



Association of American Railroads
Safety and Operations • Business Services
425 Third Street, SW • Washington, D.C. 20024

CIRCULAR No. OT-18

Effective: August 12, 2021

CODE OF ACCOUNTING RULES FOR END-OF-TRAIN (EOT) TELEMETRY DEVICES

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

List of Subscribers

BNSF Railway Company
Canadian National Railway
Canadian Pacific Railway
CSX Transportation
Ferrocarril Mexicano S. A. de C. V.
Kansas City Southern de Mexico, S. de R.L. de C.V.
Kansas City Southern Railway
Norfolk Southern Railroad
Union Pacific Railroad

RULE 1 – REGISTRATION AND RATES

A. UMLER Registration

Individual end-of-train (EOT) telemetry devices shall be registered in Umler maintained by the Assistant Vice President, Business Services (Secretary). A railroad must furnish to the Secretary complete and accurate Umler data on all its EOTs. 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 Business Services that EOT will not be eligible for the applicable daily usage rate.

Rates and other matters related to EOT devices registered in Umler which are owned by non-subscribers to these rules are not subject to and shall not be governed by these rules.

B. Rate Master Registration

- 1) EOT telemetry devices registered in Umler will be registered in the Car Hire Accounting Rate Master (CHARM).*
- 2) When submitted Umler data meet the completeness and accuracy edits performed by Business Services, the EOT device rate will be \$15.00 per day for the first 15 consecutive days and \$50.00 per day thereafter.
- 3) When submitted Umler data fail to meet completeness and accuracy edits performed by the Business Services, the EOT device will be registered but will be zero rated until the first day of the month following the month in which such data is corrected.
- 4) EOT devices deleted from Umler in a given month will be retained in CHARM at the last effective rate through the following month.

C. Responsibility for EOT Devices Delivered to Non-Subscribers

In the event an EOT device is delivered to a non-subscriber, the subscriber interchanging the EOT device to a non-subscriber shall be responsible for the charge, applicable under Paragraph B.2, while such device is in the possession of the non-subscriber until such device is again interchanged to a subscriber. (Subscribers may choose to make bilateral agreements with non-subscribers regarding device hire.)

*CHARM is the industry repository for equipment rates. Storage of EOT data in CHARM will provide additional flexibility when the existing rate structure needs to be expanded.

RULE 2 – COMPUTATION OF DAYS

A. Days

Days shall be calculated by subtracting the date of receipt from the date of delivery. The day of receipt shall be disregarded and payment made for the day of delivery. A carrier receiving and delivering an EOT device on the same day shall not pay a charge for that day.

B. Record Source

The official interchange record created through LCS processing will be the record used for determination of device hire liability. Subscribers to these rules must use the LCS records to determine and pay device hire liability.

RULE 3 – REPAIR/IDLE CHARGES AND RECORD RETENTION

A. General

- 1) EOT device charges will be allowed on devices out of service for repair or lying idle until returned to service, except as provided in Rule 5 or as follows:
 - a. A subscriber who had received a device with no interchanges to or movements reported by another subscriber shall be responsible for the daily device rate up to and not to exceed \$3,100.00. Charges will not be applicable for any subsequent days until event reporting resumes. Liability will resume on the date of the next event report at the \$15.00 per day rate.
 - b. A subscriber who had delivered a device to a non-subscriber shall be responsible for the daily device rate up to and not to exceed \$3,100.00. When the device is returned to a subscriber and the maximum liability had been reached, liability will resume at the \$15.00 per day rate.

2) Retention of Records

In order to make appropriate adjustments and audits, all roads shall retain records necessary to support receipts and payments for three (3) full calendar years prior to the current year except as provided in EOT Accounting Rule 6 C.

RULE 4 – PROVISIONS FOR AUDITS

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

RULE 5 – DAMAGED EOT DEVICE – HANDLING LINE RESPONSIBILITY

A. Damaged or Stolen

When an EOT device is rendered inoperable or stolen and reported to the owner with a request for its settlement value, the responsibility for the EOT device charge will cease at 23:59 hours on the day the handling carrier notifies the owner it will settle for the device at its settlement value.

