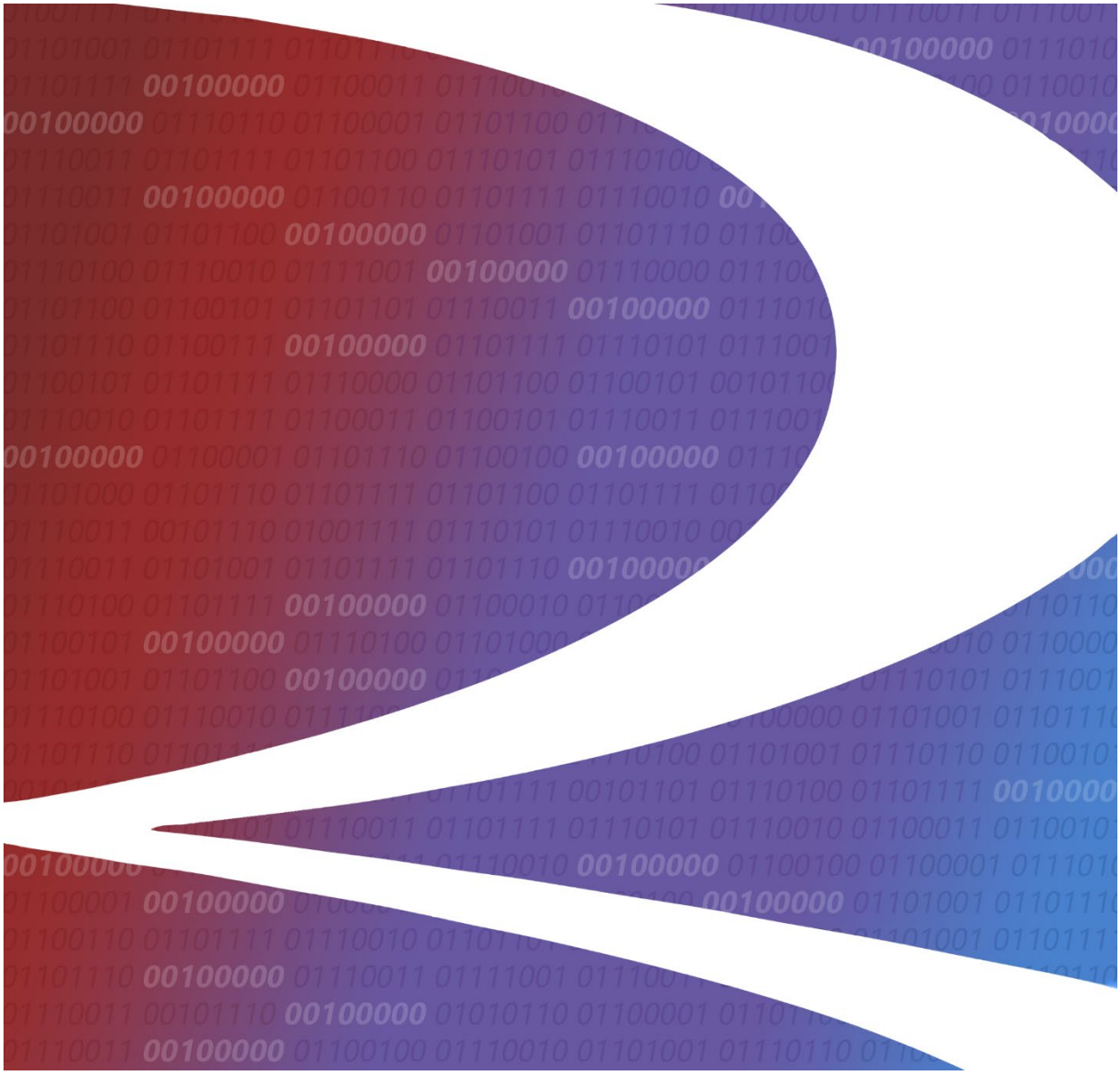

Car Hire Deprescription: CHRNSS Business Rules

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To provide the proper context, the reader should note that portions of these rules are descriptive of the content of the U. S. Surface Transportation Board's (STB) Deprescription orders. Those orders, rather than these rules, should be consulted regarding any questions over the scope of Car Hire Deprescription. In that regard, these rules should not be regarded as authoritative.

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Table of Contents

1 Overview and General Information 1
1.1 Introduction 1
1.2 Getting Started 2
1.3 Accessing the Railinc Customer Success Center 2
1.4 Hours of Operation and Systems Availability 3
1.5 Agencies 3
1.6 Agreement and Offer Types 3
1.7 Effective Dates and Expiration Dates 4
1.8 Default Rates/Default Rate Table 5
1.9 Fallback Rates 6
1.10 Default Rate Changes 6
1.11 Umler 8
1.12 Appurtenances 8
1.13 CHARM 9
1.14 Mergers 10
2 Equipment Not Subject to Deprescription 11
2.1 General Information 11
2.2 Grandfathered Boxcars 11
3 Bid and Offer Negotiations 12
3.1 General Information 12
3.2 Transactions 12
3.2.1 Original Offers 12
3.2.2 Counteroffers 14
3.2.3 Concurrence to Offer 15
3.2.4 Offer Cancellation 15
3.2.5 Best and Final 16
3.3 Arbitration 17
3.4 Message Types 17
3.4.1 Email Notifications 17
4 Appendix 18
4.1 Deprescription Glossary of Terms 18
4.2 Deprescription Products 20
4.3 Deprescription Process Flows 21

1 Overview and General Information

1.1 Introduction

Historically, Car Hire, or compensation to be paid by a User to an Owner for use of a car[1], was based on a formula that was prescribed by the STB. By STB order effective January 1, 1993, with implementation on January 1, 1994, a market-oriented approach to setting Car Hire rates was adopted. This market-oriented system, which relies on negotiations between Owners and Users instead of a prescribed formula, has become known as Deprescription. The STB used a ten-year period to phase in Deprescription and full implementation was effective January 1, 2003.

The Association of American Railroads (AAR) implemented a central computer system, CHRNSS (Car Hire Rate Negotiation Self Service), to facilitate Car Hire negotiations and record rate agreements in the Car Hire Accounting Rate Master (CHARM) files. All rail carriers and equipment Owners, or their respective Agents, who wish to participate in this process, will use this system. Negotiated rates must be processed by the CHRNSS in order to be recorded in the CHARM files.

General business rules and guidelines concerning the utilization of this central system are documented in the following pages. These rules explain how to use the various system transactions that accomplish the task of negotiating rates for cars. Although the CHRNSS was specifically designed to support the implementation of Deprescription, which only applies to Market Rate Cars, CHRNSS may be used to place rates in the CHARM files for prescribed cars[2], private cars[3], and appurtenances. Using CHRNSS for rate negotiations on equipment other than Market Rate Cars is an option available to Owners and Users and can be used if found convenient.

These business guidelines are meant to facilitate and augment the Car Hire Rules contained in Circular OT-10, Code of Car Service Rules/Code of Car Hire Rules, published on Railinc.com > Resources > AAR Operating-Transportation (OT-Circulars). Specific attention should be paid to Car Hire Rule 1.H Default Rate; Car Hire Rule 25, Car Hire Arbitration; and Appendix E Code of Federal Regulations Concerning Deprescription. These business rules apply uniformly for all participants, except where otherwise indicated.

[1] The term “car”, when used in this document, unless preceded by “prescribed” or “private”, refers to a freight car subject to Deprescription and is synonymous with Market Car and Market Rate Car. See the Deprescription Glossary of Terms for more detail.
[2] Prescribed Cars, synonymous with Grandfathered Boxcars, are those railroad-marked cars that are not subject to Deprescription. See the Deprescription Glossary of Terms for more detail.
[3] Private Cars are those cars that bear a non-railroad reporting mark, and as such are not subject to Deprescription or the OT-10 *Code of Car Hire Rules*.

1.2 Getting Started

CHRNSS use Railinc Single Sign-On (SSO) which is accessed from the Railinc portal at Railinc.com. Select the **Customer Login** link in the upper right corner of the page.

1. If you do not already have a Railinc SSO User ID and password, refer to the *Railinc Single Sign-On User Guide*. Once you have access to Railinc SSO, you must request access to CHRNSS within SSO.

2. To be a registered participant of CHRNSS, an equipment Owner, User or Agent must have its reporting marks and representative's contact information added to the FindUs.Rail database, including an email and phone number. When setting up contacts in FindUs.Rail, choose the **Car Hire Rate Negotiation** Category for Primary and Secondary roles. If you are not already registered in the FindUs.Rail, refer to the *FindUs.Rail User Guide* for complete instructions on using the FindUs.Rail tool.

3. If you do not have access to the CHRNSS, request access by following instructions in the *Railinc Single Sign-On User Guide*.

To view the Bid and Offer contacts:

1. On Railinc's FindUs.Rail product page, select the free FindUs.Rail lookup tool.
2. Select **Search Contacts.**
3. If a human or computer verification test is displayed, type the required letters to verify that you are an actual User and select **Continue.**
4. In the Quick Search tab, enter a Mark in the Mark field.

   Note: Leaving the Mark field blank returns all current Bid and Offer Contacts.
5. From the Category drop-down list, select **Car Hire Rate Negotiation** and select **Search**.

   Note: Depending on the types of contacts you are looking for, you can select checkboxes to narrow your search. If you leave all the checkboxes unchecked, all results are returned.

When making a bid and offer, all offers must be addressed exactly as that road is listed in FindUs.Rail, otherwise, the whole offer will error out.

Examples:
- CSXT must be addressed as CSXT not CSX
- BNSF must be addressed as BNSF not BN

1.3 Accessing the Railinc Customer Success Center

The Railinc Customer Success Center provides reliable, timely, and high-level support for Railinc customers. Representatives are available to answer calls and respond to emails from 7:00 a.m. to 7:00 p.m. Eastern time, Monday through Friday, and provide on-call support via pager for all other hours to ensure support 24 hours a day, 7 days a week. Contact us toll-free by phone at 877-RAILINC (1-877-724-5462) or send an email directly to csc@railinc.com.

1.4 Hours of Operation and Systems Availability

Except for monthly scheduled outages, the Railinc Network is available 24 hours a day, seven days a week. The CHRNSS application is normally available 22 hours a day. The remaining two hours are used for routine systems maintenance.

1.5 Agencies

CHRNSS users may choose to have an Agent perform some or all the functions related to Car Hire negotiations. Up to five Agents may represent a single User. A different Agent may be used for each of the following functions:

- Bid and Offer Payables
- Bid and Offer Receivables
- CHARM Payables
- CHARM Receivables
- Market Data Reports

An Agent must be granted a Letter of Authorization that shows permission to receive your confidential data to perform CHRNSS functions and receive CHARM files on your behalf. For more information about LOAs, see the Letter of Authorization page on Railinc.com. CHARM file processing fees will be invoiced to the Agent (see Section 1.13).

Railinc must be notified immediately of any change in Agent status through the LOA process.

Equipment Owners or Users that have authorized an Agent to negotiate rates, that is, to perform the bid and offer payable or receivable functions for their company, must notify Railinc and register contact information in FindUs.Rail pursuant Car Hire Rule 26. Payable rates are the rates at which a carrier will pay an equipment Owner for use of equipment. Receivable rates are the rates at which an equipment Owner receives compensation from carriers using its equipment.

1.6 Agreement and Offer Types

There are six types of agreements and offers that can be reached between two parties in the CHRNSS application. The six Agreement Types mirror six different Offer Types. Once an offer is initiated, it becomes an agreement when accepted and the Offer Type becomes the Agreement Type. The following agreement and Offer Types apply only to ***Market Rate Cars***:

MARKET RATE—An agreement or offer made on Market Rate Cars with no specified conditions or qualifiers attached to the rate. Expiration Dates are not allowed for market rate agreements.

SPOT MARKET RATE—An agreement or offer made on Market Rate Cars for a specific period of time. This type must include Effective Date and Expiration Date, and both Owner and User must acknowledge that the agreement or offer is a spot rate. After the spot rate expires, the Car Hire rate reverts to the fallback rate, the rate in effect before the spot rate became effective, see Section 1.9. Spot Market offers are ineligible for calls for Best and Final Offers.

