

***AMERICAN SHORT LINE AND REGIONAL
RAILROAD ASSOCIATION, AGENT**

SUPPLEMENT 16

TO

FREIGHT TARIFF RIC 6007-L

Supplements 3, 4, 5, 7, 8, 9, 13, 14, 15 and 16 contain all changes.

**MILEAGE ALLOWANCES AND RULES
GOVERNING**

THE HANDLING OF AND THE PAYMENT OF MILEAGE

ALSO CHARGES

ON

**CARS OF PRIVATE OWNERSHIP
AS DEFINED IN ITEMS 25 AND 400**

BY

RAILROADS PARTIES TO THIS TARIFF

For List of Participating Carriers, see Item 2.10.

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

ISSUED AUGUST 12, 2002

EFFECTIVE SEPTEMBER 1, 2002

ISSUED BY
AMERICAN SHORT LINE AND REGIONAL
RAILROAD ASSOCIATION, AGENT
1120 G STREET, N.W., SUITE 520
WASHINGTON, DC 20005

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ITEM 2.20

CUMULATIVE INDEX OF NEW OR CHANGED ITEMS

New Items added in supplements and items in the original tariff which have been amended in supplements are listed below with reference to the supplement in which such items may be found. (See Item 75 for Method of Cancellation).

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SUPPLEMENT 16 TO TARIFF RIC 6007-L

**SECTION 1
RULES AND REGULATIONS
APPLIES ONLY ON TANK CARS**

ITEM 195-D

**MILEAGE RATE ALLOWANCE ON TANK "T" AND HOUSE CAR "XT"
(SEE ITEM 196 FOR EXPLANATION OF DESIGNATING SYMBOLS)
(SEE NOTE 1)**

1. Mileage rate allowance for cars of foregoing mechanical designations shall be in cents per loaded mile (See Notes 2 and 7) as follows:

COLUMN 1 - Original cost or fair market value in dollars (see Notes 3, 4, 5 and 6, this item).
 COLUMN 2 - Cars in service years 1 through 30.
 COLUMN 3 - Cars in service years 31 and over.

COLUMN 1	COLUMN 2	COLUMN 3
\$ 0 - 1000	29.7	29.2
1001 - 2000	30.6	29.3
2001 - 3000	31.5	29.4
3001 - 4000	32.4	29.5
4001 - 5000	33.4	29.5
5001 - 6000	34.3	29.6
6001 - 7000	35.2	29.7
7001 - 8000	36.2	29.8
8001 - 9000	37.1	29.9
9001 - 10000	38.0	30.0
10001 - 11000	39.0	30.0
11001 - 12000	39.9	30.1
12001 - 13000	40.8	30.2
13001 - 14000	41.8	30.3
14001 - 15000	42.7	30.4
15001 - 16000	43.6	30.4
16001 - 17000	44.6	30.5
17001 - 18000	45.5	30.6
18001 - 19000	46.4	30.7
19001 - 20000	47.3	30.8
20001 - 21000	48.3	30.8
21001 - 22000	49.2	30.9
22001 - 23000	50.1	31.0
23001 - 24000	51.1	31.1
24001 - 25000	52.0	31.2
25001 - 26000	52.9	31.2
26001 - 27000	53.9	31.3
27001 - 28000	54.8	31.4
28001 - 29000	55.7	31.5
29001 - 30000	56.7	31.6
30001 - 31000	57.6	31.6
31001 - 32000	58.5	31.7
32001 - 33000	59.5	31.8
33001 - 34000	60.4	31.9
34001 - 35000	61.3	32.0

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(SEE ITEM 196 FOR EXPLANATION OF DESIGNATING SYMBOLS)
(SEE NOTE 1)**

