be as follows:

a. If only one of the merging roads continues to exist after the merger, arbitration proceedings applicable to that railroad will continue. If the other railroad(s) being merged as part of that transaction have outstanding arbitration proceedings, they will be canceled on the effective date of the merger.

b. If a new railroad is created, that railroad will choose to pay the payable rates of one of the merged railroads (see Rule 1.K). Any associated

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arbitration proceedings with the railroad whose payable rate was chosen by the new railroad will continue. If other railroad(s) being merged as part of that transaction have outstanding arbitration proceedings, they will be canceled on the effective date of the merger.

6. Except as otherwise provided in Paragraph C.7., arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

7. Unless otherwise mutually agreed upon by the parties:

a. A party initiating arbitration shall submit a written Demand for Arbitration, using Section 1 of the AAR Car Hire Arbitration Form (Appendix F), to the American Arbitration Association and shall deliver a copy of such Demand for Arbitration by overnight mail, to the other party. The Demand for Arbitration shall include a precise description of the cars at issue.

b. All disputes shall be heard and determined by one arbitrator who shall have experience in arbitrating complex matters of a magnitude similar to the matter in dispute. The American Arbitration Association shall appoint an arbitrator within 30 days of its receipt of the Demand for Arbitration submitted pursuant to Paragraph C.7.a.

c. Within 30 days after the receipt by the other party of the Demand for Arbitration each party shall send a confidential statement, including any supporting materials, to the arbitrator setting forth any evidence and argument in support of its position. A copy of such statement shall be delivered to the other party by certified mail, return receipt requested. Each party shall be given 30 additional days in which to submit a reply statement to the arbitrator. A copy of the reply statement, if any, shall be delivered to the other party by certified mail, return receipt requested.

d. The arbitrator shall select the best and final offer that is closer to the fair market rental value of the cars at issue as determined on the basis of evidence of comparable arm's-length transactions involving any combination of railroads, shippers or other parties. The term "fair market rental value" shall not be interpreted to favor the economic interests of either car owners or car users and is intended to reflect value to both car owners and car users.

e. The arbitrator shall consider any relevant evidence, except proposed rates filed by the parties with the AAR in accordance with Paragraph B(1) of this rule, rates deemed to apply pursuant to Paragraph B(3) of this rule, and prior arbitration awards. The arbitration award shall be final and binding on the parties and shall be delivered to each party and the AAR

within 5 days of the decision of the arbitrator, using Section 3 of the AAR Car Hire Arbitration Form (Appendix F). The arbitrator shall not render an opinion, comment, or any other statement concerning the award.

f. At the request of either party, and for good cause shown, the arbitrator shall provide for the confidential treatment of commercially sensitive information.

g. The arbitration process shall be concluded and a decision rendered within 90 days after the receipt by the American Arbitration Association of the Demand for Arbitration or 60 days after the appointment of the arbitrator, whichever is later.

h. The car hire rate established by an arbitration award shall remain in effect until a new rate is established by a bilateral agreement or by a subsequent arbitration award, provided, however, that a new rate established by a subsequent arbitration award shall not take effect until the rate established by the previous arbitration award has been in effect for a period of one year.

i. The parties shall share equally the first \$2,000 incurred for the administrative fees and expenses of the American Arbitration Association and for the fee of the arbitrator. The party whose rate is not selected by the arbitrator shall bear such fees and expenses in excess of \$2,000.

8. A party to an arbitration may petition the appropriate court for enforcement or review of the award in accordance with the United States Arbitration Act, 9 U.S.C. Sec. 1 et seq. Pending judicial review, the rate in effect shall be the rate established by the arbitration award.

D. Voting Procedures

1. Adoption of any amendment to this rule requires the affirmative vote of the members of the Committee on Car Service owning not less than 67 percent of the revenue freight cars owned by such members. At any time prior to the effective date of a proposed amendment to this rule, the representative of The American Short Line Railroad Association on the Committee on Car Service may request a Class III subscriber review of such proposed amendment. Pending completion of such review, the amendment shall not become effective.