SPECIAL MARKET RATE—An agreement or offer made on Market Rate Cars that contains special considerations or provisions that would affect the amount paid for Car Hire. Special Market

rate refers to any hourly or mileage rate that does not reflect the true fair market value of the equipment because the rate is subject to other terms or conditions specified in a bilateral or side agreement. This includes, but is not limited to, reclaim, free days, or any other discounts or surcharges not reflected in the posted hourly or mileage rates. Notification (proper rate code) must be given to CHRNSS when a Special Market Rate agreement or offer exists to ensure proper reporting in the Market Data Reports. For negotiations originating June 1, 2004, or later, if the Special Market Rate contained an end date, after the rate expires, it will revert to the fallback rate, the last unexpired rate in effect before the Special Market, see Section 1.9. Special Market offers are ineligible for calls for Best and Final Offers.

The following agreement or Offer Types apply only to ***equipment other than Market Rate Cars***, that is only Prescribed Cars (Grandfathered Boxcars), Private Cars, and Appurtenances:

BILATERAL—An agreement or offer made on equipment other than Market Rate Cars with no specified conditions or qualifiers attached to the rate, except for the optional Effective and Expiration Dates.

SPOT BILATERAL—An agreement or offer made on equipment other than Market Rate Cars for a specific period of time. This agreement must include a start and Expiration Date and both Owner and User must acknowledge that it is a spot rate. After the spot rate expires, the Car Hire rate reverts to the fallback rate, see Section 1.9. Spot Bilateral offers are ineligible for calls for Best and Final Offers.

SPECIAL BILATERAL—An agreement or offer made on equipment other than Market Cars that contains special considerations or provisions that would affect the amount paid for Car Hire. Special bilateral refers to any hourly or mileage rate that does not reflect the true fair market value of the equipment because the rate is subject to other terms or conditions specified in a bilateral or side agreement. This includes, but is not limited to, reclaim, free days, or any other discounts or surcharges not reflected in the posted hourly or mileage rates. Notification (proper rate code) must be given to CHRNSS when a special bilateral rate exists to ensure proper reporting. If the Special Bilateral rate contained an end date, after the rate expires, it will revert to the fallback rate, the last unexpired rate in effect before the Special Bilateral, see Section 1.9. Special Bilateral offers are ineligible for calls for Best and Final Offers.

1.7 Effective Dates and Expiration Dates

The Effective Date for an agreement is the date on which the negotiated rates are to be activated and added to the CHARM file. When an Effective Date is specified, it must always be the first day of a month. If any other date is used, the system will flag it as an error and reject the transaction. The Effective Date must be in the future, as retroactive rate agreements may not be processed through the system, though retroactive rates may be agreed to and processed outside the system. When an original offer that uses an Effective Date is initiated, the Effective Date may not be more than one year in the future.

Unless an Effective Date is specified, offers made on equipment will require agreement by the last day of a month for the rates to become effective on the first day of the following month. If no agreement is reached, the offer will remain active if either party counteroffers at least once every 45 days. When an offer is initiated without an Effective Date is accepted, CHRNSS will make the rate effective as of the first day of the following month. This CHRNSS created Effective Date will be shown in the CHARM file records for that agreement just as a User supplied date would be shown. Of course, when an offer that was initiated with an Effective Date is accepted, CHRNSS will use the specified date.

Offers with an Effective Date must be accepted by the last day of the month prior to the Effective Date. If no agreement has been reached in time for the rate to become effective on that date, the system will delete the offer. Both parties to the offer will be notified by the system after the offer has been deleted. For example, road ABC makes an offer to road XYZ. The offer is made on March 27, 2023, and contains an Effective Date of May 1, 2023. The two roads have until April 30, 2023, to reach agreement. If a Concur transaction is not submitted on or before April 30, on May 1, 2023, the system will delete the offer and notify both parties.

The Expiration Date is the date after which the negotiated rates are no longer applicable. An Expiration Date must always be the last day of a month and must be after the Effective Date, if supplied, or the system will reject the transaction. An Expiration Date is mandatory for either a Spot Market Rate offer or a spot bilateral offer. If there is concurrence to an offer that was originated without an Expiration Date, CHRNSS considers the agreement to be open-ended, but uses the date of December 31 with the year 9999 to populate the Expiration Date field in the CHARM file, see Section 1.13.

Once an offer has been made, the only way to change, add, or delete an Effective Date or an Expiration Date is to cancel the outstanding offer and submit a new offer, see Section 3.2.4.

See Exhibit 1. Effective Dates and Expiration Dates for a process flow diagram.

1.8 Default Rates/Default Rate Table

Default Car Hire rates are assigned to Market Rate Cars and apply in the absence of an agreement between the Owner and User, see Rule 1, *Code of Car Hire Rules*. The Default Rate table is only used for railroad marked cars built or rebuilt after December 31, 1992, and private cars changing to railroad reporting marks for the first time. The previously prescribed rate became the Default Rate on former Fixed Rate Cars. The Default Rate table contains the lowest negotiated positive loaded hourly/mileage rate and the lowest negotiated positive empty hourly/mileage rate in effect for that car type at the end of the previous quarter, and their associated rates (not necessarily the same car). Rates are considered to be in effect at the end of the previous quarter if they are in the CHARM file that was created for the last month of the previous quarter. Rates are considered negotiated if they are Market Rates or Spot Market Rates.

A car's Default Rate will be assigned based on the four-character Equipment Type Code. If no negotiated rates exist at the four-character Equipment Type Code level, then the first three characters of the Equipment Type Code will be used; if none, the first two characters; if none, the first character of the Equipment Type Code. Default Rate tables by Equipment Type Code are created by CHRNSS and published quarterly on Railinc's Car Hire page.

When a newly built car or a pre-registered car is added to Umler®, a Default Rate is assigned and will appear on the CHARM file for the next month (see Section 1.11). For negotiating purposes, the Default Rate is available as soon as the car is added to Umler. Except for specific cases, see Section 1.10, once a Default Rate is applied to a car, that Default Rate will remain with the car for the life of that car. Changes to the car's structure, which result in a change to the AAR Equipment Type Code or Mechanical Designation, do not cause the car's Default Rate to change unless one of the conditions in Section 1.10 is met.

The Default Rate table is available at no charge on Railinc's Car Hire page listed in the **Related Support Documents** section on the right.

1.9 Fallback Rates

Depending on the type of agreement, rates established by concurrence to an offer may continue in effect after the agreement's expiration or they may change. In those instances where rates change, rates revert or "fallback" to some prior set of rates. This change becomes effective on the first day of the month following the Expiration Date of the agreement. These fallback rates are then in effect between the same equipment Owner and User on the same set of equipment the original agreement covered.

In those instances where fallback rules do not apply following the expiration of an agreement, fallback rates are not used, and the existing rates continue in effect. In this case, the CHARM file for the month following the Expiration Date will contain records for the agreement using the same Bid and Offer Number, Owner, User, and equipment and the rates will not change. However, CHRNSS will insert a new Expiration Date of December 31 with the year 9998, see Section 1.13, and the agreement becomes open-ended.

The following describes the rules that are used to determine what rates are in effect following the expiration of each type of agreement. When fallback rates are used, they are determined on a car-by-car basis.

Market Rate Agreement—Fallback rates do not apply to market rate agreements. The existing rates continue in effect until changed by another agreement or by an arbitration award.

Spot Market Rate Agreement—Rates will revert to fallback rates. The fallback rate for a car subject to a Spot Market Agreement is the last negotiated Market Rate between the two parties to the expiring agreement. If there is no prior Market Rate, the fallback rate will be the Default Rate.

Special Market Rate Agreement—For negotiations originating June 1, 2004, or after, the rates will revert to fallback rates. The fallback rate for a car subject to a Special Market agreement is the last unexpired negotiated rate between the two parties. If there is no prior rate, the fallback rate will be the Default Rate.

Bilateral and Spot Bilateral Rate Agreements—Rates will revert to fallback rates. The fallback rate for non-market rate equipment subject to one of these agreements is that rate paid by all carriers that do not have a specific rate in place with the Owner, also called the Base Rate.

Special Bilateral Rate Agreement—Rates will revert to fallback rates. The fallback rate for a car subject to a Special Bilateral Agreement is the last unexpired negotiated rate between the two parties. If there is no prior rate, the fallback rate will be the Base Rate.

1.10 Default Rate Changes

Under most situations, once a Default Rate is assigned to a Market Rate Car, it remains with that car forever. However, there are circumstances that will cause the Default Rate to change. These circumstances include changing (correcting) the prior car identification in Umler (prior car initial, prior car number). Changing the prior car identification will change the Default Rate on the current car to the Default Rate of the prior car if the Default Rate of the prior car is different than the current Default Rate. This change may also affect negotiated rates. If the prior car and the current car have the same Stencil Mark Owner, any negotiated rates will be brought forward to the current car. If the Mark Owners are not the same, negotiated rates will not be brought forward to the current car.

In addition, effective with cars added to Umler after July 31, 2000, the following exceptions may change a Default Rate by operation of Car Hire Rule 1.H 3.

1. An applicable Default Rate will be applied to a car upon Umler registration. After car movements have been reported to TRAIN and the Liability Continuity System (LCS) validates car accounting responsibility, a comparison of the current Equipment Type Code in the car's Umler record will be made to the Equipment Type Code given at the original Umler registration. If the Equipment Type Code is the same, the previously applied Default Rate shall apply. If different, the associated Default Rate for the current car type shall become the Default Rate for the car, effective no later than thirty-one days after the close of the first activity month of the car.

2. A car Owner may make a written request that a Default Rate be changed on a car or series of like cars due to the improper registration of the Equipment Type Code. The request will be filed with the secretary, AAR, and be docketed with the Equipment Assets Committee for study on whether the car carried a proper Equipment Type Code as specified in the *Umler Data Specification Manual*. To be docketed, a request must provide the current Umler data for the car(s) and background information. Upon completion of the study, the car Owner will be notified by the Secretary as to the Committee's decision (which will be decided by a simple majority vote). If a change is approved, the AAR will apply to the car(s) the current Default Rate applicable for the decided Equipment Type Code on the first day of the month following the decision of the Committee. If the request is denied, no change will occur.

3. Any subscriber User of freight cars owned by railroads may make a written request that a Default Rate be changed on a car or series of like cars. The request will be filed with the Secretary, AAR, and the car Owner. The secretary will provide the car Owner written notice of the request. The Owner will be permitted up to thirty days following date of notification by the Secretary to provide a written response back to the Secretary. The request will be docketed with the Equipment Assets Committee for study on whether the car carried a proper Equipment Type Code as specified in the *Umler Data Specification Manual*. To be docketed, a User request must provide the current Umler data for the car(s) and background information supporting its position as to why the Default Rate is not appropriate for the equipment. Upon completion of the study, the User who requested the change and the car Owner will be notified by the Secretary as to the Committee's decision (which will be decided by a simple majority vote). If a change is approved, the AAR will apply to the car(s) the current Default Rate applicable for the decided Equipment Type Code on the first day of the month following the decision of the Committee. If the request is denied, no change will occur.

For cars added after July 1, 2005, the following applies:

1. Cars with a current or pre-registered built date are added to Umler and no movement event is reported to TRAIN for that car within 18 months. The initial Default Rate assigned to that car will be reset to the current Default Rate in effect for that car type the first of the month following the month that the car has been in Umler for a minimum of 18 full months. Every quarter thereafter, the Default Rate will be reset to the current rate in effect until movements are reported to TRAIN for that car. An appeal process applies for extenuating circumstances if the Owner can show that a contract to build or purchase has been executed.

1.11 Umler

For a freight car to be part of the Deprescription negotiation process in CHRNSS, it must be registered in Umler.

Equipment that is zero-rated only because of Umler data errors will be zero-rated in CHARM. When Umler data errors are corrected, zero rates will revert to their appropriate rate levels in the next issued CHARM file. Zero rating caused by data errors does not preclude a car from being included in negotiations; however, negotiated rates will not be recorded in CHARM until errors are corrected.

Equipment that is zero-rated for any other reason, such as an overage condition, will be zero-rated in CHARM. Rate agreements between trading partners are not precluded on these cars, however, CHARM will not contain rates for this equipment and Car Hire settlement for this equipment must be conducted outside CHARM.

For more information about maintaining registration in Umler, contact Railinc's Customer Success Center at csc@railinc.com or call 1-877-RAILINC (1-877-724-5462).

