



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

CIRCULAR No. OT-7-B

IN EFFECT AS OF JANUARY 1, 2012

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

TO THE MEMBERS:

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 following questions and answers be promulgated in circular form:

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 Committee on Compensation.

By direction of,
Jeffrey J. Usher
Asst. Vice President-Business Services

Supersedes Circular OT-7A, dated October 1, 1980.