COLUMN 1	COLUMN 2	COLUMN 3
35001 - 36000	62.3	32.0
36001 - 37000	63.2	32.1
37001 - 38000	64.1	32.2
38001 - 39000	65.0♦	32.3
39001 - 40000	66.0	32.4
40001 - 41000	66.9	32.5
41001 - 42000	67.8	32.5
42001 - 43000	68.8	32.6
43001 - 44000	69.5	32.6
44001 - 45000	70.2	32.6
45001 - 46000	70.9	32.5
46001 - 47000	71.6	32.5
47001 - 48000	72.3	32.5
48001 - 49000	73.0	32.5
49001 - 50000	73.6	32.5
50001 - 51000	74.3	32.4
51001 - 52000	75.0	32.4
52001 - 53000	75.7	32.4
53001 - 54000	76.3	32.4
54001 - 55000	77.0	32.3
55001 - 56000	77.7	32.3
56001 - 57000	78.3	32.3
57001 - 58000	79.0	32.3
58001 - 59000	79.6	32.3
59001 - 60000	80.2	32.2
60001 - 61000	80.9	32.2
61001 - 62000	81.5	32.2
62001 - 63000	82.1	32.2
63001 - 64000	82.8	32.1
64001 - 65000	83.4	32.1
65001 - 66000	84.0	32.1
66001 - 67000	84.6	32.1
67001 - 68000	85.2	32.1
68001 - 69000	85.8	32.0
69001 - 70000	86.5	32.0
70001 - 71000	87.0	32.0
71001 - 72000	87.7	32.0
72001 - 73000	88.2	32.0
73001 - 74000	88.8	31.9
74001 - 75000	89.4	31.9
75001 - 76000	90.0	31.9
76001 - 77000	90.6	31.9
77001 - 78000	91.2	31.9
78001 - 79000	91.7	31.9
79001 - 80000	92.3	31.8

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(SEE ITEM 196 FOR EXPLANATION OF DESIGNATING SYMBOLS)
(SEE NOTE 1)**

COLUMN 1	COLUMN 2	COLUMN 3
80001 – 81000	92.9	31.8
81001 – 82000	93.4	31.8
82001 – 83000	94.0	31.8
83001 – 84000	94.6	31.8
84001 – 85000	95.1	31.7
85001 – 86000	95.7	31.7
86001 – 87000	96.2	31.7
87001 – 88000	96.8	31.7
88001 – 89000	97.3	31.7
89001 – 90000	97.8	31.6
90001 – 91000	98.4	31.6
91001 – 92000	98.9	31.6
92001 – 93000	99.4	31.6
93001 – 94000	100.0	31.6
94001 – 95000	100.5	31.6
95001 – 96000	101.0	31.5
96001 – 97000	101.5	31.5
97001 – 98000	102.0	31.5
98001 – 99000	102.6	31.5
99001 – 100000	103.1	31.5
100001 – 101000	103.6	31.5
101001 – 102000	104.1	31.4
102001 – 103000	104.6	31.4
103001 – 104000	105.1	31.4
104001 – 105000	105.6	31.4
105001 – 106000	106.1	31.4
OVER – 106000	106.6	31.4

EXPLANATION OF NOTES

- Designating symbols (mechanical designation) will be assigned to car owner or lessee by the Secretary, Technical Services, Association of American Railroads, upon written application.
- For mileage allowance purposes, the service year of a car is calculated based upon year of construction of underframe. A car's first service year is the year built. Its second service year begins on January 1 of the year following the year built, with succeeding service years starting on January 1 of each following year. If the tank's service year exceeds 30, the car's service year is considered to be in excess of 30 regardless of year of construction of underframe. For those cars constructed without an underframe, the car's service year is calculated based upon year of construction of tank. Service year is determined by subtracting the year of construction (built/rebuilt) from the current calendar year, plus 1, e.g., (2000 - 1970) + 1 = 31, or Service Years 31 and over allowance bracket.
- For cars built prior to January 1, 1968 assignment of owned or leased cars to value groups will be determined by the undepreciated base classification value. In addition, capitalized additions and betterments shall be added to the value if not already included in the BCV system.

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ITEM 195-D CONT'D

MILEAGE RATE ALLOWANCE ON TANK "T" AND HOUSE CAR "XT" (SEE ITEM 196 FOR EXPLANATION OF DESIGNATING SYMBOLS) (SEE NOTE 1)

EXPLANATION OF NOTES

4. Applies as follows:

- A. For cars built between January 1, 1968 and July 1, 1991, assignment of owned or leased cars to value groups will be determined by the original cost as represented to the original buyer by the manufacturer's invoice price at the time of original installation into service. In the case of a manufacturer-lessor, the fair market value or the value which was certified, or would have been certified, for investment tax credit purposes shall be substituted therefore.
- B. Assignment to value groups of cars placed into service after July 1, 1991 will be determined by the original cost of the car to the original buyer as stated in the manufacturer's invoice. In only two circumstances, owners may certify as alternative "true value" in lieu of invoice price: (a) manufacturers who retain cars for their own leasing service and (b) purchasers who can demonstrate that they contributed physical assets of significant value that were used by the manufacturer in fabricating a car, resulting in a reduction of the invoice price by more than \$1,000 per car below the price that otherwise would have been charged. For manufacturers "true value" is the price for which a car or group of cars manufactured as a group would have been sold in an arm's length transaction. For purchasers who have made a qualifying contribution to fabrication, "true value" is the invoice price plus the depreciated value of the contributed assets distributed over the cars for which the assets were used, subject to the same limitations on "true value" which would apply to a manufacturer.

