



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

CIRCULAR No. OT-3

IN EFFECT AS OF MARCH 1, 2025

TIMELY AND ACCURATE REPORTING OF MILEAGE EARNED BY PRIVATE CARS OPERATED ON A MILEAGE BASIS OF COMPENSATION DEDUCTIONS AND CLAIM HANDLING PROCEDURES

INCLUDING UNIFORM APPLICATION OF FREIGHT TARIFF, GOVERNING THE COMPUTATION OF MILEAGE ALLOWANCES ON CARS OF PRIVATE OWNERSHIP

TO THE MEMBERS:

The RIC-6007 Series mileage allowance tariff provides that reports are to be made within 40 days after the close of the month in which earned. Payment for the earned mileage so reported should be made promptly thereafter. Uniform procedures for deductions by railroads and issuance of claims by private car owners to railroads are published in Items 182 and 606 of RIC 6007-Series Freight Tariff.

1. Deductions By Railroads To Private Car Owners

Mileage allowed in error, by a railroad, including but not limited to mileage allowed at incorrect rates for any reason, may be deducted from the car owner's account within twenty-four (24) months from the last day of the month for which the mileage was reported as earned, but not later. A railroad may tender an invoice for mileage allowed in error at any time within twenty-four (24) months from the last day of the month for which the mileage was reported as earned. Except as provided in RIC 6007, Item 182, paragraph 3, an owner or lessor of a private car must remit within eight (8) months after the invoice is presented the entire amount of any invoice issued to it.

Deductions for amounts of \$25.00 or less shall not be taken after the expiration of two (2) months and ten (10) days from the last day of the month the mileage was earned.

2. Claim Issued By Private Car Owners To Railroads

A private car owner must, within twenty-four (24) months from the last day of the month the completed cycle was reported, present any claim for mileage allowance discrepancies, including incorrect rates or omissions, to the applicable rail carrier in the prescribed AAR format. A sample [MILEAGE AND / OR RATE CLAIM form](#) is shown on page 4 with instructions on the following page. Claims not presented in the required format will not be processed. The railroad receiving the claim must within four (4) months from the date on which the claim was presented allow it in whole or in part, or decline it. The private car owner may reissue its claim, if applicable, within four (4) months from the last day of the four (4) month period allowed the railroad which handled the claim prior to reissuance. The railroad receiving the reissued claim must within four (4) months from the date on which the reissued claim was presented allow it in whole or in part or decline it. If the railroad fails to handle the original or reissued claim within the prescribed time limits, it will constitute a valid claim as last presented and must be honored by the railroad to which presented.

Claims for amounts of \$25.00 per car per cycle or less shall not be issued. The \$25.00 limit is not applicable where no miles were reported for the railroad cycle.

In order that the fundamental principles governing the computation of these mileage allowances may be understood by all parties to the tariff alike, the Committee on Compensation has approved the recommendation of the Equipment Assets Committee that the questions and answers on the following pages be promulgated in circular form.

Please be governed accordingly.

**QUESTIONS AND ANSWERS IN CONNECTION WITH FREIGHT TARIFF RIC6007 SERIES GOVERNING PAYMENT
OF MILEAGE ON CARS OF PRIVATE OWNERSHIP**

- Question No. 1: What is the nature of the tables referred to as "freight mileage tables of the individual carriers party to this tariff"?
- Answer: The freight mileage tables of the individual carriers party to the tariff, lawfully on file.
- Question No. 2: What is the description of the "switching movements where transportation begins and ends within the switching limits"?
- Answer: Inter-terminal and/or intra-terminal switching movements.
- Question No. 3: Is it the intention to provide that mileage shall be allowed from freight station to freight station, from point of origin to destination or connection lines or vice versa; or is it intended that allowances shall be made to the exact point of interchange or destination, etc., from the exact point of shipment?
- Answer: From freight station to freight station as shown by freight mileage tables lawfully on file. If the distance tables do not specify freight station, then from station to station as shown in such tables. It is not intended that allowances shall be made to the exact point of interchange or destination from the exact point of shipment.
- Question No. 4: Is it intended that allowances shall be made from outer-yard to outer-yard at points of origin and destination, when such yards are used as break-up forwarding yards with respect to train movements?
- Answer: No. Mileage allowances should be computed from freight station to freight station.
- Question No. 5: Is it the intention that mileage be allowed "via the route of movement from freight station at point of origin to freight station at billed destination," even though car is handled at point of origin or at destination by yard engine between freight station or industry tracks and train yard?
- Answer: Yes.
- Question No. 6: What mileage should be allowed on a car originating at and billed freight Station X on Road A which moves in road haul service to Station Y, delivery being made at Station Y via terminal switching Road B?
- Answer: If delivery to the consignee is made by Road B at the junction station where car is received from Road A, Road A should pay full mileage from Station X to Station Y as shown by its mileage distance tariffs and Road B should pay no mileage. If delivery to consignee is at another station on Road B within the same switching district as Station Y, Road A should allow mileage from Station X to junction station where delivered to Road B, and Road B should allow mileage from junction station where it received the car from Road A to final destination or station of delivery.
- Question No. 7: What mileage should be allowed on a car originating at and billed from Station X on Road A which moves in road haul service to Station Y, delivery being made at that station to Road B for intermediate switching movement to road C for final delivery to consignee within the same switching district?
- Answer: Road A should allow mileage from Station X to junction station with Road B. Road B should allow mileage from junction station where car was received from Road A to junction station with Road C. Road C should pay no mileage if delivery to consignee is made at junction station where car was received from Road B. If delivery is at another station on Road C even within the same switching district, Road C should allow mileage from junction station where it received the car from Road B to final destination or station of delivery.