2. When a Class III subscriber review is requested, the Secretary shall promptly put to all Class III subscribers the question of whether they oppose the proposed amendment. If a majority of the Class III subscribers oppose the amendment, it shall not become effective.

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**APPENDIX A
REFERENCE CAR HIRE RULE 5
CODE OF SWITCHING RECLAIM RULES - FREIGHT**

A. Definitions**1. Terminal Switching Road**

A road on which, or on private tracks connecting therewith:

a. A car received from a carrier road, either direct or through an intermediate road, is unloaded, reconsigned or reshipped.

b. A car is loaded, reconsigned or reshipped, and delivered to a carrier road, either direct or through an intermediate road. The service performed being within the designated switching limits and at a switching charge.

2. Intermediate Switching Road

A road handling a car from one railroad, steamship, ferry or barge line within designated switching limits (the car not being loaded or unloaded on the intermediate switching road), such road performing the service not participating in the freight rate

3. Carrier Road

A road which, participating in the freight rate, or which handles its own company material in road haul:

a. On the inbound shipment, delivers a car to a terminal switching road, either direct or through an intermediate switching road, for unloading, reconsigning or reshipping.

b. On the outbound shipment, receives a car from a terminal switching road, either direct or through an intermediate switching road, that has been loaded, reconsigned or reshipped by the terminal switching road.

4. Terminal Switching Service

The service performed by a terminal switching road, as defined in these rules.

5. Intermediate Switching Service

The service performed by an intermediate switching road, as defined in these rules. An empty car returned in home route to a switching road, previously loaded, reconsigned or reshipped in terminal switching service by such road which is then delivered empty to another road within the same switching district will not be considered as handled in intermediate switching service.

6. Interterminal Switching Service

The service performed in handling a car which has been loaded or reshipped within the switching limits on one road for unloading or reshipping within the same switching limits on another road and at a switching charge.

B. General Rules

1. Car Hire Rule 5 is not affected by the fact that in switching service the switching road may collect its charges from the shipper or consignee.

2. These rules apply only to cars subject to car hire basis of settlement, including cars owned by the switching road, except they shall not apply to cars loaded with company material (including company coal) for the use of the switching road.

**APPENDIX B
REFERENCE CAR SERVICE RULE 11(G),
CAR HIRE RULES INTRODUCTION**

Rules Governing Settlement of the Use of Foreign Railroad-Owned Freight Cars by Short Line Railroads, Which are Less Than 100 Miles in Length.

1. The Code of Car Hire Rules shall apply, except as herein after modified or amended.

2. a. Short lines having but one connecting railroad may settle with that road for the use of foreign freight equipment, if no alternative methods of settlement are available.

b. Short lines having connection(s) with more than one railroad will settle with the car owner for the use of foreign freight equipment except when authorized to settle with connecting railroads by those railroads.

3. Settlements under Rule 2 shall be made promptly after the close of each calendar month and shall include all car hire accruing during that month.

4. The connecting carrier with which settlements are made under Rule 2 shall report all car hire accruing on such cars to the car owner, in accordance with the Code of Car Hire Rules.

5. Junction reports prescribed by Car Hire Rule 10 need not be made for cars subject to Rule 2.

**APPENDIX C
has been eliminated**

**APPENDIX D
has been eliminated**

APPENDIX E

(a) Definitions applicable to this section.

(7) User: A rail carrier in possession of a car of which it is not the owner.

Car hire for fixed rate cars shall be determined as follows:

(1) Except as provided in Paragraph (b)(3) of this section, for a 10-year period beginning January 1, 1983, the prescribed rates shall continue to apply to fixed rate cars without regard to the aging of such cars subsequent to December 31, 1980. Prescribed car hire rates shall not be increased for any additions and betterments performed on such cars after December 31, 1980. Any OT-37 surcharge to prescribed rates for work performed prior to January 1, 1983 shall expire upon the earlier of (i) the car becoming a market rate car or (ii) the expiration date provided in Association of American Railroad Circular No. OT-37.