B. Lost

- 1) The settlement value for a lost device should be requested after the device has had no interchange or movement reports to the AAR for a period of one year.
- 2) If a lost device is settled for through the DV process all payments made after the last actual movement will be credited toward the DV settlement. To the extent that payments for usage after the last actual movements exceed the DV value, no refund will be made.

RULE 6 – INTERCHANGE REPORTING

The official interchange record created through LCS processing will be the record used for determination of device hire liability. Subscribers to these rules must use the LCS records to determine and pay device hire liability.

A. Via Train Service

- 1) EOT devices shall be considered as having been delivered to a connecting railroad when the freight cars upon which they have been affixed have been placed upon the agreed and designated interchange track.
- 2) The date, hour and location as determined by LCS will be the record used in determination of the EOT charge obligation.

B. Other Than Train Service

- 1) EOT devices shall be considered as having been delivered when the delivering carrier reports to the AAR hand and/or package delivery (HAND/PKGD) via the Train 10 reporting system. In the absence of a hand or package delivery transaction, the device will be considered delivered when the receiving carrier reports a hand or package receipt (HANR/PKGR) via the TRAIN 10 reporting system.
- 2) The delivering carrier shall report on the date shipped a “HAND/PKGD” event for each EOT device forwarded to another carrier in other than train service. The receiving carrier shall report on the date received a “PKGR” event for each EOT device received from another carrier in other than train service.
- 3) The delivering carrier shall retain hand and package delivery (HAND/PKGD) supporting information for 12 months from the date of reported shipment for auditing purposes between the delivering and receiving carriers. Supporting information should include the EOT initial and number, and if applicable, the common carrier company and the tracking number.

- 4) The delivering and receiving carriers shall each obtain receipt from the agent providing the transportation service to verify the shipment of EOT devices between carriers.

C. Use of Movement Events

In the absence of an interchange record to a railroad, the reports of movement events will be used to determine EOT liability.

RULE 7 – LCS DEFAULT LOGIC AND JUNCTION REPORTS

A. Default Logic

1. All applications of default logic require a minimum of three (3) in-sequence 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 reporting 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 by LCS processing, coded per Appendix J-2 of these rules, and returned as junctions to the delivering road, receiving road and the equipment owner.

RULE 8 – REPORTS OF EOT DEVICE USAGE

A. AAR Preparation

AAR will prepare and submit reports to the user and owner of EOT devices 20 days after the close of the month.

B. Content

Reports shall contain the information required to settle the liability for each EOT device. The information to be included is described in Appendix B.

C. Report Period

The period reported each month will be for EOT device activity that occurs in the preceding calendar month. The month in which activity occurs will be referred to as the service month.

Any EOT device that was in the account of a carrier at the end of the previous reporting period that does not have any activity reported during the current period will continue to be reported as on hand.

D. Report and Payment Schedule

- 1) AAR will submit reports for EOT devices within 20 days of the end of the service month.
- 2) The subscriber assigned liability for a device will have up to 2 months from the end of the service month to issue exceptions to the EOT device owner or its representative. Exceptions must be issued using the End of Train Self Service (EOTSS) system maintained by Railinc.
- 3) If a subscriber assigned liability for a device fails to issue exceptions within 2 months from the end of the service month, no exception may be taken and the total amount shown on the report is due to the EOT device(s) owner from the EOT device(s) user.
- 4) If an exception is taken in whole or in part to the EOT device report, it is the responsibility of the owner of the EOT device(s) to resolve the exception(s) within 3 months from the end of the service month. Resolution must be made via the EOTSS system maintained by Railinc. When an owner does not resolve exceptions within 3 months of the end of the service month, the exception will be assumed to be valid and the requested adjustment will be made by the EOTSS.
- 5) Information developed in the exception process may indicate that liability should be assessed to an owner that was not previously involved in the transaction. Device owners may submit this liability to the responsible subscriber within 4 months of the end of the service month. Subscribers receiving these exceptions must resolve them by the end of the 4th month following the end of the service month. Exceptions that are not approved by the end of the 4th month following the end of the service month will be assumed to be valid and the requested adjustment will be made by the EOTSS.