Question No. 8: What mileage should be allowed on cars where the movement begins on Road A and ends on Road B or Road C, both point of origin and final destination being within the same switching district; that is, cars moving in inter-terminal switching service?

Answer: None. (For Exception see RIC 6007-Series Freight Tariff)

NOTE: In connection with the Answers to Questions 6 and 7 it should be understood that where a car originates within a switching district on Road B or C for movement via Road A from Station Y to Station X, the same principle for determining mileage allowances should apply. The Answer to Question 8 does not apply to intermediate switching Road B if it has issued a local tariff which provides for payment of mileage made over its road in such a movement.

On behalf of the Safety and Operations Management Committee acting as the Committee on Compensation.

By direction of,

Nichole Fimple

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

Supersedes Circular OT-3-E & Circular OT-7A, dated January 1, 2012.

Legal Disclaimer

Any actions taken in reliance on or pursuant to this Circular are subject to Railinc's Terms of Use, as set forth in <https://public.railinc.com/terms-use>, and all applicable AAR rules.

RAILROAD	(3)
LESSEE	(4)

**(1) ULTRA CAR LEASING COMPANY
MILEAGE AND / OR RATE CLAIM
CLAIM TYPE (2)**

EARNINGS DATE	(5)
DATE ISSUED	(6)
DATE REISSUED	(7)

INITIAL / #	CYCLE DATE	CYCLE ORIGIN	CYCLE DESTINATION	MILES	L E	RATE	RATE AUTHORITY	ALLOWED DATE			
CLAIM #								DIFFERENCE	A / D	YR / MO	

1	(8)	(10)	(13)	(14)	(15)	(17)	(18)	(20)	(23)		
2	(9)	(11)			(16)		(19)	(21)	(24)	(25)	(26)
OWNER COMMENT: (12)											
R.R. COMMENT: (22)											

1											
2											
OWNER COMMENT:											
R.R. COMMENT:											

1											
2											
OWNER COMMENT:											
R.R. COMMENT:											

1											
2											
OWNER COMMENT:											
R.R. COMMENT:											

1											
2											
OWNER COMMENT:											
R.R. COMMENT:											

1											
2											
OWNER COMMENT:											
R.R. COMMENT:											

1											
2											
OWNER COMMENT:											
R.R. COMMENT:											

Circular OT-3—Instructions for Completing Mileage Claim

Field No.	Field Name	Description
1	Car Mark Owner	Name of the mark owner
2	Type of Claim	
	Mileage –	Mileage was earned by the car mark owner but not reported by the carrier
	Rate –	Mileage was paid but was paid at an incorrect rate
	Equalization –	Adjustment should be made in the equalization account
3	Railroad	Carrier with whom the claim will be filed
4	Lessee	Name of company leasing the car
5	Earnings Date	Month/Year in which the mileage occurred
6	Date Issued	Month/Year in which the claim was presented to the carrier
7	Date Re-Issued	Month/Year in which a declined or partially paid claim was returned to the carrier
8	Initial/Number	Car initial and number
9	Claim Number	Filing company reference number
10	Cycle Date	Year/Month/Day cycle began
11	Cycle Date	Year/Month/Day cycle ended
12	Owner Comment	Additional information that may assist in resolution of the claim
13	Cycle Origin	City and State in which the cycle started
14	Cycle Destination	City and State in which the cycle ended
15	Miles	Number of miles allowed to date
16	Miles	Correct Number of miles
17	L/E	Load/Empty status of the car as reported by the carrier
18	Rate	Rate allowed by carrier
19	Rate	Correct Rate
20	Rate Authority	Rate authority cited by carrier to support allowance
21	Rate Authority	Correct rate authority
22	RR Comment	Completed by carrier – explanation of declination or reduction in the requested adjustment
23	Allowed Date	Year/Month original allowance was made
24	Difference	Rate or Miles to be adjusted
25	A/D	Completed by carrier – Allow/Deduct
26	Year/Month	Completed by carrier – Year/Month adjustment will be included in the mileage report