(b)(1) Upon termination of the 10-year period specified in Paragraph (b)(1) of this section, all fixed rate cars shall be deemed to be market rate cars and shall be governed by paragraph (b) of this section.

(3) (f) During each calendar year beginning January 1, 1994, a rail carrier may voluntarily elect to designate up to 10 percent of the cars in its fleet as of January 1, 1993 to be treated as market rate cars for the purposes of this section. The 10 percent limitation shall apply each calendar year and shall be non-cumulative. Cars designated to be treated as market rate cars shall be governed by paragraph (c) of this section. Such election shall be effective only in accordance with the following provisions:

(A) An election shall be invocable with blocking as to the rail carrier making the election and all users and subsequent carriers it:

(1) The rail carrier making the selection has legal title to the car.

(2) The rail carrier making the election does not have legal title to the car but obtains written consent for such election from the party holding legal title, or

(3) The transaction pursuant to which the party holding legal title to the car has furnished the car to the rail carrier making the election was entered into after January 1, 1991.

(B) An election shall be irrevocable and binding only for the term of the transaction pursuant to which the car was furnished to the rail carrier making the election as to that rail carrier and all users and subsequent owners if:

(1) That rail carrier does not have legal title to the car and does not have written consent for such election from the party holding legal title;

(2) The transaction was entered into prior to January 1, 1991, and;

(3) The transaction does not provide that the compensation to be paid to the party furnishing the car is to be based in whole or in part directly on the car hire earnings of the car; provided, however, that if the rail carrier making the election subsequently obtains legal title to the car, such election shall then be irrevocable and binding as to that rail carrier and all users and subsequent owners.

(C) The party holding legal title to the car may revoke an election subject to the provisions of Paragraph (b)(3)(i)(B) only:

(1) At the time the transaction pursuant to which the car was furnished to the rail carrier making the election is first extended or renewed after January 1, 1991; or

(2) (i) If such transaction is not extended or renewed, at the time such transaction terminates.

If such election is so revoked, a rail carrier may make a new election only with the written consent of the party holding legal title to the car, and such election shall be irrevocable and binding as to the rail carrier making the election and all users and subsequent owners.

(ii) Nothing in Paragraph (b)(3)(i) of this section shall be construed to limit the rights of parties to any trans-action to provide for the consent of any party to an election made pursuant to such paragraph.

(c) Market rate cars.

(1) Market rate cars shall not be subject to prescribed rates or to the provisions of 49 C.F.R. 1039.14(c)(1)(i) and (ii) and (c)(4).

(2)(i) The Commission shall not prescribe car hire for market rate cars.

(ii) The Code of Car Hire Rules referenced in the Association of American Railroads Car Service and Car Hire Agreement provides that owners and users party to that agreement shall resolve car hire disputes thereunder. The Commission may review allegations of abuse of the car hire dispute resolution process established under those rules.

(iii) Car Hire disputes involving an owner or user not a party to that agreement may be resolved by the Commission.

(d) Car Hire agreements.

(d) Car hire agreements.
Rail carriers are authorized to negotiate and enter into agreements governing car hire.

(a) Effective date.

The revisions to this rule shall take effect on January 1, 1964.

40 C.F.R. 1039.14(c)(3) is amended by adding the following sentence at the end thereof:

"Any improvements or repairs subsequent to December 31, 1990, to the excluded boxcars performed under OT-37 criteria or under rebuilt criteria or any other criteria shall not result in any increases, additions, or surcharges in the carhire rates for such cars."