"True value" shall not exceed the average price of similar cars registered in UMLER at invoice price within the most recent 12 months for which registration information is available in UMLER, adjusted for changes in the market values of new tank cars as reflected in average car prices. If the AAR determines by audit that a certified "true value" exceeds this value limit by an amount that causes a car to be placed in a higher allowance value bracket, the value of the car will be reduced to the appropriate value bracket. In addition, if the AAR determines by audit that a certified, "true value" exceeds this value limit by an amount that causes a car to be placed in allowance value bracket more than one bracket above the otherwise applicable bracket, excess allowances paid as a result of the over valuation shall be reimbursed to the paying railroads.

Those owners who certify a "true value" in lieu of invoice price during the calendar year must provide to the AAR an officer's certificate at the end of the year stating that, based on all information available to the owner, the owner has complied with the terms of this item. Car owners must supply for entry into UMLER all information required for tank cars in the UMLER Specification Manual. Notwithstanding any other provision of this tariff item, "true value" will be subject to audit directly by the AAR.

- C. If applicable, initial into service transportation costs, capitalized original lining costs, capitalized additions and capitalized betterments shall be added to car values determined pursuant to paragraphs 4 (A) and 4 (B), above, if not already included in the value of the car. For cars built after January 1, 1988, capitalized inspection costs shall be added to the value, if applicable and if not already included in the value, if applicable and if not already included in the value of the car. Values other than invoice price shall be identified in accordance with the current AAR UMLER format at the time cars are submitted to the Secretary, Business Services, AAR, for registration in the UMLER file (see Note 6, this item).
- D. The rebuilt year and rebuilt valuation of a private car will be utilized for the purpose of computing applicable mileage allowances subject to the following conditions:
1. The car must be rebuilt in accordance with the current requirements of Rule 88, Section C of the Office Manual and Sections A & B of the Field Manual, AAR Interchange Rules, Application for official rebuilt status must be filed with the AAR Technical Services and written formal approval received prior to registering such car in the UMLER file with rebuilt age and valuation data.
 2. Assignment of owned or leased rebuilt cars to value groups will be determined as outlined in Notes 4. (A), 4. (B) and 4. (C) herein, except that the maximum valuation of a rebuilt private car shall not exceed the lesser of:
 - a. 75 percent of the original cost of a comparable new car.
 - b. 75 percent of the calculated replacement cost of the rebuilt car prior to rebuilding, as computed per AAR Interchange Rule 107.
- E. All car ages and values submitted are subject to verification by the AAR, and audit by the AAR or the owners independent public accountant upon reasonable request by the AAR. If the car owner elects to have the audit performed by its independent public accountant, such audit must be performed in a timely fashion in the manner prescribed by the AAR, will be performed at the car owner's expense and must be duly certified by the car owner's auditor as representing the true value of all cars included in such audit. Failure of the car owner to furnish the required car valuation data to the AAR UMLER file, to arrange for the requested audit, or to correct errors determined as a result of such audit, will result in such car(s) being assigned to the lowest applicable mileage allowance rate group.

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(SEE NOTE 1)**

4. F. Maximum original cost of fair market value will be as follows:

1. For cars built in 1981 and prior.....	\$ 64,001
2. For cars built in 1982.....	\$ 58,001
3. For cars built in 1983.....	\$ 56,001
4. For cars built in 1984.....	\$ 51,001
5. For cars built in 1985.....	\$ 54,001
6. For cars built in 1986.....	\$ 66,001
7. For cars built in 1987.....	\$ 62,001
8. For cars built in 1988.....	\$ 63,001
9. For cars built in 1989.....	\$ 64,001
10. For cars built in 1990.....	\$ 67,001
11. For cars built in 1991.....	\$ 71,001
12. For cars built in 1992.....	\$ 70,001
13. For cars built in 1993.....	\$ 76,001
14. For cars built in 1994.....	\$ 74,001
15. For cars built in 1995.....	\$ 80,001
16. For cars built in 1996.....	\$ 83,001
17. For cars built in 1997.....	\$ 84,001
18. For cars built in 1998.....	\$ 89,001
19. For cars built in 1999.....	\$ 94,001
20. For cars built in 2000.....	\$ 92,001
20. For cars built in 2001 and subsequent.....	\$106,001

NOTE: Age is determined by subtracting the year of construction (built/rebuilt) from the calendar year plus 1. e.g. (2000-1988) + 1 = 13.