1.12 Appurtenances

Appurtenance rates have never been prescribed by the STB. These rates may be found in the *Code of Car Hire Rules* as published in OT-10. Since the Owner of an Appurtenance may not always be the Owner of the underlying flat car, unique rules apply.

If both the Appurtenance and the underlying car are owned by the same entity, all rate negotiations and CHARM file updating will be handled normally within CHRNSS.

If an Owner or a User wish to negotiate on only the flat car (i.e., want the appurtenance rate to continue annual depreciation), the submitter must leave the Appurtenance field blank. Conversely, if the submitter wants to negotiate and "freeze" the appurtenance rate (either current or new rate) the field must be filled in.

If the car Owner and the Appurtenance Owner, as indicated in the Umler lessee field, are not the same, the following rules apply:

- The Appurtenance Owner or User may submit a bilateral offer on the appurtenance only.
- If mileage or hourly rate information for the underlying car is included in the offer, the system will reject the transaction.
- If, after a negotiated rate has been established on the CHARM file and a change in Equipment Type occurs, the following rules govern:
- If the basic structure of the car remains unchanged (e.g., tri-level to bi-level), the car is still a rack car and CHRNSS will leave all rates unchanged.
- If the basic structure has changed (e.g., rack is removed), the system will zero out all negotiated Appurtenance rates for that piece of equipment.

If a change occurs in the lessee field (e.g., NS to UP), the system will cancel all negotiated appurtenance rates in effect and reset the appurtenance rate back to the Default Rate. See *Code of Car Hire Rules* as published in OT-10.

1.13 CHARM

CHARM (Car Hire Accounting Rate Master) has replaced Umler as the official source of time and mileage rates for freight cars. The rates contained in the customized files that are specific to an Owner and a single User are confidential to those parties. Rates that are applicable to all Users of a piece of equipment in the absence of negotiated rates, such as the Default Rates on a Market Car, are not confidential. CHARM contains all Market and Non-Market rates in effect for the current month. An updated and complete CHARM file is produced each month.

Each record in CHARM is by car mark and number and identifies the Owner and User between which the rates apply. There are up to six potential rates allowed in CHARM for each piece of equipment: loaded hourly, empty hourly, loaded mileage, empty mileage, loaded appurtenance, and empty appurtenance.

CHARM provides each railroad's Accounting Department with appropriate monthly rates to be used for Car Hire settlement purposes. Each subscriber must indicate the type of file required for processing: payable, receivable, or combined payable and receivable. Railinc maintains the complete CHARM file and each subscriber receives a customized subset of the file containing only those records the subscriber has authority to view.

An Agent who processes accounts payables and/or receivables for equipment Owners and Users must be granted a Letter of Authorization that shows permission to do so on your company's behalf. For more information about LOAs, see the Letter of Authorization page on Railinc.com.

CHARM is a Deprescription product. The cost can be found in the Car Hire Deprescription section of the Railinc Price List.

CHARM Rate Type Indicators—Market Rate Cars

- **O** Default Rate—The rates that apply by default, on Market Rate Cars, between an Owner and User in the absence of an agreement.
- **M** Market Rate—Rates formally agreed upon by involved parties and put in place by a market rate agreement, see Section 1.6 on agreement types.
- **S** Spot Market Rate—Rates formally agreed upon by involved parties and put in place by a spot market rate agreement, see Section 1.6 on agreement types.
- **Z** Special Agreement Rate—Rates formally agreed upon by involved parties and put in place by a special market rate agreement, see Section 1.6 on agreement types.
- **B** BFO Rate—Rate set as a result of a call for BFO. See Rule 25.C.2.b of the *Code of Car Hire Rules*.
- **N** Post BFO-Period Rate—If the rates set under the operation of the BFO rule, type "B", are not changed as a result of the arbitration process or a new negotiation within 6 months the rate type will be converted to "N".
- **R** Arbitrated Rate—Rates set through the arbitration process. Rate in effect for a maximum of 12 months.
- **D** Post Arbitration-Period Rate—An Arbitrated Rate (type R) changes to D if unchanged after 12 months.

CHARM Rate Type Indicators—Non-Market Rate Equipment

L Spot Bilateral Rate—Rates formally agreed upon by involved parties and put in place by a Spot Bilateral Agreement, see Section 1.6 on agreement types.

U Base Rate—The rates that apply, on Non-Market Rate equipment, between an Owner and User in the absence of an overriding Bilateral, Spot Bilateral, or Special Bilateral Agreement, see Section 1.6 on agreement types. Base rates on Grandfathered Boxcars are the rates frozen at the December 31, 1986, STB formula level.

V Special Bilateral Rate—Rates formally agreed upon by involved parties and put in place by a Special Bilateral Agreement, see Section 1.6 on agreement types.

W Bilateral Rate—Rates formally agreed upon by involved parties and put in place by a Special Market Rate Agreement, see Section 1.6 on agreement types.

Date Fields in CHARM

- The Effective Date of the CHARM file is used to identify the month in which rates contained in this file are effective. The CHARM file does not contain future or retroactive rates.
- The rate Effective Date is the date the rate first appeared in the CHARM file, that is the date the rate was first effective.
- The rate Expiration Date 999912 is used in Default Rates, Base Rates, and open-ended rate agreements.
- The rate Expiration Date 999812 is used to identify rates put in place by an agreement that has expired, where fallback rates did not apply, and the rates have not been changed by a new agreement or arbitration.
- The Effective Date in CHARM for advance-registered cars in Umler will be the current effective month at the time of Umler registration. This applies to base rates only.

1.14 Mergers

Car Hire Rule 1. I. Merged Railroads - Payable/Receivable Car Hire Rate Application and J. Railroad Acquisitions - Payable/Receivable Car Hire Rate Application codifies the process to administer Car Hire receivable and payable rates when a merger of two or more railroads or an acquisition occurs. See Circular OT-10, Rule 1, sections I and J for details.

2 Equipment Not Subject to Deprescription

2.1 General Information

The following equipment is not subject to Deprescription:

1. Cars carrying private marks. Private cars are not subject to the Code of Car Hire Rules or Deprescription.
2. Trailers and containers.
3. Certain boxcars bearing Class III marks as of December 31, 1983, are specifically exempt, Grandfathered Boxcars; see Section 2.2 for more information on Grandfathered Boxcars.
4. Appurtenances, since rates were never formally prescribed by the STB.

2.2 Grandfathered Boxcars

Though not technically a "business rule," this section is included as a reference and abbreviated summary of the portion of the STB Order ExParte 346 Sub. 19 that pertains to the treatment of Class III carriers' boxcars under Deprescription.

The term "Grandfathered Boxcars" refers to the fleet of boxcars owned by the Class III carriers as of December 31, 1983, that were exempt from the Deprescription order. Several characteristics are unique to these cars, which include:

1. Car Hire rates for Grandfathered Boxcars were "frozen" (see ExParte 346 Sub. 19) at the rate levels effective on January 1, 1986.
2. Grandfathered Boxcars discontinued receiving rate adjustments, which resulted from Additions and Betterments (A&Bs) and Rule 88 surcharges effective January 1, 1991. If a Grandfathered Boxcar is rebuilt, it loses its Sub 19 status and it becomes a Deprescribed Car. Its Default Rate will be determined by the Default Rate table in effect at the time the rebuilt status is reported to Umler.
3. If a Grandfathered Boxcar is re-stenciled to a Class I or II boxcar, it becomes deprescribed. The Default Rate of the re-stenciled car will be determined by the Default Rate table in effect at the time the car is added to Umler if the prior car number field does not have a lineage to a prior Class I or II railroad car. If such lineage can be determined, then the prior Class I or II rate will apply. Example 1. – current car has prior car that was Grandfathered Boxcar. The Grandfathered Boxcar does not have any prior car in the prior car number field. The Default Rate will be the current Default Rate in effect. Example 2. – Current car has prior car that was Grandfathered Boxcar. The Grandfathered Boxcar indicates a prior car that was Class I or II. The Class I or II rate will apply as the current car's Default Rate as long as the built year is the same for both cars.
4. If a Grandfathered Boxcar is transferred from Class I or II back to Class III status, it will regain its Sub 19 rate when the new Class III Owner provides the AAR with the appropriate Sub 19 rate indicator code. Its base rate will revert to its 1986 frozen rate.
5. If a Grandfathered Boxcar is "assigned" to a Class I or II carrier and the Class I or II carrier appears in the lessee field in Umler, the grandfathered rate will be dropped and replaced by a Default Rate from the Default Rate table in effect at the time the Class I or II carrier is shown in the lessee field in Umler. When the Class I or II carrier is dropped from the lessee field, the grandfathered status and rate are restored.

3 Bid and Offer Negotiations

3.1 General Information

CHRNSS has been designed to facilitate the negotiation process for Market, Prescribed, and Private Cars. The terms “bid” and “offer” both refer to proposals to modify existing rates of compensation that are in place between an equipment Owner and a User of that equipment, by agreement or by default. Either an equipment Owner or a potential User may start the negotiation process. An Owner or its authorized Agent may submit an offer to one or more roads seeking to change the current rates on its equipment. A User or its authorized Agent may only initiate an offer to a single Owner per transaction.

Only one set of rates can be effective for a given piece of equipment between two parties at a given time. Subsequent rate agreements between the two parties or rates awarded through arbitration or by the Best and Final Offer process for new cars will supersede rates currently in effect. The rates that are in effect for any given month are the rates that are published in the CHARM file for that month. Rates are always in effect for a full calendar month.

3.2 Transactions

See 1.6 for a list of Offer Types.

3.2.1 Original Offers

An original offer must contain the necessary data for CHRNSS to generate the offer, assign an identification number to the offer, and distribute it to the requested parties. Offers created in CHRNSS contain the following data:

1. Mark of the entity, either the Owner or User, sending the offer
2. Mark(s) to whom the offer is being sent
3. Offer Type:
    - Market Offer
    - Spot Market
    - Special Market
    - Bilateral
    - Spot Bilateral
    - Special Bilateral
4. Optional Carrier Reference Number
5. Car Type or Mechanical Designation
6. Any or all of the six rate values: loaded hourly, empty hourly, loaded mileage, empty mileage, loaded appurtenance and empty appurtenance
7. List of Equipment Initial and Numbers

If an offer does not contain the requisite data as defined above, error messages will display with the reason for rejection. A valid offer will be given a Bid and Offer Number that will identify it throughout the negotiation process.

CHRNSS will send a notification to the sending and receiving parties of the new offer, which is available for them to view in the CHRNSS application.

See Exhibit 2. Original Offer Submission for a process flow diagram.

Both Spot Bilateral and Spot Market Rate offers must include Effective and Expiration Dates while all other offers may or may not contain Effective and Expiration Dates. All Effective Dates are limited to one year in advance of the original offer submission date and retroactive Effective Dates are disallowed.

Offers are subject to the following rules:

1. No more than 10,000 cars may be covered by a single offer.

2. The equipment contained in the offer cannot be covered by any other outstanding offer between the two parties.

3. Spot Market and Spot Bilateral offers must have Effective and Expiration Dates.

4. The equipment and type of offer must match. Market, Spot Market, and Special Market offers must contain only Market Rate Equipment. Non-Market Rate Equipment can only be negotiated with a Bilateral, Spot Bilateral, or Special Bilateral Offer.

5. Either the Equipment Type or Mechanical Designation for the offered equipment must be submitted. All equipment in the offer must be of the same Equipment Type or Mechanical Designation. The originator of the offer must give one or the other, but not both. The four-character Equipment Type Code can be abbreviated to the first character; first two or three characters or it can be given in full. If the Mechanical Designation is used, it must be the full value.

6. Equipment Type or Mechanical Designation may be submitted without car initial and numbers. In this case, all equipment for the defined car type or Mechanical Designation will be contained in the offer. If more than 10,000 cars are found, the entire transaction will be rejected.

7. Except for spot offers, an Effective Date is not required. If omitted, the offer becomes effective on the first day of the month following acceptance.

8. Except for spot offers, an Expiration Date is not required. If omitted and the offer is accepted, the rates will continue in effect until a new offer is negotiated with the same counterparty on the same equipment or new rates are established through the arbitration until a new rate for that equipment and counterparty is negotiated or established by arbitration. If an Expiration Date is supplied on a Special Market offer and the rate is accepted, at the conclusion of the agreement the rate will revert to the rate previously in effect. Only on Spot Rates and Special Market offers will a notification of expiration be sent to both parties approximately 60 days prior to their expiration. If an Expiration Date is supplied on Non-Market Rate Cars and the offer is accepted, the rates will revert to the fallback rate at the conclusion of the agreement. See Section 1.9 for more on fallback rates.