APPENDIX F
ASSOCIATION OF AMERICAN RAILROADS
DAR HIRE ARBITRATION FORM

Section 1

The _____ Date _____ is requesting that the American Arbitration Association arbitrate its car hire rate dispute with the _____ for the freight cars listed on the attached printout. Best and final offers for these listed cars are contained in the AAR Bid & Offer File as Not(s).

Bionature

Section 2

In conjunction with the above request for arbitration, the following rates are currently contained in the AAR Bid & Offer file under No. _____ as each party's best and final offer:

Railroad

Rate

Signature

Association of American RRs.

Section 3

It is the decision of the arbitrator for the American Arbitration Association in the above arbitration that the car hire rate of the cars at issue shall be the best and final offer submitted by _____ in the following best and final offer(s).

It is the decision of the arbitrator for the American Arbitration Association in the above arbitration that the car hire rate of the cars at issue shall be the best and final offer submitted by _____ in the following best and final offer(s).

Signature

CAR HIRE ARBITRATION GUIDELINES

Car Hire Rule 25, effective January 1, 1994 sets forth the procedures for arbitration if the owner and user of a car are unable to successfully conclude a bilateral agreement on car hire for market rate cars. Paragraph C.4. states that "Except as otherwise provided in Paragraph C.5., arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA). Paragraph C.5., sets forth specific procedures that will be used unless the parties mutually agree otherwise. The following Administrative guidelines will apply unless the parties agree otherwise.

The party initiating arbitration should complete the Car Hire Arbitration

CODE OF CAR HIRE RULES AND INTERPRETATIONS - FREIGHT

Form (Appendix F), Section 1, and forward it by overnight mail to the party with whom the car hire rate dispute involves, the American Arbitration Association at 2200 Century Blvd., Suite 300, Atlanta, GA 30345, and the Supervisor Car Hire Depreciation, AAR/RAILINC, 7001 Weston Pkwy, Suite 200, Cary, NC 27513. The initiating party should include its name, telephone number and address as well as similar information for the second party to the dispute.

The AAA will then contact both parties to determine if the parties have agreed to any specific procedures (use of railroad arbitrator list or regular AAA arbitrator lists; will oral hearings be necessary and if so, have the parties agreed to a location -- if not, AAA will default to Washington, D.C. or Kansas City, MO).

The AAA shall inform both parties as to where their confidential statements and reply statements should be forwarded (Car Hire Rule 25, C.S.C.). The AAR will submit each parties best and final offers by completing Section 2 of Appendix F and provide copies to the parties involved in the arbitration. The arbitrator will complete section 3 of Appendix and forward it to the involved parties and the AAR within 5 days of the decision. Decisions will be rendered within 90 days after receipt of the request by the AAA of the demand for arbitration or 60 days after the appointment of the arbitrator, whichever is later.

Unless otherwise agreed to by the involved parties, an arbitrators compensation will be \$600.00 per day, maximum, not to exceed \$1,000.00 maximum per arbitration hearing, plus reasonable expenses. A \$1,000.00 administration fee will be charged by AAA. the parties shall share equally the first \$2,000.00 incurred for the arbitration proceeding. The party whose rate is not selected by the arbitrator shall pay all expenses in excess of \$2,000.00. The AAA will bill the appropriate charges to both parties.

APPENDIX G

REFERENCE CAR HIRE RULE 11 A.2.4

NORTH & SOUTH RAILROAD
CAR HIRE REPORT

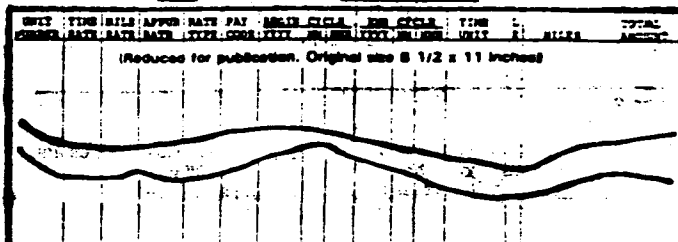
AAR ACCOUNTING CODE
AAR ACCOUNTING NUMBER

SSS
SSS

SHEET NUMBER
MONTH/YEAR

UNIT INITIAL PAID BY

OWNER: EAST WEST RAILROAD



NOTE: See Appendix G1 to determine how totals are to be displayed.