5. For cars built or rebuilt subsequent to December 31, 1977, all values reported to the AAR UMLER file must be stated in equivalent US dollars based on the applicable exchange rate at the time such cars were built or rebuilt. Subsequent capitalized additions and betterments reported to UMLER must also be stated in equivalent US dollars at the time such improvements were made.
6. Applies as follows:
- A. Into service transportation costs are those freight charges associated with the movement of a car that is ready for its first load to the locations of the car's original installation into service. Other transportation charges incurred during construction (e.g., to a facility which installs the original lining, etc) may be included in ledger value provided that the cost is capitalized.
 - B. A capital expenditure is an expenditure intended to benefit future periods in contrast to revenue expenditure/current expense which benefits a current period. It is an addition to a capital asset and is initially reflected on the balance sheet. A capital expenditure normally is subject to depreciation in future years.
 - C. Applies as follows:
 - 1. An addition or betterment has the effect of:
 - a. Extending the useful life of a car beyond the life projected when the car was entered into service; or
 - b. Increasing a car's normal use beyond that which was in effect when the car was entered into service; or
 - c. Lowering the operating costs beyond that which was in effect at the time the car was entered into service; or
 - d. Otherwise adding to the worth of the benefits a car can yield beyond that in effect when the car was entered into service (e.g., enhance safety, etc).
 - e. Any repair that maintains a car in its customary state of operating efficiency is NOT an addition or betterment.
 - 2. An addition is the installation of a new component of a car (not a replacement) which meets the above tests. The value registered in UMLER shall be the cost of the component added, including labor.
 - 3. A betterment is the replacement of a component of the car with a superior component. The value registered in UMLER for a betterment should not exceed the cost of the superior component, including labor minus (1) the original value of the component that was replaced (i.e., retired) and (2) the cost (i.e., expense) incurred in removing the old component.
 - 4. When a unit of property is removed from a car (i.e., partial retirement), the ledger value registered in UMLER shall be reduced by the original value of the unit removed.
 - 5. Any cost recovered under AAR Defect Car Billing, if applicable, must be deducted from the cost of an addition or betterment.

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(SEE ITEM 196 FOR EXPLANATION OF DESIGNATING SYMBOLS)
(SEE NOTE 1)**

7. Applies as follows:

- A. When an owner: (1) makes a valuation correction to the UMLER file; or (2) changes the mechanical designation of cars registered in the UMLER file; and such changes result in an increase or decrease in the mileage allowance rates, the Secretary, Business Services, AAR, will be so notified and the increase or decrease will be applied retroactively. Once cars have been reported to the UMLER file, any of the foregoing corrections or changes that result in a retroactive increase or decrease in the mileage allowance rates will be identified by the Secretary. The car owner is required to furnish the Secretary documented proof of the basis of the correction or change and advise as to any applicable mileage allowance adjustments which are required.
- B. Retroactive Mileage Allowance Decrease: Within five (5) months from the date of a change to the UMLER file resulting in a retroactive mileage allowance rate decrease, the owner will notify all using carriers of such decrease with either supporting details or a summary of the over-collections, with a copy to the Secretary. After receiving such notification, the using carrier shall deduct such amount(s), in the next open mileage reports to the car owner, plus fifteen (15) percent to reimburse the handling road for audit and associated administrative expenses. If the owner fails to send notification to the users within five (5) months, the Secretary shall notify carriers of the car initial(s) and number(s) involved and the user(s) shall make an adjustment, as described above.
- C. Retroactive Mileage Allowance Increase: Within five (5) months from the date of a change to the UMLER file resulting in a retroactive mileage allowance rate increase, the owner will notify all using carriers of such increase with either supporting details or a summary of the under-collections, with a copy to the Secretary. After receiving such notification, the using carriers shall add such amount(s) in their next open mileage reports to the car owner, less fifteen (15) percent to reimburse the handling roads for audit and associated administrative expense. No retroactive mileage allowance rate increase will be applicable if the owner fails to notify the using carriers of such increase within five (5) months from the date of a change to the UMLER file.

EXPLANATION OF REFERENCE MARKS

◆ - Increase