9. For Market Rate Equipment, a call for Best and Final Offer closes an offer from further negotiation. Offers may be made on equipment contained in a previous offer for which a call for BFO has been made by submitting a new offer on the equipment. Because a call for BFO closes

an offer, rule 2 above is not violated. A call for BFO cannot be made on offers for prescribed equipment. A call for BFO cannot be made for Spot Market and Special Market bid offers.

10. Rate adjustments uniformly apply to all equipment in the offer.

11. Once an offer is made, only rate adjustments can be modified through subsequent negotiation of the Open Offer. All equipment, offer types, and dates must remain constant throughout the negotiation process. To change anything other than the rate fields would require the parties to cancel the Open Offer and submit a new offer.

3.2.2 Counteroffers

Once an offer is made, the party receiving the offer may elect to make a counteroffer.

See Exhibit 3. Simple Counteroffer and Concur for a process flow diagram.

The counteroffer, as with all other transactions, has required information and rules that must be followed. The data required for a counteroffer is:

1. Party making the counteroffer
2. Party to whom the counteroffer is being sent
3. Bid and Offer Number
4. The rate amounts being counteroffered
5. Optional Carrier Reference Number

Rules pertaining to the data are as follows:

1. If there are no errors in the counteroffer, CHRNSS publishes the counteroffer to the application and notifies both parties of the counteroffer.

2. The rules for the counteroffer are the same as for the original offer.

3. A counteroffer cannot change any of the terms of the offer, other than rates. All cars, Effective and Expiration Dates, Car Types or Mechanical Designations, and Offer Types must remain the same as appeared in the original offer.

4. The party receiving the counteroffer has 45 days in which to respond or the offer will be deleted unless the other party makes another counteroffer. If party A made party B an original offer, and party B made a counteroffer, either party is free to make the next counteroffer. If party B were to make a second consecutive counteroffer, the second counteroffer supersedes the first. Party A may either counter, cancel, or concur to the second counteroffer, or submit a call for BFO.

CHRNSS will delete any offer for which no activity has occurred for 45 days. Tickler messages will be sent out after 15 and 30 days of no activity on an offer. These messages will be sent to both parties. Either party can "reset" the 45-day clock by submitting a counteroffer. A party may submit a counteroffer identical to its previous counteroffer just to continue the 45-day clock, if so desired.

See Exhibit 4. Counteroffer Timeout for a process flow diagram.

3.2.3 Concurrence to Offer

Concurrence to an offer means that both roads agree on all terms of the offer including equipment, Effective and Expiration Dates if applicable, and rates.

An offer is accepted by concurring to the offer in the CHRNSS application with the following information:

1. Mark of the party accepting the offer
2. Mark of the party to which acceptance is being sent
3. Bid and Offer Number for the offer being accepted
4. Version Number (submitter may only concur to the latest version number)
5. Optional Carrier Reference Number

This acceptance creates a legally binding agreement for Car Hire settlement purposes.

CHRNSS will validate the transaction data and send a notification to both the sending and receiving party that the offer was concurred. These new rates will be retained for the monthly updating of CHARM. The offer is now closed.

See Exhibit 5. Simple Concur for a process flow diagram.

3.2.4 Offer Cancellation

Only the party making the initial offer may cancel an offer. If an offer has been sent to multiple counterparties, it may be canceled in its entirety or on an individual party basis. Offer cancellation is handled in the CHRNSS application with the following data:

1. Party cancelling the offer
2. Party or parties to whom the cancellation is to be sent
3. Bid and Offer Number
4. Optional Carrier Reference Number

As long as no negotiation (a counter response from the non-initiating party) other than the original offer has taken place, the offer will be cancelled, and each party will be notified.

See Exhibit 6. Simple Cancel for a process flow diagram.

If the non-initiating party has already submitted a counteroffer, a cancel transaction will not be immediately effective. Instead, the party that did not submit the cancel transaction will receive a notification of pending cancellation, which, in effect, requests permission to allow the cancel to occur. If the counterparty agrees to the cancellation by submitting a Confirm Cancel transaction in CHRNSS, the offer is then terminated for both parties. If the road does not agree with the cancellation, no action is taken, and the offer must continue to one of its normal conclusions. Further negotiations are allowed.

See Exhibit 7. Simple Counter and Cancel for a process flow diagram.

An offer that has been accepted cannot be cancelled.

3.2.5 Best and Final

Best and Final Offers (BFOs) are applicable only for Market Rate Cars. Best and Final offers may not be made for Spot Market and Special Market offers.

Should negotiations fail to produce a rate agreement, the STB's Deprescription order provides for a dispute resolution process through baseball-style arbitration. This process is defined in Car Hire Rule 25. Before the arbitration process can begin, however, parties to the negotiations are required to submit their Best and Final Offers (BFOs) through the CHRNSS application.

The BFO process begins with either party to an offer requesting that a BFO be submitted. This call for BFO prompts CHRNSS to notify both parties that a request for Best and Final Offers has been received. The call for BFO can take place at any point within the negotiations after the initial offer has been made. The Call for Best and Final transaction in CHRNSS requires the following information:

1. Mark of the party making the request
2. Mark of the party to which the request is being sent
3. Bid and Offer Number
4. Optional Carrier Reference Number

CHRNSS will notify the receiving party that a BFO has been requested. The sending (requesting) party will only receive an acknowledgment of its request. Each party then has 28 calendar days to respond with its BFO. If no BFO is submitted within the appropriate time frame, the last counteroffer made will be considered the BFO for the non-responding party. If no counteroffer was made by a non-responding party, then the current rates in effect (or, if a spot rate is in effect, the rate previous to the spot) will be considered its BFO.

See Exhibit 8. Simple Call for Best and Final and Exhibit 9. Counter and Call for Best and Final for process flow diagrams.

A road submits its BFO using the same data and rules as would be done for a counteroffer, see Section 3.2.2.

CHRNSS keeps the BFOs confidential until it has received one from each party. If the offers are identical, CHRNSS notifies both parties of acceptance, and the rates are retained for the next monthly updating of CHARM. If the BFOs are different, CHRNSS forwards each BFO response to the other road. In either case, the offer is closed. If the roads desire to continue negotiations on this equipment through CHRNSS, a new offer must be opened.

For the purposes of arbitration, the BFOs remain binding for 180 calendar days from the date that they were disclosed to each of the parties. For Car Hire settlement, the current rate will continue to apply for cars contained in an offer that had a call for BFO until resolved by an arbitration award or a negotiated settlement. Except as follows:

If an Owner's or User's request for BFO contains all "New Cars" (built or Rule 88 rebuilt on January 1, 1993, or later) and the current applicable rate for all cars is the Default Rate, then the other party's BFO response to the request for BFO will become effective on the first day of the following month. If the responding party does not submit its BFO within the 28-day time period, its last counteroffer or the Default Rate, as described above, becomes its BFO and the effective rate on the first day of the following month. Either party may still request arbitration and once an Arbitrated Rate is established it will take effect.

Subsequent offers cannot go to another BFO stage, i.e., CHRNSS will reject a call for BFO transaction if there currently exists a previous BFO that has not aged past its 180-day window.

3.3 Arbitration

If the Owner and User of a car are unable to reach a market rate agreement, either party may submit the dispute for final and binding arbitration after Best and Final Offers have been submitted.

The final and binding arbitration process is not part of the CHRNSS system. Refer to Rule 25, Paragraph C of the *Code of Car Hire Rules* as published in the OT-10 for a detailed explanation of the final and binding arbitration procedure.

At the conclusion of an arbitration proceeding, the American Arbitration Association will notify Railinc of the arbitrator's decision. CHRNSS will retain these rates for updating CHARM to become effective the first of the month after notification. These rates are stored as Arbitrated Rates, using a rate type indicator code of "R", for one year in CHARM, after which these same rate values will be retained but the rate type indicator will convert to a post arbitration-period rate code of "D."

See Exhibit 10. Arbitration 180 Day Window and Exhibit 11. Arbitration Timeline for process flow diagrams.

3.4 Message Types

3.4.1 Email Notifications

Participants can expect to receive tickler (reminder) messages under the following circumstances:

1. After 15 days of no activity on an Open Offer.
2. After 30 days of no activity on an Open Offer.
3. An offer is canceled due to no activity after 45 days.
4. The party has not responded to a call for BFO and has 13 days left to respond.
5. The party has not responded to a call for BFO and Railinc, via CHRNSS, has applied either the last counteroffer or current rate in effect as the BFO, see Section (3.2.2).
6. BFO rates have 60 days remaining during which time they can be referred to an arbitrator.
7. The 180-day period during which BFO rates remain binding has expired.
8. Spot and Special rates of duration more than 60 days will expire in 60 days.

See Exhibit 12. Offer Inactivity Timeout for a process flow diagram.

4 Appendix

4.1 Deprescription Glossary of Terms

Agent—Party authorized to act on behalf of equipment Owner or User.

Appurtenances—Generally racks on flat cars designed to carry automobiles (auto racks).

Arbitration—Dispute resolution process for Market Rate Cars that can be invoked by either party to a negotiation. Will be conducted by the American Arbitration Association; the arbitrator will choose one of the Best and Final Offers and whose decision is binding.

Arbitrated Rate—Rate selected by an arbitrator that is closer to the fair market rental value of the cars at issue as determined based on evidence of comparable arm's-length transactions involving any combination of railroads, shipper or other parties. These rates are binding for one year unless the parties agree to new rates on these cars at any time during the year period. The Arbitrated Rates continue in effect after expiration of the one-year period, until a new rate is agreed to by the parties or established by a new arbitration.

Authorized User—Entity authorized to use CHRNSS to negotiate and conclude agreements. May be an equipment Owner, equipment User, or designated Agent.

Base Rate—Rate applied to non-market rate equipment in the absence of an agreement.

Best and Final Offer (BFO)—Process which either Owner or User may initiate to call for a binding response to a rate request. Response to BFO is binding for six months and, if arbitration is invoked, the arbitrator will choose either the Owner's or the User's BFO. (Only applies to Market Rate Cars.)

Bid—An initial offer to accept or pay a specified rate. Same as an offer.

Bid and Offer (B/O) Number—The identification number assigned by CHRNSS to a new offer between two parties.

Broadcast List (Weekly)—An AAR Deprescription product. A weekly notification by CHRNSS of cars entering or exiting the Deprescription system during the preceding week.

Car—The terms "car", "private car", and "prescribed car" are used with specific meaning within this document. The term "car" refers to a freight car subject to Deprescription and is synonymous with market car and Market Rate Car. A car operates under the Code of Car Hire Rules and must, by definition, carry a railroad assigned reporting mark. Private cars and prescribed cars (Grandfathered Boxcars) are not subject to Deprescription and are not cars as the term is used here. Cars are a subset of railcars and freight cars. Private cars may be transferred to railroad service by re-stenciling with a railroad mark, and thereby become Market Rate Cars.

Car Hire—Compensation to be paid, under the Code of Car Hire Rules, by a User to an Owner for use of a car.

Carrier Reference Number—An optional field that can be used in the bid offer process for internal identification purposes.

CHARM—Car Hire Accounting Rate Master. AAR file that contains all Car Hire rates currently in effect for each individual piece of equipment.

Counteroffer—Response to an offer received. It must be for the same equipment and time period as the original offer.

Default Rate—Rate applied to market rate equipment in the absence of an agreement, see Rule l.I of the Code of Car Hire Rules.

Deprescribed Car— All railway marked cars other than Grandfathered Boxcars. Same as Market Rate Car.

Deprescription—A system of Car Hire rates based on negotiations between Owners and Users, which replaced the prior system of prescribed Car Hire in which rates were determined by an Interstate Commerce Commission mandated formula. Deprescription was implemented by the ICC's decision in Ex Parte No. 334 (Sub-No 8), which amended Title 49, Chapter X, Parts 1033 and 1039 of the U. S. Code of Federal Regulations.

Effective Date—The date when a Car Hire rate takes effect, always the first day of a month.

Equipment—This term is used in this document to cover all railcars (cars, prescribed cars, and private cars) and appurtenances.