APPENDIX G-1
REFERENCE APPENDIX G AND I
Rate Type Definitions

Code	Definition
B	Depreciated-New Cars From BFO
L	Prescribed Spot/Seasonal Bilateral Rate
M	Depreciated or Market Rate
O	Depreciated Default Rate
R	Arbitrated
S	Depreciated Spot/Seasonal Rate
T	Tariff Rate
U	UMLER Rate
V	"Special" Prescribed Bilateral Rate
W	Prescribed Bilateral (Agreed) Rate
Y	Contract Rate
Z	"Special" Depreciated Market Rate

Pay Code Definitions

Code	EDI	Code	Definition
A	AJ		An adjustment to an initial cycle settlement.
C	FP		An initial full and complete settlement for a cycle
F	FL		A final payment for a cycle which was initiated in previous months.
L	LT		Final Payment of Reclaim Liability Transfer
P	PP		A partial payment for a trip that begins in one month and completes in the next.
R	PT		Partial Payment of Reclaim Liability Transfer
T	FT		Full Payment of Reclaim Liability Transfer
U	NS		A default value if unknown. Payment when prior or subsequent status is unknown at the time of payment.

Grand Total Reporting Procedures for Appendix G and I

Individual Sheet Totals are not to be reported. The grand totals, by reporting mark, for each service month will be displayed on the last detail sheet as follows:

Total Grand Total Hours Amount Miles Amount Apportionment Amount
Lead
Empty
Cycles

APPENDIX H

NORTH SOUTH RAILROAD

SUMMARY OF AMOUNTS DUE FOR CAR HIRE OF
FREIGHT CARS, TRAILERS AND RELATED COSTS

FOR EQUIPMENT OF _____ MONTH OF _____

ITEM NAME	ACCOUNT	(A)	(B)	(A)-(B)	
	TYPE	DESC	PAYMENT	DEDUCTION	NET
CAR HIRE RULES 1/11	010				
CURRENT		01			
FIRST ADJ.		02			
PRIOR		03			
PENALTY		01,02,03,06			
APPURTENANCE	010				
CURRENT		01			
FIRST ADJ.		02			
PRIOR		03			
PENALTY		01,02,03			
INTERMODAL 17/11T	030				
CURRENT		01			
FIRST ADJ.		02			
PRIOR		03			
PENALTY		01,02,03			
CAR HIRE OTHER					
CAR HIRE MISCELLANEOUS	004	ANY			
RULE 4	040	07,08,09			
RULE 7	070	07,08,09			
RULE 8	080	07,08,09			
N.D. FLAT CANCEL CHARGE	016				
RULE 20	221-225	07,08,09			
RULE 22	230	07,08,09			
MISCELLANEOUS					
SPECIAL	400	07,08,09			
BILATERAL	420	07,08,09			
CONTRACTS	490	07,08,09			
RESERVED	500-599	07,08			
TRAILER RELIEF	600	07,08,09			
NON CAR HIRE - OTHER					
COR - 5	800	XXXXXXXXXX			
SPECIAL USE CHARGE	810	XXXXXXXXXX			
ORIGIN DETENTION	820	XXXXXXXXXX			
DESTINATION DETENTION	830	07,08,09			
OT - 5	850				
TAX	860	XXXXXXXXXX			
GRAND TOTALS	XXX	XXXXXXXXXX			