- 6) EOT device(s) reported to the user, for which the user does not take exception, are payable to the owner as outlined in Rule D.2.
- 7) Device hire processed through the EOT Self Service (EOTSS) application will be settled via and subject to the Railroad Clearinghouse Settlement (RCH) Regulations. The EOTSS system will furnish device hire amounts to the RCH on the 12th of the month in which the device hire is finalized. If the 12th falls on a holiday or weekend the device hire summary amounts will be provided on the first business day thereafter. On the following business day, the RCH will notify each subscriber of its net/net position. The RCH will administer the exchange of funds on the first business day after notification of net/net position.

RULE 9 – ARBITRATION COMMITTEE

A. Scope

To formally interpret these rules and to settle disputes arising under them, the Safety and Operations Management Committee (SOMC) acting as the Operations General Committee shall act as an Arbitration Committee. Members representing a majority of the total votes of SOMC shall constitute a quorum.

B. Rule Disputes

In case any question or dispute arises under these rules, it may be submitted by either party to the Arbitration Committee through the Secretary of Business Services. Each party shall submit an abstract that briefly sets forth the points at issue and each party's interpretation of the rules upon which its claim or defense 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 AAR through SOMC.

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.

RULE 10 – INTERPRETATION AND REVISION OF RULES

The Equipment Assets Committee (EAC) shall have authority to informally interpret these rules, and to make recommendations for changes or revisions. Upon approval by SOMC, such changes or revisions to these rules will be submitted to the Subscribers for approval.

Supersedes Circular No. OT-18 dated January 1, 2019.

By direction of,

Nichole Fimple

AVP Business Services/Executive Dir. Rules and Standards
Association of American Railroads

Appendix A – Explanation of LCS Interchange Type Codes

CODE:

- B Interchange record created by LCS when both roads reported the same equipment event but the time difference was greater than 24 hours.
- C Liability acceptance interchange record submitted by owner or user to correct liability to their account.
- D Interchange record created by LCS from the delivery record. No receipt reported.
- G Interchange record created by LCS because of a gap (both reports are missing).
- L Interchange record created when a Start of Haulage event is reported.
- M Interchange record created when a Stop of Haulage event is reported.
- O Verified interchange created from one-road reporting, where the delivery road is the official reporter.
- P Verified interchange created from one-road reporting, where the receiving road is the official reporter.
- Q Interchange record created when haulage terminated due to multiple load/empty status changes or after 60 days has elapsed from the start of haul without a valid stop.
- R Interchange record created by LCS from the receipt record. No delivery reported.
- V Verified interchange, both roads reported exactly the same time and location.
- W Verified interchange record created by LCS using the delivery record because both roads reported the same equipment event with a time discrepancy within 4 hours or less.

EOT Liability File

Column Name	Format	Length	Position	End Position	Description
EOTLF Key (CHLF Key)	18 Positions / Character	18	1	18	Record Identifier
Equipment Initial	4 Positions / Character	4	19	22	EOT Initial
Equipment Number	10 Positions / Numeric	10	23	32	EOT Number
Equipment Owner	4 Positions / Character	4	33	36	Owner (Stenciled Mark Owner)
Family Code	4 Positions / Character	4	37	40	This will show any relationships that are not in the mark register.
Possession Road	4 Positions / Character	4	41	44	The Railroad that is possession of the EOT
Liable Road	4 Positions / Character	4	45	48	The Railroad that is liable for the EOT (Subscribers Only, BNSF, CSXT, CN, CPRS, FXE, NS, UP)
Start Source Code	3 Positions / Character	3	49	51	Code that started liability
Start Source Type Code	2 Positions / Character	2	52	53	Type code given more information on why liability started
Start Event Type	4 Positions / Numeric	4	54	57	Event type that started liability
Start Date	12 Positions / YYYYMMDDHHMM	12	58	69	Event Date that started liability
Start Road	4 Positions / Character	4	70	73	Railroad that started liability. This will also be the railroad that ended the prior liability.
Start Location	9 Positions / Character	9	74	82	SPLC where liability Started
Start Location City	50 Positions / Character	50	83	132	City where liability started