Equipment Type Code—A four-character alpha/numeric code used to designate a specific type of freight car. See the *Umler Data Specification Manual* issued by Railinc and available on Railinc's website on the Umler page.

Expiration Date—The date when a Car Hire rate will expire. Always the last day of a month.

Fixed Rate Car— Those prescribed cars, other than Grandfathered Boxcars, for which prescribed rates continued to apply for a 10-year period, unless voluntarily deprescribed earlier. On January 1, 2003, all remaining Fixed Rate Cars were converted to Market Rate Cars.

Grandfathered Boxcars—A Class III boxcar that was exempted by the STB's boxcar deregulation ruling (Ex. Parte 346, Sub. 19). These cars are also exempt from Deprescription (Ex. Parte 334, Sub. 8). Same as prescribed car or prescribed rate car.

Interstate Commerce Commission (ICC)—The U. S. regulatory agency that was the predecessor to the STB. The ICC originally prescribed a formula by which Car Hire rates were determined and subsequently ordered the move to the current system of Deprescription. The ICC Termination Act of 1995 terminated the ICC effective December 31, 1995.

Liability Continuity System (LCS)—A computer system that creates the official interchange record for Car Hire settlement. Based on data supplied to TRAINII®, LCS analyzes event data to establish continuity, identifies illogical or missing interchange records and creates valid default records or corrects the erroneous records based on a universal view of the North American rail network.

Mark—An alpha code used to identify a railroad or car owner.

Market Rate—The rate agreed upon between the equipment Owner and User for Deprescribed Cars.

Market Rate Car— All railway marked Cars other than Grandfathered Boxcars. Same as Deprescribed Car.

Mechanical Designation—Alphabetic Code which indicates the general category of a car's design.

Negotiated Rate—Rate agreed upon by both equipment Owner and User.

New Car—Equipment built or rebuilt under AAR Interchange Rule 88 after December 31, 1992.

Offer—The rate, dates, and any other optional special considerations proposed by a car owner or User that initiates formal negotiations between an Owner and User.

Offer Type—Various types of offers reflect the nature of the negotiations between the two parties and the Deprescription status of the equipment involved. An offer can be one of the six types that are described in Section 1.6.

Open Offer—An offer that is in negotiations between two parties.

ORER—The *Official Railway Equipment Register*. Published regularly, it contains a profile of each Owner's registered fleet, as well as pertinent information on car owners.

OT-10 —AAR Circular published on Railinc.com at this direct link (OT-10) that contains the Car Service and Car Hire rules.

Owner—Entity whose reporting marks are on the car. Also stenciled mark Owner.

Prescribed Car—A Class III boxcar that was exempted from the STB's boxcar deregulation ruling (Ex. Parte 346, Sub. 19). These cars are also exempt from Deprescription (Ex. Parte 334, Sub. 8). Same as Grandfathered Boxcars.

Private Car—A railcar that bears a private reporting mark, that is, a mark assigned to a non-railroad entity. A private reporting mark ends with the letter X. Private cars are not subject to the Code of Car Hire Rules and therefor, not subject to Deprescription. However, CHRNSS accommodates negotiations on private cars and can be used to place rates for private cars in the CHARM file.

Railcar—The term railcar comprehensively applies to all freight cars and includes all Market Rate Cars, Grandfathered Boxcars, and private cars.

Rate Types—Car Hire rates can be categorized by how they were set; see Section 1.13 for more detail. Rate categories are identified by the following CHARM rate indicator codes:

- **B** BFO rate on market cars.
- **D** Post arbitration-period rate on market cars.
- **L** Spot bilateral rate on non-market equipment.
- **M** Market rate on market cars.
- **N** Post BFO-period rate on market cars.
- **O** Default Rate on market cars.
- **R** Arbitrated Rate — Rates set through the arbitration process.
- **S** Spot market rate on market cars.
- **U** Base rate on non-market equipment.
- **V** Special bilateral rate on non-market equipment.
- **W** Bilateral rate on non-market equipment.
- **Z** Special market rate on market equipment.

STB—The Surface Transportation Board is an independent adjudicatory body administratively housed within the U. S. Department of Transportation, responsible for the economic regulation of interstate surface transportation, primarily railroads, within the United States. The STB was established on January 1, 1996, as the successor to the Interstate Commerce Commission (ICC). For the reader's ease, this document uses the STB name, in most cases, even when referring to an action or decision of the ICC. This practice is justified by language in the ICC Termination Act, which states in part "Any reference to the Interstate Commerce Commission in any other Federal law, … or any document of or pertaining to the Interstate Commerce Commission … is deemed to refer to the Board…" However, the reader will know that any action or decision made prior to 1996 and attributed to the STB, was actually made by the Interstate Commerce Commission.

Umler—The source of critical data for more than 2 million pieces of North American rail equipment maintained by Railinc.

User—The party negotiating rates on equipment it does not own or control; or the party that physically uses equipment it does not own and pays compensation to the equipment Owner.

4.2 Deprescription Products

The following is a list of available Deprescription Products. To order, contact Railinc's Customer Success Center at 1-877-RAILINC (1-877-724-5462).

1. **Weekly Broadcast List**—Each Monday, the AAR publishes a report titled Broadcast List/Deprescribed Cars, which lists cars entering or exiting the Deprescription system, during the prior seven days. Along with the car mark and number, AAR Equipment Type Code, and Default Rates, each record contains an indicator identifying the type of activity. This activity is related to either a car first entering the Umler system, in which case the record carries a code "M", or a car that has been deleted from Umler and the record shows a "D" code. The cost of Weekly Broadcast List can be found in the Railinc Price List Car Hire Deprescription section of the Railinc Price List.

2. **Default Rate Table**—Quarterly report by AAR Equipment Type Code. This table contains the lowest negotiated positive loaded hourly rate and the lowest negotiated positive empty hourly rate, and their associated mileage rate, in effect for that car type at the end of the previous quarter. The Default Rate table is used for Market Rate Cars coming into the system for the first time, that is, for cars that do not already have a Default Rate. This applies to new cars, cars rebuilt under Rule 88, and private cars changing to railroad marked cars for the first time. The Default Rate table is available at no charge on Railinc's Car Hire page listed in the **Related Support Documents** section on the right.

3. **CHARM**—Official source of time and mileage rates on prescribed and Market Rate Cars which is updated monthly. CHARM files are customized to show time/mileage rates for Car Hire settlement purposes, and each include only those rates in effect between the Owner/User trading partners. The cost of CHARM files can be found in the Railinc Price List Car Hire Deprescription section of the Railinc Price List.

4. **Market Reports**—This is an additional function of the CHRNSS application, allowing Users to generate fee-based reports. The cost of these reports can be found in the Railinc Price List Car Hire Deprescription section of the Railinc Price List.

4.3 Deprescription Process Flows

This section contains the following process flows:

Exhibit 1. Effective Dates and Expiration Dates 22
Exhibit 2. Original Offer Submission 23
Exhibit 3. Simple Counteroffer and Concur 24
Exhibit 4. Counteroffer Timeout 25
Exhibit 5. Simple Concur 26
Exhibit 6. Simple Cancel 27
Exhibit 7. Simple Counter and Cancel 28
Exhibit 8. Simple Call for Best and Final 29
Exhibit 9. Counter and Call for Best and Final 30
Exhibit 10. Arbitration 180 Day Window 31
Exhibit 11. Arbitration Timeline 32
Exhibit 12. Offer Inactivity Timeout 33

Note: Each flow contains a number that corresponds to a section in this document.