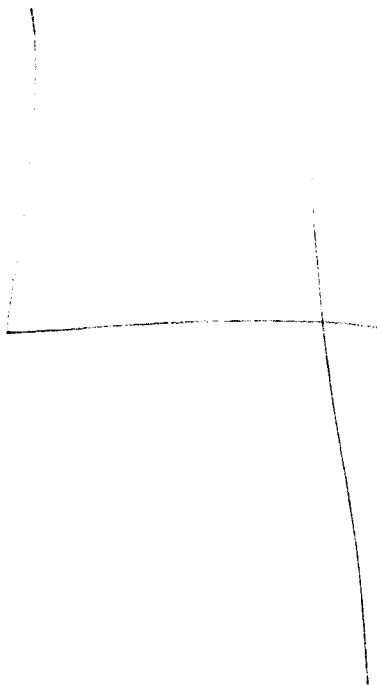
*Applicable to exchange type roads only.

Only transaction qualifiers 31 and 32 are to be included when producing appendix H summary.

Trans. qualifier 31 = payment

Trans. qualifier 32 = deduction

(Reduced for publication. Original size 8-1/2 x 11 inches)



AGREEMENT

THIS AGREEMENT, made and entered into this 17th day of August, 1998, by and between UNION PACIFIC RAILROAD COMPANY, a Utah corporation (hereinafter called, "UP"), and THE CITY OF TACOMA'S TACOMA MUNICIPAL BELT LINE, a Washington corporation (hereinafter called, "TMBL"); (UP and TMBL being hereinafter sometimes severally called, "Party", and collectively called, "Parties").

WITNESSETH:

RECITALS:

WHEREAS, the Parties desire to use certain tracks of TMBL and UP at Tacoma and Fife for the operation of engines and cars in effecting the interchange of cars between the Parties at Tacoma, Washington and Fife, Washington; and

WHEREAS, the Parties desire to set forth in writing their understanding respecting the use of the other's tracks for effecting the delivery of said cars to be interchanged.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter expressed, the Parties covenant and agree as follows:

Section 1. The tracks of UP at Tacoma and Fife, to be used for interchange of traffic between the Parties shall be designated, from time to time, by an appropriate operating officer of UP, or his designated representative.

Section 2. UP hereby grants to TMBL the right, during the term hereof, to use the UP Trackage in or incident to the delivery of cars to be interchanged between the Parties. No cars, engines or other equipment of either Party shall be so placed on the tracks to be used for delivery of interchange as to be dangerously close to, or in such manner as to interfere in any way with the operation of, the track(s) with which such tracks used for interchange purposes connect.

Section 3. TMBL shall, with its own employees, and at its sole cost and expense, operate its engines in or incident to handling of interchange traffic delivered to UP pursuant to the provisions of this Agreement.

Section 4. Interchange of cars between the Parties shall be in accordance with the Field and Office Manuals of the AAR Interchange Rules and Code of Car Service Rules adopted by the Association of American Railroads ("AAR"), except that such Party in the movement of cars to be interchanged to the other Party shall, for the purposes of liability hereunder, be deemed to have sole care, custody and control of all cars to be interchanged to said other Party until the delivering Party has placed cars to be interchanged on designated tracks, the engine or engines of the delivery Party have been uncoupled from such cars and forwarding instructions have been given to the other Party's designated officer or employee by the delivering Party.

Section 5. (a) TMBL shall be responsible to payment of all car hire and shall perform its own car hire accounting in accordance with AAR Code of Car Hire Rules-Freight. TMBL shall be entitled to car hire expense recovery in accordance with AAR Car Hire Rule 5 on all railroad marked equipment (including equipment owned by TTX Corporation, and equipment with GONX, ABOX, RBOX reporting marks), which is interchanged from UP to TMBL. Car hire shall be calculated on the basis of time of interchange between UP and TMBL. Car hire shall be reported through the AAR Car Hire Data Exchange. Settlement of reclaim, as approved in CHR 5, shall be handled via the AAR TRAIN System.

(b) Car hire expense recovery will not include any charges applicable to trailers and containers moving in rail freight service.

(c) TMBL shall be solely responsible for all car mileage payments for freight cars moved over its lines.