EOT Liability File

Column Name	Format	Length	Position	End Position	Description
Start Location State/Prov.	2 Positions / Character	2	133	134	State/Province where liability started
Start Day	2 Positions / Numeric	2	135	136	Day of the month that started liability
End Source Code	3 Positions / Character	3	137	139	Type code given more information on why liability ended
End Source Type Code	2 Positions / Character	2	140	141	Event type that ended liability
End Event Type	4 Positions / Numeric	4	142	145	Code that ended liability
End Date	12 Positions / YYYYMMDDHHMM	12	146	157	Event Date that ended liability
End Road	4 Positions / Character	4	158	161	Railroad that ended liability, this will be Railroad that starts the next start record
End Location	9 Positions / Character	9	162	170	SPLC where liability ended
End Location City	50 Positions / Character	50	171	220	City where liability ended
End Location State/Prov.	2 Positions / Character	2	221	222	State/Province where liability ended
End Day	2 Positions / Numeric	2	223	224	Day of the month that ended liability
Rate1 Value	2 Positions / Numeric	2	225	226	This is first rate for EOTs. Currently this value will be \$15
Rate1 Days	2 Positions / Numeric	2	227	228	Number of days at Rate 1
Total Amount Rate 1	3 Positions / Numeric	3	229	231	Total Amount Rate 1

EOT Liability File

Column Name	Format	Length	Position	End Position	Description
Rate2 Value	2 Positions / Numeric	2	232	233	This is second rate for EOTs. Currently this value will be \$50
Rate2 Days	3 Positions / Numeric	3	234	236	Number of days at Rate 2
Total Amount Rate 2	4 Positions / Numeric	4	237	240	Total Amount Rate 2
Zero Days	4 Positions / Numeric	4	241	244	Number of Days at Zero Rate
Current Days	2 Positions / Numeric	2	245	246	Number of Days for the current record for current month
Total Days	4 Positions / Numeric	4	247	250	Number of total days liable for EOT. This number can cross months
Max Indicator	1 Position / Character	1	251	251	Indicator if the max amount has been hit. If the amount has been hit then the Zero Days will be populated. (\$3,100 and/or 58 days
Total Amount Current Month	4 Positions / Numeric	4	252	255	The total amount for the EOT record for the current file month.
Cumulative Total Amount	6 Positions / Numeric	6	256	261	The cumulative total amount for the EOT record for all months if the liability is continuous (cross-months).
Original Liability Date	12 Positions / YYYYMMDDHHMM	12	262	273	The from road of the interchange that started liability
Prior Liable Road	4 Positions / Character	4	274	277	The from road of the interchange that started liability
Prior Possession Road	4 Positions / Character	4	278	281	The from road of the interchange that started possession

EOT Liability File

Column Name	Format	Length	Position	End Position	Description
Total Number of Days in Transit	4 Positions / Numeric	4	282	285	The total number of days an EOT has been in transit since a PKGD event has been reported without a corresponding PKGR or movement events.
In Transit Flag	1 Position / Character	1	286	286	Flag indicating if the EOT is in transit since a PKGD event has been reported without a corresponding PKGR or movement events.
Tracking Number	40 Positions / Character	40	287	326	Placeholder for future development: Tracking number used by shipping company to identify and trace EOT shipments as they move through the system to destination.