Exhibit 1. Effective Dates and Expiration Dates

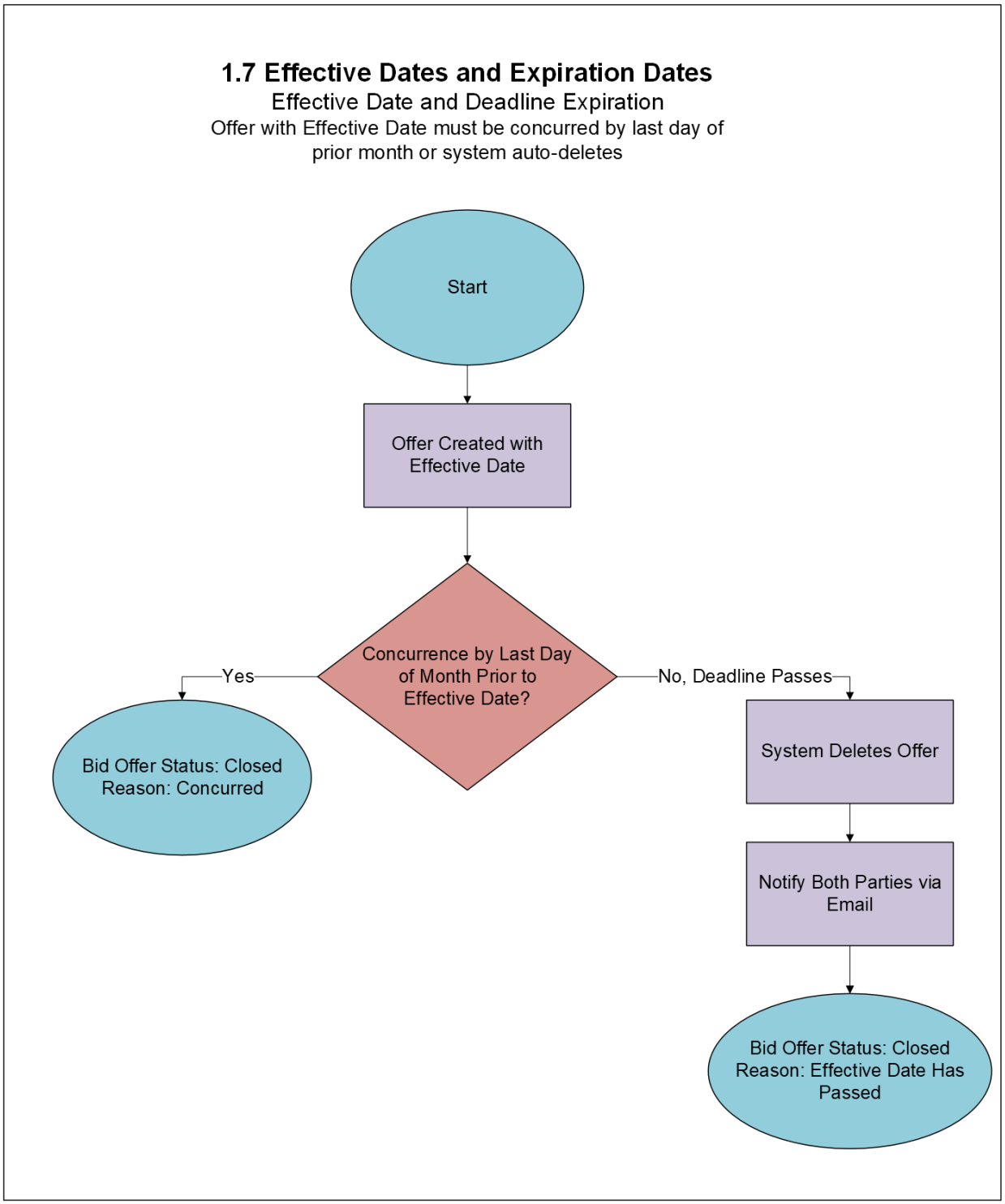

Exhibit 2. Original Offer Submission

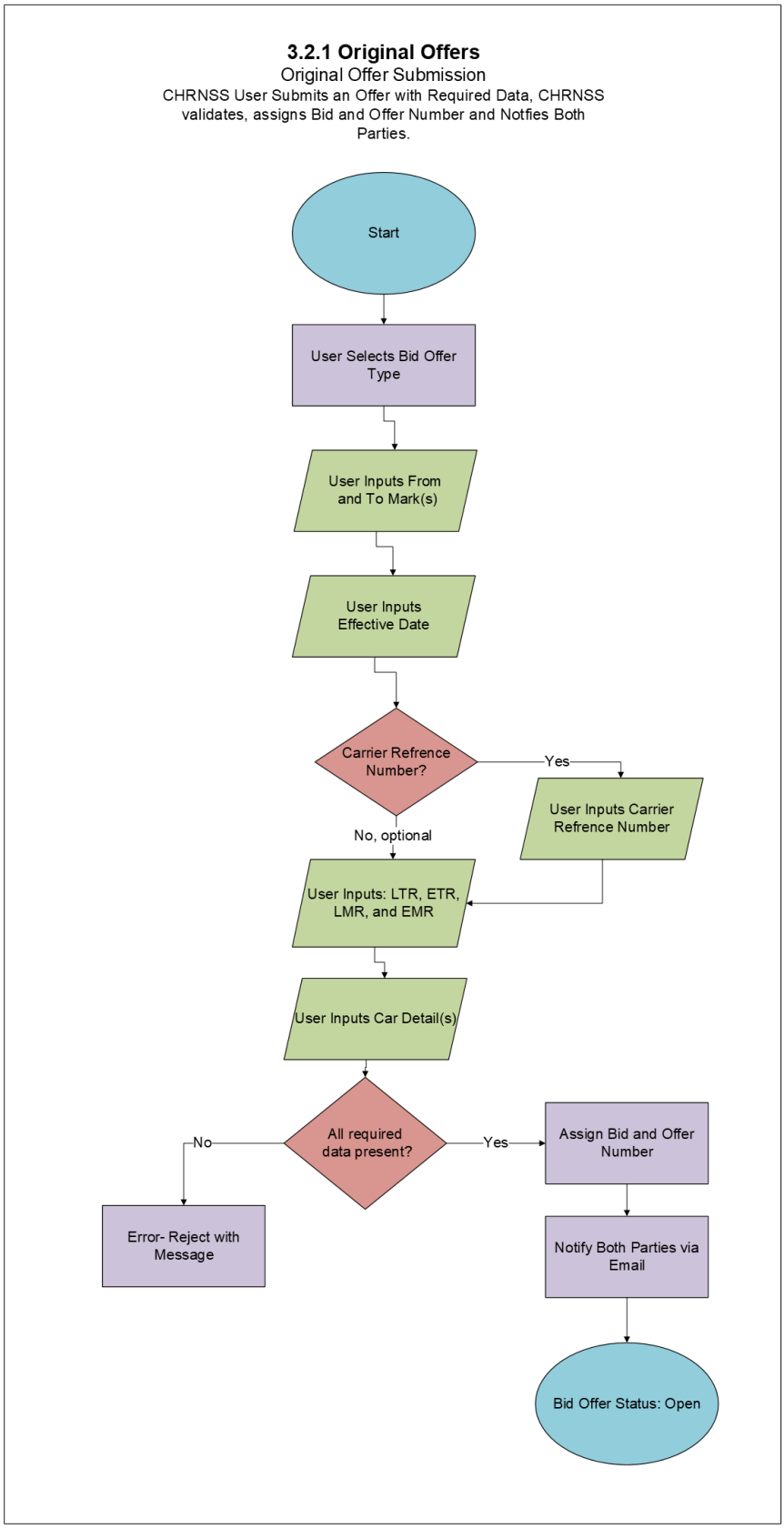

Exhibit 3. Simple Counteroffer and Concur

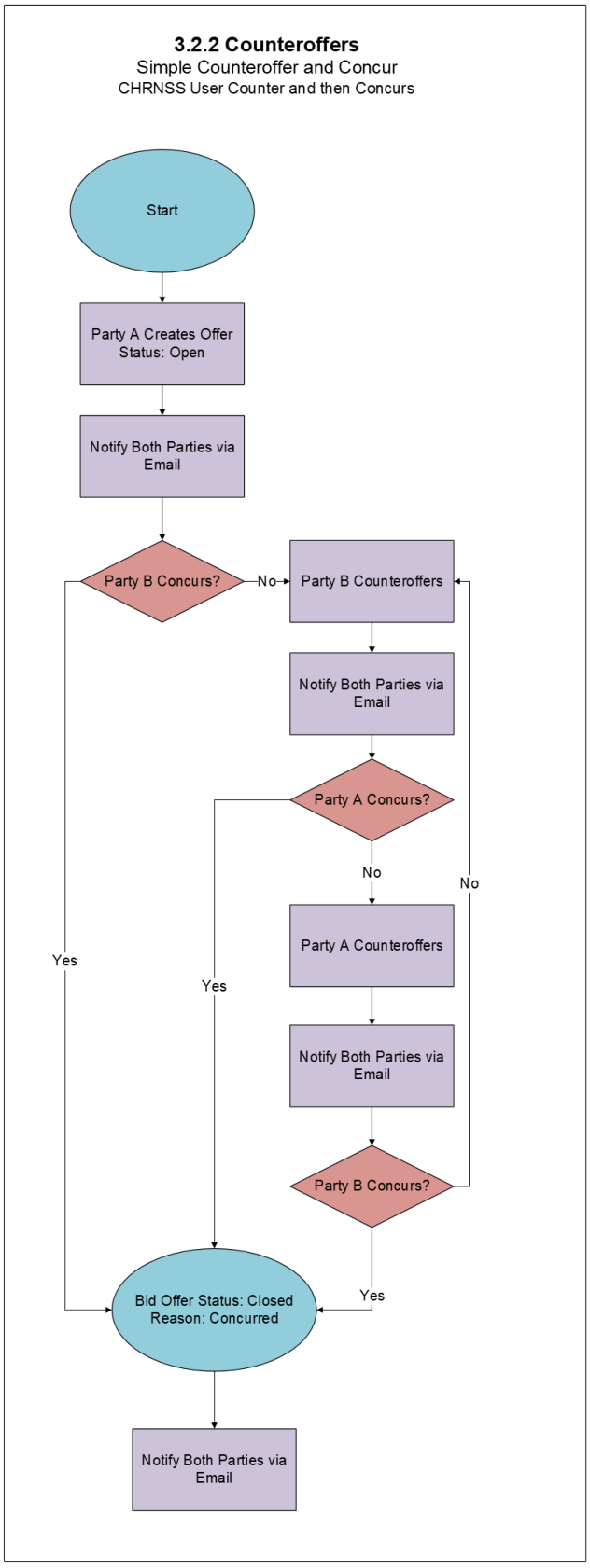

Exhibit 4. Counteroffer Timeout

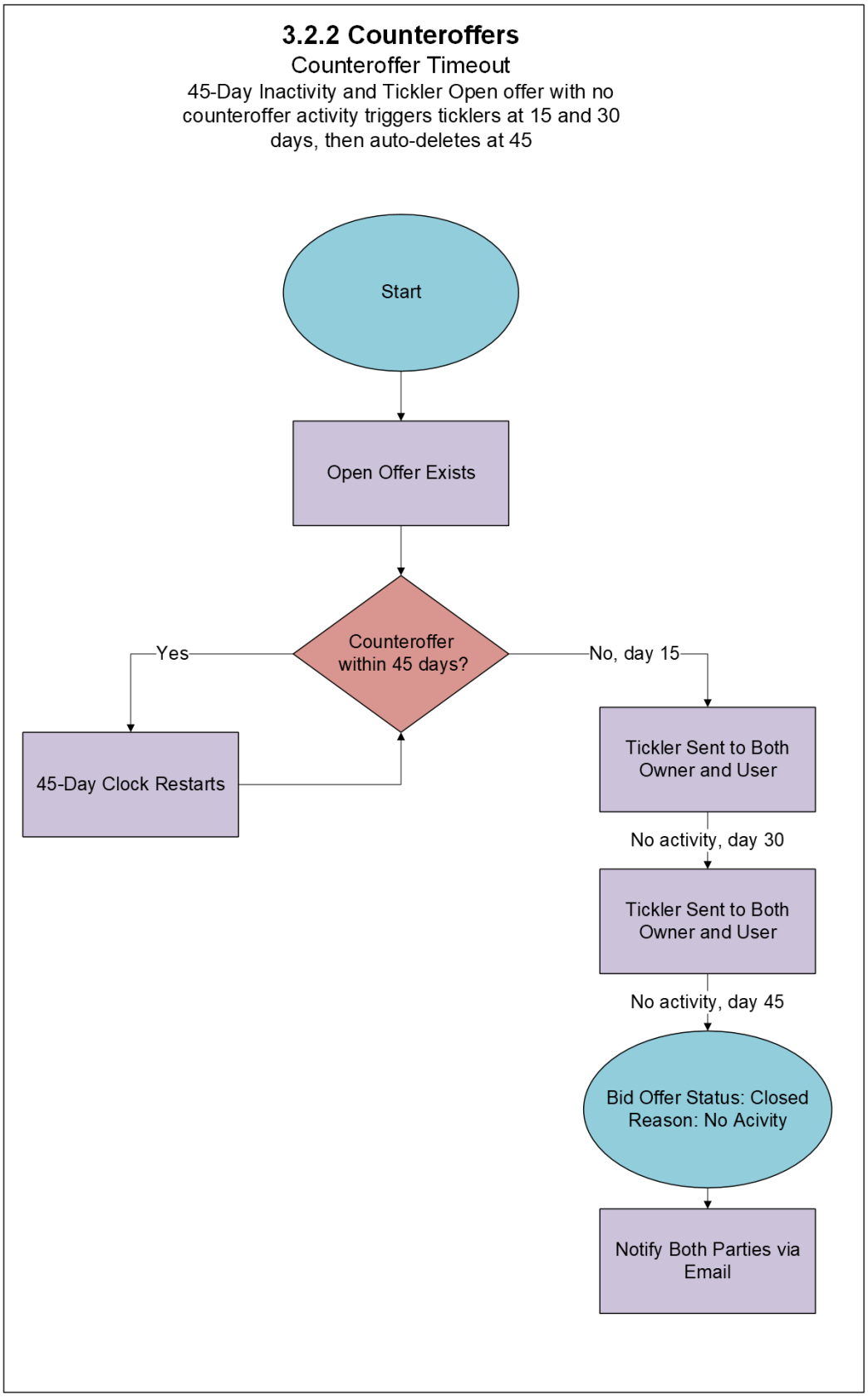