(d) Notwithstanding anything to the contrary herein, no car hire expense recovery shall be allowed for any empty equipment delivered by UP to TMBL and later interchanged to a foreign railroad, or otherwise not handled as a linehaul by UP.

Section 6. Liability for injury to or death of persons whomsoever and for loss or destruction of or damage to property whatsoever, including, but not limited to, property leased by or belonging to one or both of the Parties, and all costs and expenses incident thereto, resulting from or incident to the use of tracks of UP or TMBL in or incident to effecting the receipt or delivery of cars to be interchanged shall be fixed, solely as between the Parties, as follows:

- a. When due to the acts or omission, negligent or otherwise, of either Party, or if its officers, agents or employees, whether or not concurred in by an act or omission of a third party,

shall be borne by such Party.

- b. When due to failure, defect or deficiency of any kind in the separate equipment or facilities of either Party,

shall be borne by the Party whose separate equipment or facilities are defective, deficient or failed.

- c. When due to:

- (i) the concurring acts or omission, negligent or otherwise of both Parties, or of their officers, agents or employees, and whether or not concurred in by an act or omission of a third party; or to
- (ii) failure of or defects of any kind in the separate equipment or

facilities of both Parties; or to

- (iii) acts of third persons; or to
- (iv) unknown or concealed causes making it impossible to determine the responsibility; or to
- (v) any other case not herein otherwise provided for;

shall be borne (1st) solely by each Party as to its own property and property in its care, custody or control and as to its own employees, passengers or patrons and all others on its engines, trains, or cars or on or about trackage used in or incident to effecting delivery or receipt of cars to be interchanged pursuant to this Agreement in the transaction of business in connection with its lines of railroad, and (2nd) jointly and equally by the Parties as to third persons and their property; except in cases in which the engines, trains, cars or sole employees of solely one of the Parties are solely involved, in which event the liability for the resulting injury, death, loss, destruction or damage to third persons and their property shall not be borne solely by the Party whose engines, trains, cars or employees are solely involved.

If it shall be impossible to determine whether any person is an exclusive passenger, patron or employee of either Party, then the liability for injury to or death of such person, or for loss or destruction of or damage to the property of such persons, shall be apportioned as in the case of third persons, as above provided.

Each Party hereto shall have the right to settle, or cause to be settled for it, all claims for damages for which such Party shall be liable under the provisions of this Section and to defend or cause to be defended all suits for recovery of any such damages.

In case a suit shall be commenced against either Party hereto for or on account of damages for which the other Party hereto is solely or jointly liable under the provisions of this Section, the Party so sued shall give notice to such other Party of the pendency of such suit and thereupon such other Party may assume or join in the defense of such suit.

In the event that both of the Parties shall be liable hereunder for any damages and the same shall be settled by a voluntary payment of money or other valuable consideration by one of the Parties so jointly liable therefor, release from liability shall be taken for and in the name of both Parties so liable. In the event of any settlement in excess of FIFTY THOUSAND DOLLARS (\$50,000), the settling Party shall notify the other Party prior to settlement. Failure of the settling Party to notify the other Party prior to settlement shall not relieve the other Party of its obligation under the settlement agreement, so long as the settling Party's failure to notify was unintentional.

If a judgment shall be recovered against and satisfied by one Party involving a liability which should under this Agreement be borne entirely or participated in by the other Party, then all expenses of whatsoever nature, including costs and fees connected with such judgment and with the prosecution of the suit upon which it was based, shall be

settled between the Parties in strict accordance with the provisions of the Agreement and the Party against which such judgment shall have been recovered shall be promptly reimbursed by such other Party to the extent to which the latter is indebted.

Section 7. Term hereof shall begin as of the date first herein written and continue thereafter until concluded (1st) by the expiration of thirty (30) days following the serving by either Party on the other of written notice of intention to end the term hereof, or (2nd) by either Party failing for thirty (30) days to cure any defect after written notice thereof given by the other Party.

