



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

## **CIRCULAR No. OT-16**

**IN EFFECT AS OF JUNE 1, 2025**

### **THE MOVEMENT OF BAD ORDER CARS**

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#### **PREAMBLE**

As specifically provided for in AAR Interchange General Rule A, special agreements or arrangements between the car owner and/or handling carriers may supplement or supersede the general guidelines set forth herein.

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I. Following is a chart outlining the application of transportation charges for bad order cars, owner responsibility, incident to their movement to and from repair shops covered by AAR Interchange Rules 1, 59, 85, 92, and 108:

1. If handling line(s) has an empty car handling obligation under applicable car service rules, directives, special car orders, or tariffs; and movement is within the normal handling obligation (see Question 1):

|                                                                                                                                                  | <u><b>Transportation Charge</b></u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| A. Empty movement enroute to owner or contract shop.                                                                                             | No                                  |
| B. Empty movement from contract shop or connection returning car from contract shop, to owner or placement for loading.                          | No                                  |
| C. Empty movement from contract shop on pool operator's lines or from a connection returning on owner's order from shop, to point of assignment. | No                                  |

Question 1. Can a car owner direct the handling line to move his car out of the normal handling obligation route to and from a contract shop?

Answer: Yes – however, mileage in excess of the normal route handling obligation mileage is chargeable if the handling road elects to do so.

Question 2. What is meant by the term “normal handling obligation route”?

Answer: The route from a car's present location to the interchange as prescribed by car service rules, directives, special car orders, or tariffs.

Question 3. Does Intermediate Carrier have a handling obligation when a car subject to AAR Interchange Rule 108 is loaded on a conveying flatcar for movement to owner or contract shop?

Answer: No.

2. If handling line(s) does not have obligation to handle empty under applicable car service rules, directives, special car orders, or tariffs:

|                                                                                                                         | <u><b>Transportation Charge</b></u> |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| A. Empty movement to owner or contract shop, or to a connection for movement to contract shop.                          | Mileage and/or<br>Switch charge     |
| B. Empty movement from contract shop or connection returning car from contract shop, to owner or placement for loading. | Mileage and/or<br>Switch charge     |
| C. Empty movement from contract shop or from connection returning car from contract shop, to point of assignment.       | Mileage and/or<br>Switch charge     |

II. Following is a chart outlining the application of transportation charges for bad order cars, handling line responsibility, incident to their movement to and from repair shops as covered by AAR Interchange Rules 95 and 107 (incidents in accordance with AAR Interchange Rule 115 should be reported in Damaged and Defective Car Tracking – DDCT):

|             |                                                                                                                                                                                                                                                        | <u>Transportation Charge</u> |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| A.          | Empty movement over DDCT Incident Road (road responsible for repairs) to owner or contract shop or to a connection for movement to owner or a contract shop.                                                                                           | No                           |
| B.          | Empty movement over DDCT Incident Road (road responsible for repairs) to owner or contract shop or to a connection for movement to owner or a contract shop, when owner refuses offer of reporting road to settle for car at its depreciated value.    | No                           |
| C.          | Empty movement by intermediate carrier to owner or contract shop who:                                                                                                                                                                                  |                              |
|             | (1) Has car service rule responsibility for moving car.                                                                                                                                                                                                | No                           |
|             | (2) Does not have car service responsibility for car movement.                                                                                                                                                                                         | Mileage and/or Switch charge |
| Question 4: | When cars are ordered to shops that cannot be reached without incurring transportation charges, what arrangements must the handling line make?                                                                                                         |                              |
| Answer:     | The handling line must obtain prior written concurrence of the owner for routing in order to establish authority for any charges that might be levied. (Except where charges are handling line's responsibility pursuant to AAR Interchange Rule 107). |                              |
| Question 5: | Does Intermediate Carrier have a handling obligation when a car subject to AAR Interchange Rule 107 is loaded on a conveying flatcar for movement to owner or contract shop?                                                                           |                              |
| Answer:     | No.                                                                                                                                                                                                                                                    |                              |
| Question 6: | What is a car service rule responsibility?                                                                                                                                                                                                             |                              |
| Answer:     | An empty car handling obligation established pursuant to applicable car service rules, directives, special car orders, or tariffs. (See also Question 1 and Question 2.)                                                                               |                              |

On behalf of the Safety & Operations Management Committee acting as the OT General Committee.

By direction of,

**Nichole Fimple**

AVP Business Services/Executive Dir. Rules and Standards

Association of American Railroads

Supersedes Circular OT-16-C dated January 1, 2012.

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