Exhibit 5. Simple Concur

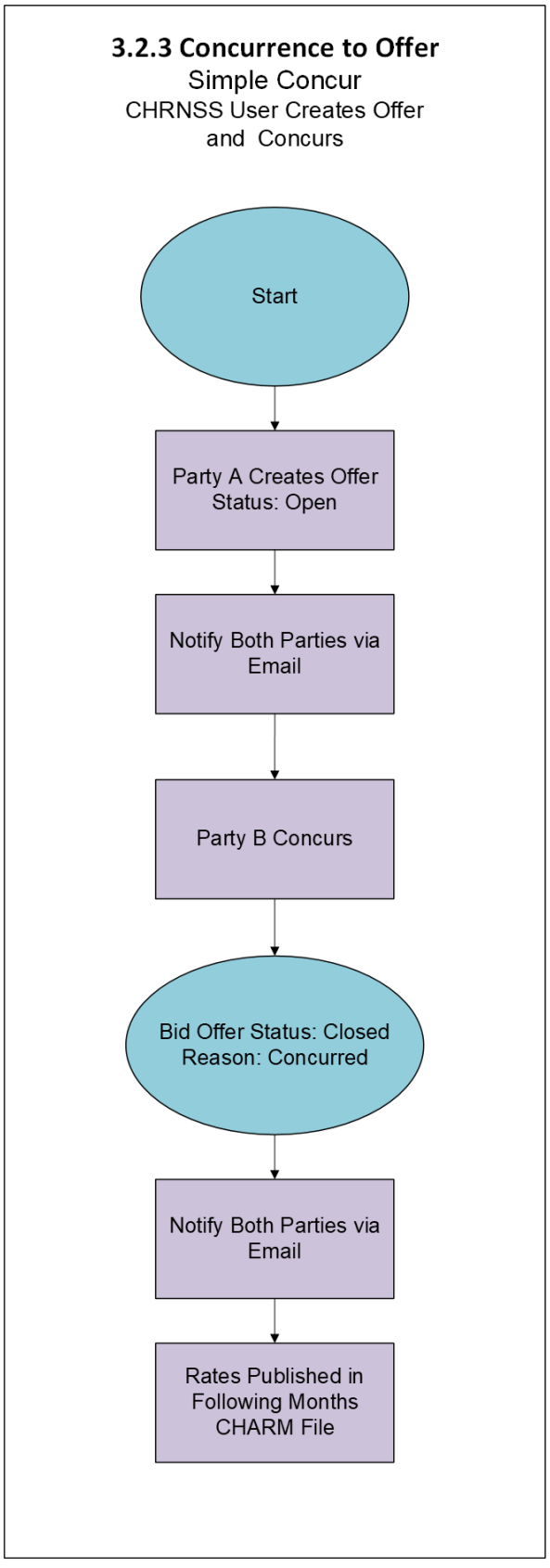

Exhibit 6. Simple Cancel

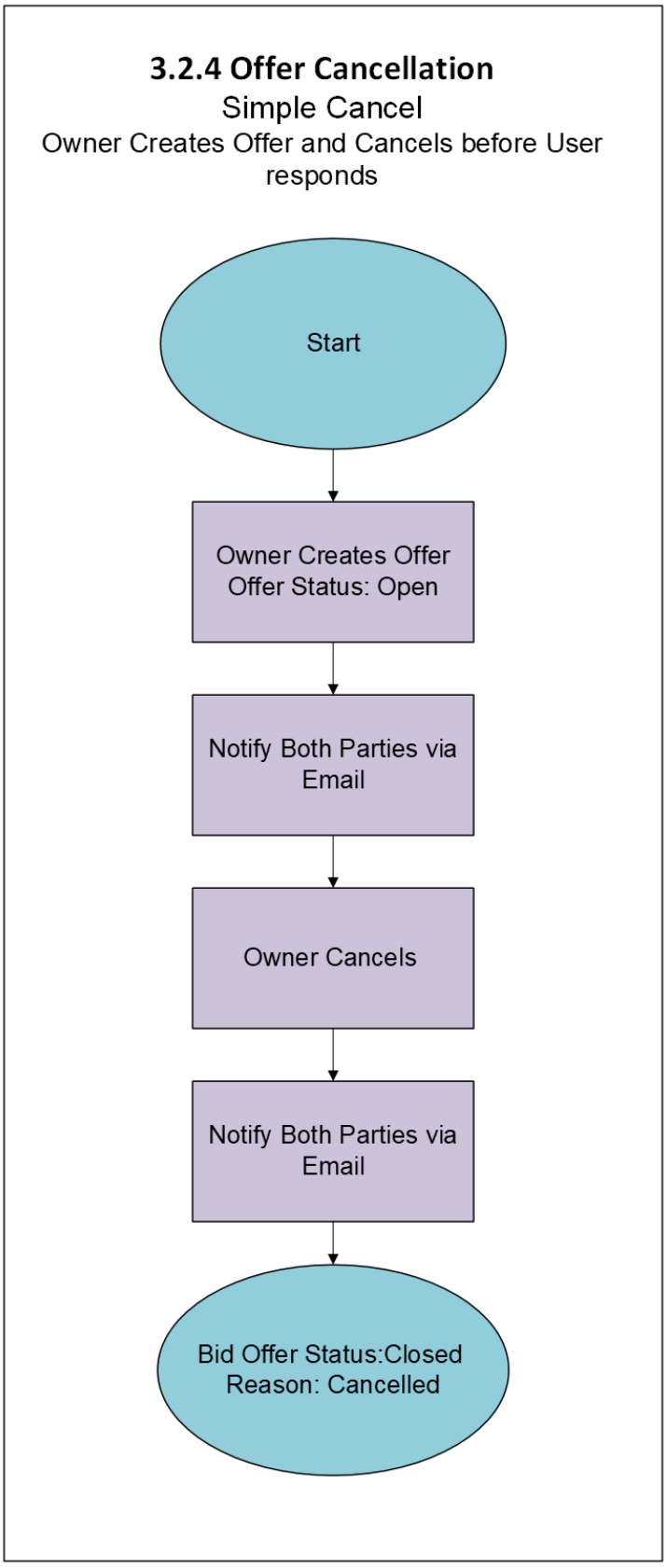

Exhibit 7. Simple Counter and Cancel

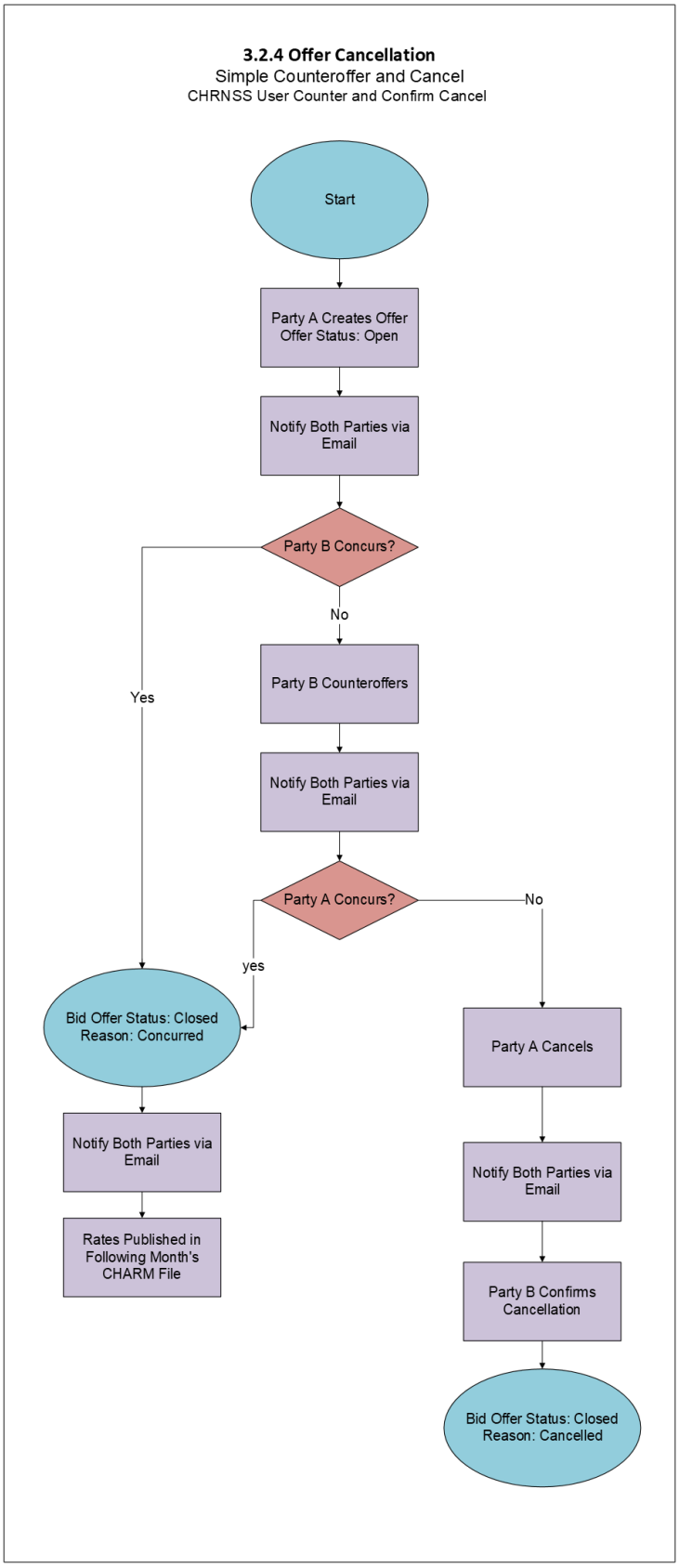

Exhibit 8. Simple Call for Best and Final

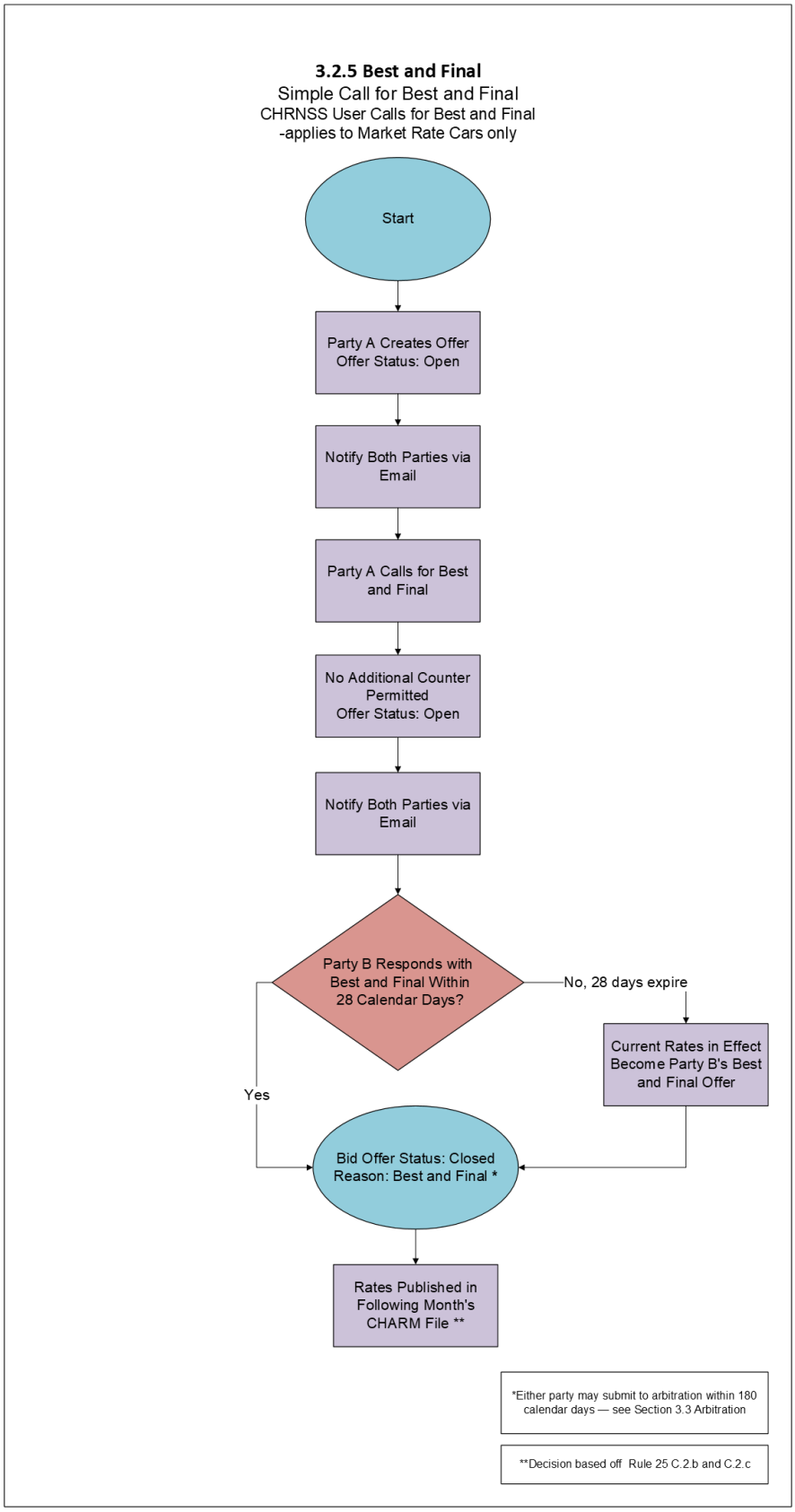