Section 8. All notices to be given hereunder shall be given in writing and by serving the same upon any executive or general officer of the Party upon which the notice is to be served.

Section 9. This Agreement is exclusively for the benefit of the Parties hereto and not for the benefit of any third party. This Agreement shall inure to the benefit of and shall be binding upon Parties, their successors and assigns. Either Party may waive any default at any time of the other without affecting or impairing any right arising from any other default.

Section 10. This Agreement supercedes and cancels the Agreement of September 14, 1989 between the parties hereto.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate as of the date first above written.

WITNESS:

Michael Maulick

UNION PACIFIC RAILROAD COMPANY

By: B. B. Brum
Director - Contracts & Real Estate

WITNESS:

CITY OF TACOMA
TACOMA MUNICIPAL BELT LINE

By: Mark Jensen
Utilities Director

Approved as to form & legality:

RAAS Le
Assistant City Attorney

5



Office Of Tariffs

Interstate Commerce Commission
Washington, D.C. 20423-0001

January 18, 1994

Ms. K.L. Sebela
Director - Pricing Services
Chicago and North Western
Transportation Company
One North Western Center
Chicago, IL 60606

Subject: ICC CNW 9500

Dear Ms. Sebela:

This letter confirms my earlier telephonic advice to you that Tariff ICC CNW 9500, which was submitted to the Commission for filing on December 10, 1993, has been rejected. Of necessity, Supplements 1, 2, and 3 of ICC CNW 9500 have also been rejected.

The publication proposes to establish by tariff the car hire charges to be assessed by the Chicago and North Western Transportation Company (CNW) against other railroads for the use of CNW hopper cars. We are aware of CNW's position, set forth in response to the petitions for suspension or rejection, that car hire charges are required, or at least permitted, to be filed in tariff form by sections 10762 and 11121 of the Interstate Commerce Act. We disagree.

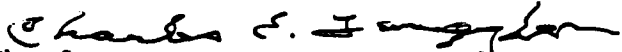
Section 10762, which sets forth the requirement that common carriers generally publish their rates in tariffs, applies to the services that a carrier offers to its potential shippers. Interchange of cars, although it obviously benefits shippers, involves purely intercarrier matters and hence does not come within the section 10762 tariff requirements. Rather, interchange of cars is governed by section 10764 of the Act, which directs carriers to file, in non-tariff form, copies of "each arrangement related to transportation." We note that, pursuant to section 10764(a)(2) of the Act, carriers have been exempted from filing their transportation-related arrangements since 1952.

We find CNW's reliance on Cincinatti, N.O. & T.P. Ry. v. Chesapeake & O. Ry., 441 F.2d 483 (4th Cir. 1971) (Cincinatti) unpersuasive. Cincinatti did not involve car hire charges. Rather, it involved a charge, set out in a tariff that the Commission declined to suspend, to compensate a carrier for erroneous car switches made by connecting carriers. Cincinatti held only that a tariff that the Commission had consciously declined to suspend had the force of law and thus had to be enforced. Cincinatti does not stand for the proposition that car hire charges may or must be filed in tariffs.

We also find CNW's reliance on section 11121 unpersuasive. Section 11121, as pertinent here, simply authorizes the Commission to order railroads to file their car service rules, either in tariff or in non-tariff form. The Commission has never invoked section 11121 to require the filing of car hire rates. If you believe that car hire charges ought to be filed at the Commission (in either tariff or non-tariff form), you may file a petition asking the Commission to reinstate the filing requirement of section 10764 or to require filing under section 11121. At this point, however, you may not file a tariff setting car hire charges.

In accordance with the provisions of 49 CFR 1011.7(b), you have the right to appeal this rejection action within 10 days of the date of this letter.

Sincerely yours,


Charles E. Langyher, Chief
Section of Tariff Maintenance
and Compliance

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