Exhibit 9. Counter and Call for Best and Final

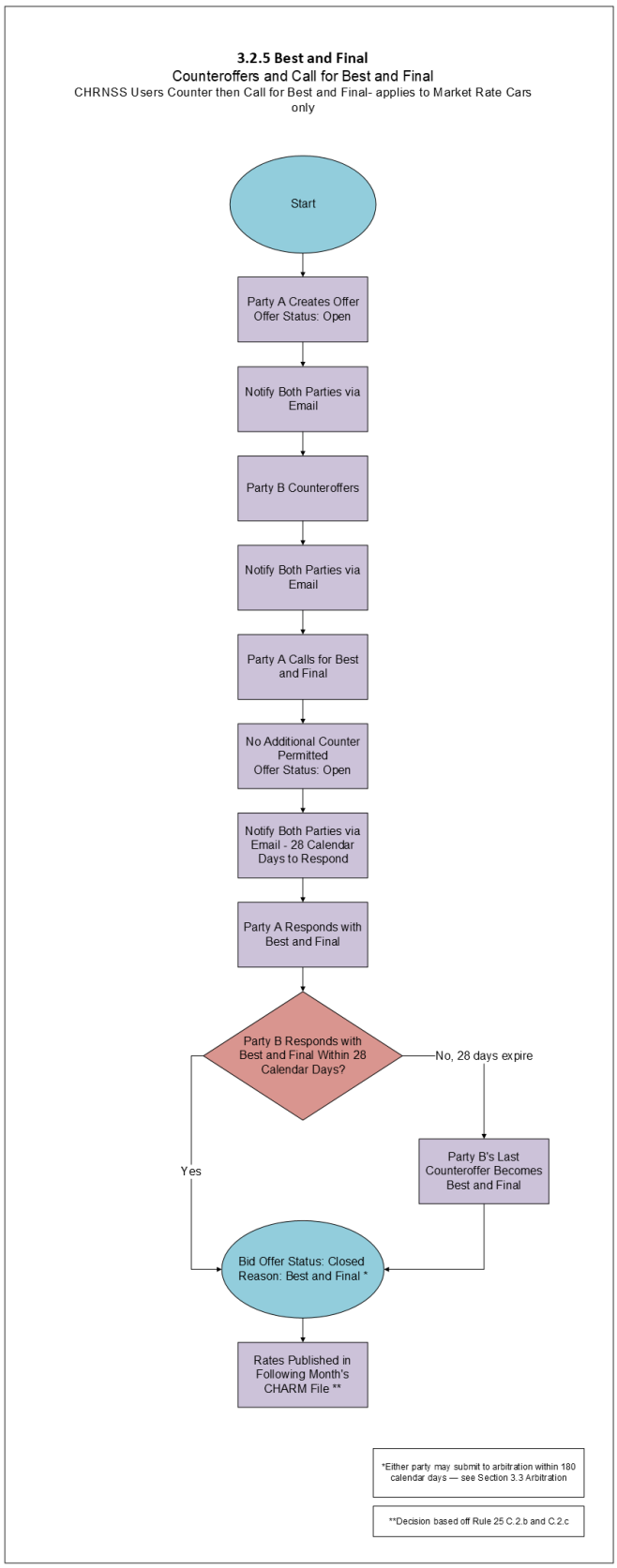

Exhibit 10. Arbitration 180 Day Window

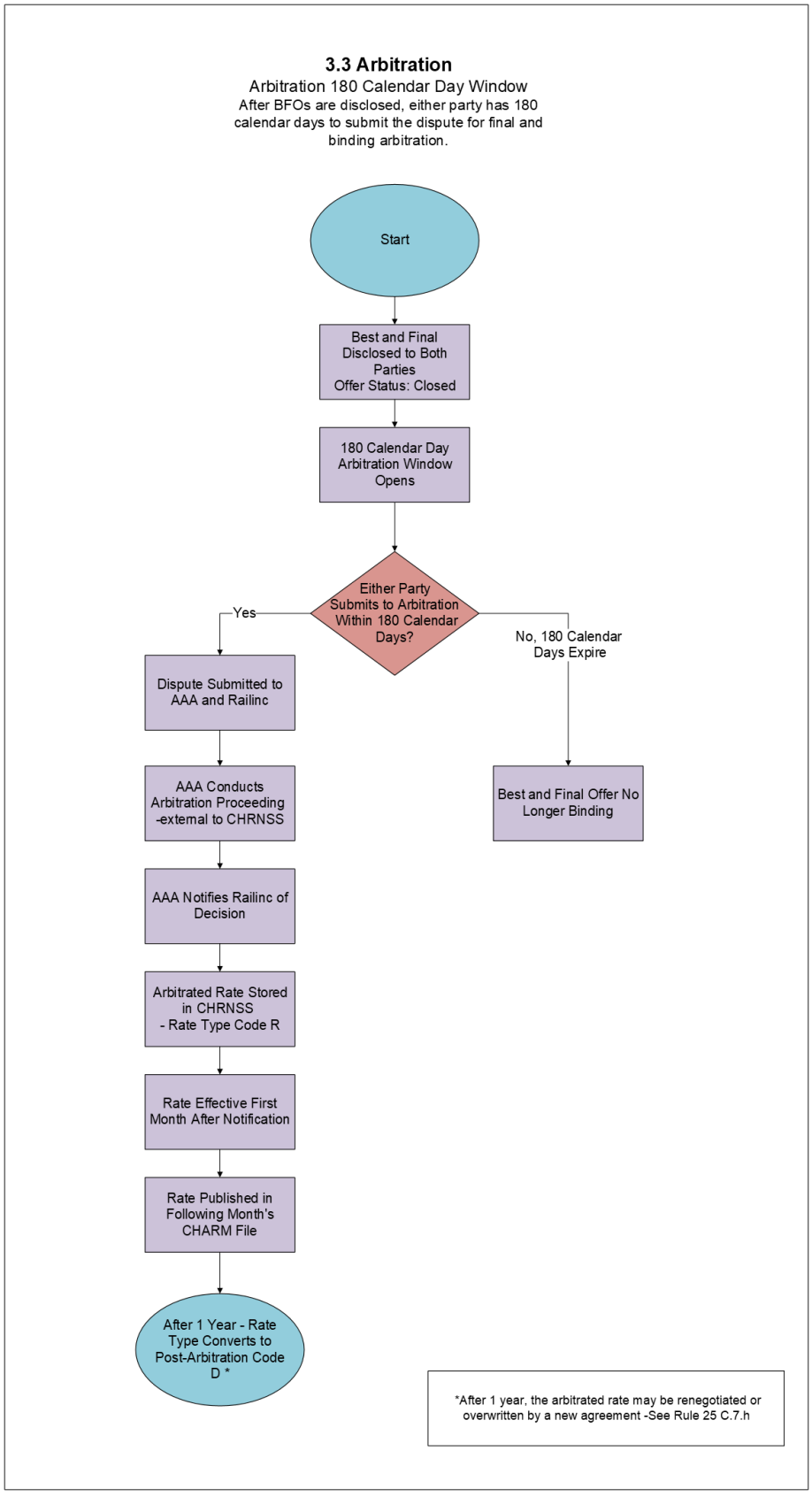

Exhibit 11. Arbitration Timeline

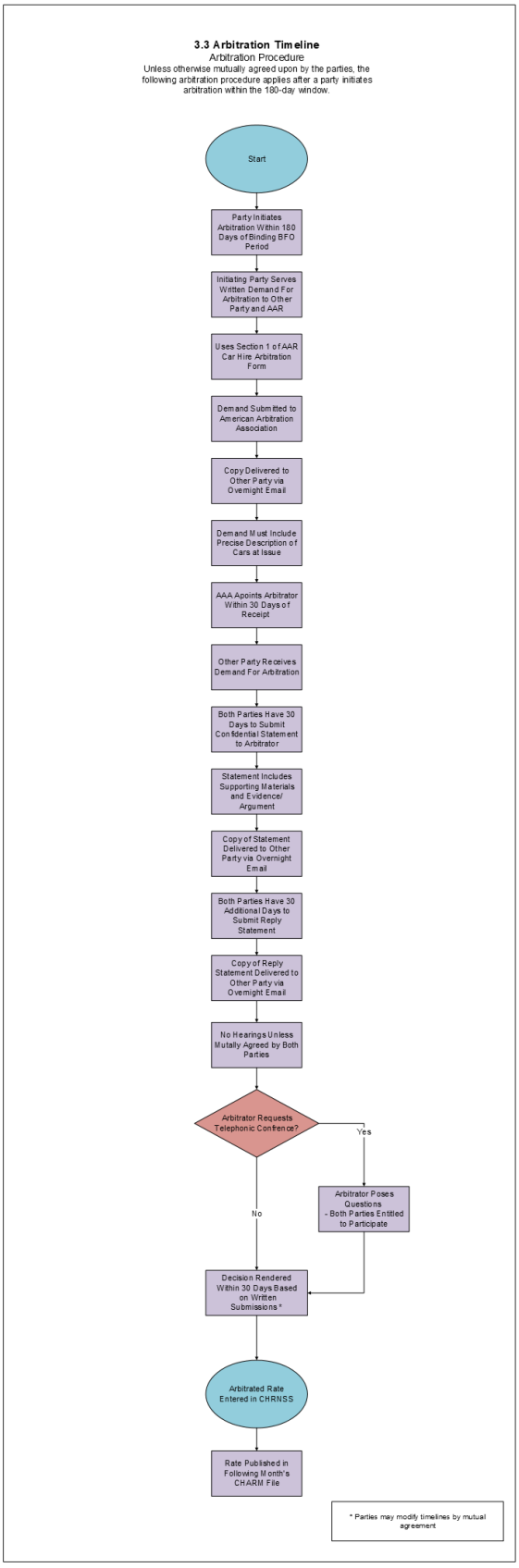
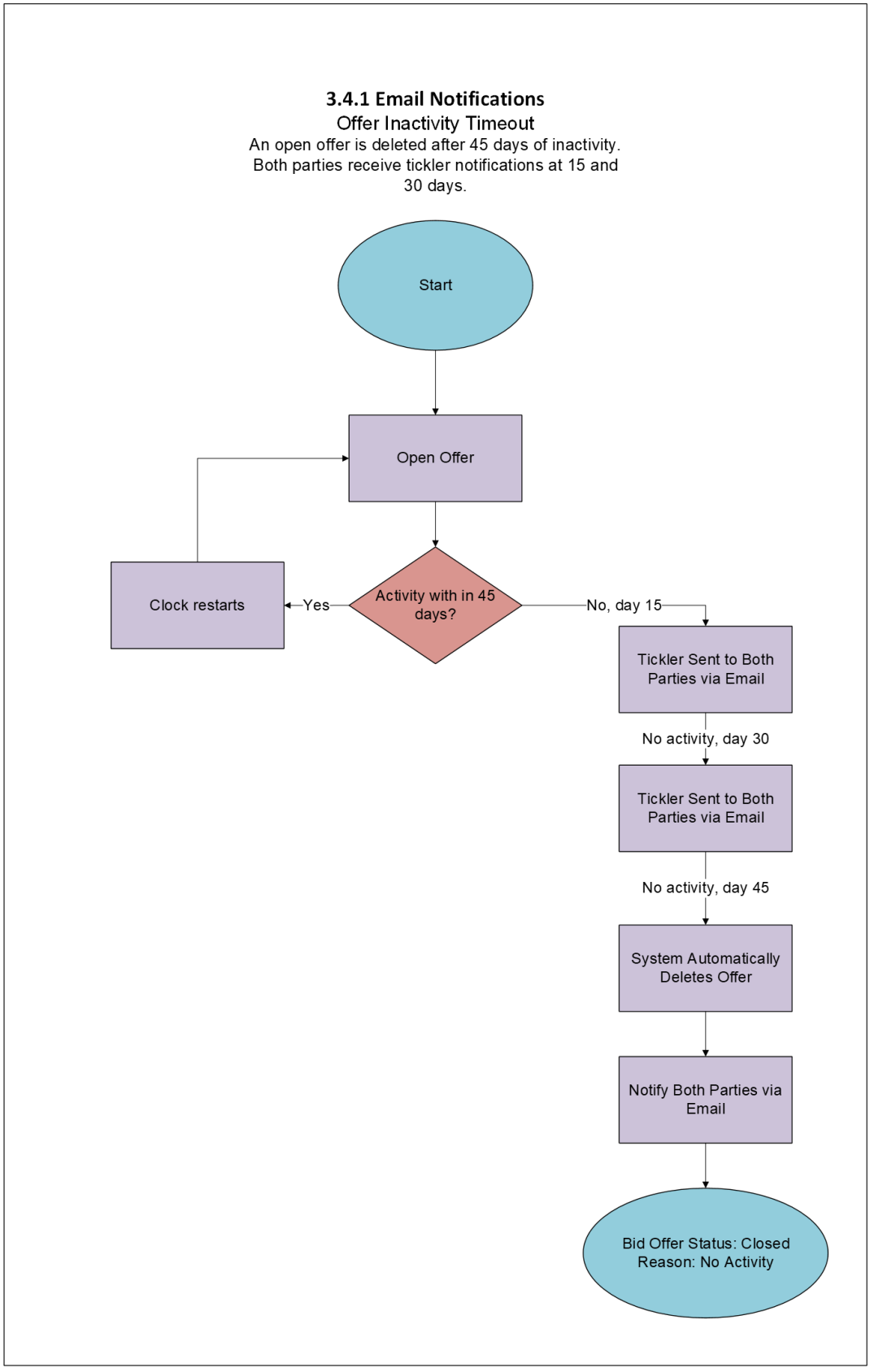
Exhibit 12. Offer Inactivity Timeout