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To: Distribution List
Subject: September 2016 AAR Circular Letter Summary

The September 2016 summary includes the (7) circular letters issued during the month.

This document provides a summary of each Association of American Railroads (“AAR”) circular letter issued during the previous month. A circular letter provides information of general applicability to the railroad industry, including proposed and final rules, standards, and recommended practices. Circulars are a fee-based service provided by AAR’s Transportation Technology Center, Incorporated (“TTCI”) located in Pueblo, Colorado. You may sign up to receive AAR circular letters online. If you need further assistance with access to circulars, contact Kathy Trujillo at 719.584.0538.

The Field Manual of the AAR Interchange Rules, Rule 1, b. (11), requires maintaining a copy of each “mandatory circular letter” that revises an “Interchange Rule” or the “Manual of Standards and Recommended Practices.” For your convenience, this document identifies mandatory circular letters. For those circulars that propose or implement final changes to an existing rule, standard, or recommended practice, this document provides an impact statement to car owners, lessors, mechanical shops, and railroad operations.

The following matrix identifies the AAR circular letter number, a summary of the circular, any effective date of a rule, standard, or recommended practice, any comment due date, an impact statement, and to the extent it applies, if the circular letter is mandatory.

If you have any questions, please contact Tom DeLafosse at 630.512.7595 or tom_delafosse@salcoproducts.com.

Circular No.	Subject and Summary	Impact Statement
C-12711 Sept. 2, 2016	<p>Subject: Car Repair Facility Labor Rate Effective October 1, 2016.</p> <p>Summary: Circulator Letter C-12544 was issued on December 15, 2015, and advised the Industry that during committee deliberations an error was reported by a railroad in their 2014 Overhead Study calculations used for 2015. Corrections were applied to the Overhead Study, thus causing a \$0.25 decrease for the 2015 Labor Rate. The Car Repair Billing Committee has determined the 2016 Labor Rate should be decreased by \$0.25 in each quarter of 2016.</p> <p>Implementation Date: the Car Repair Facility Labor Rate effective October 01, 2016, is \$125.55. The proposed Car Repair Facility Labor Hourly Rate was \$125.80, (before the application of the correction), an increase of 1.6 percent from the calculation for July 1.</p>	<p>Car Type: Freight</p> <p>Car Owner: Yes</p> <p>Repair Shop: No</p> <p>Comments: With the \$0.25 decrease, the Labor Rate, effective October 01, 2016, will be \$125.55 (\$125.80 minus \$0.25 = \$125.55.)</p>
C-12712 Sept. 6, 2016	<p>Subject: Solicitation for comments of Revised AAR Manual of Standards and Recommended Practices Section J, Quality Assurance Specification M-1003.</p>	<p>Car Type: Freight</p> <p>Car Owner: Possibly</p>

Circular No.	Subject and Summary	Impact Statement
	<p>Summary: The AAR's Quality Assurance Committee (QAC) requests industry comments regarding the revision to the entirety of Manual of Standards and Recommended Practices Section J, Standard for Quality Assurance, M-1003. The attachment to this circular lists the changes approved by the Quality Assurance Committee.</p> <p>Note: When commenting, reference the line item in the document attached to this circular.</p> <p>Implementation Date: All comments received within 30 days from the date of this Circular Letter will be considered by the QAC prior to any action on the implementation of this change.</p>	<p>Repair Shop: Yes</p> <p>Comments: The planned release date for the new revisions is October 2016 and will be available for purchase online at: www.aarpublishings.com. Audit "exceptions" to the new requirements will be taken beginning on April 1, 2017 at which time all existing Quality Assurance Programs must be in compliance with M-1003 2016 issue. This window is afforded to companies in order to make necessary adjustments to quality manuals, procedures and plans. The revised MSRP Section J will be available in paper, CD, or PDF format.</p>
<p>C-12713 Sept. 8, 2016</p>	<p>Subject: Implementation – Revision to MSRP Section G-II, Wheel and Axle Manual, S-659 and RP-633, Alternate Wheel Profile AAR-2A.</p> <p>Summary: Circular C-12633 was issued 06/02/2016 soliciting comments for proposed revisions to MSRP Section G, Wheel and Axles, M-107/M-208, and Section G-II, Wheel and Axle Manual, S-659 and RP-633, concerning the addition of alternate wheel profiles AAR-2A wide flange and AAR-2A narrow flange. The AAR-2A alternate wheel profiles have been approved for use in wheel shops with the intent of eliminating the AAR-1B profile on January 1, 2019.</p> <p>Implementation Date: These revisions to the Manual of Standards and Recommended Practices, Section G-II, Wheel and Axle Manual are now implemented effective immediately.</p>	<p>Car Type: Freight</p> <p>Car Owner: No Yes</p> <p>Repair Shop:</p> <p>Comments: If Section G-II is a required publication for your location, be sure to download the attachments to this circular and update your manual. The Circular contains the following replacement pages: G-II [RP-633], pages 63-138 G-II [S-659], pages 13-16.</p>
<p>C-12714 Sept. 14, 2016</p>	<p>Subject: Implementation of Revised MSRP Section G, Wheels and Axles, 2016.</p> <p>Summary: The Association of American Railroads Wheels, Axles, Bearings, and Lubrication Committee (WABL) has issued a new revision of the Manual of Standards and Recommended Practices, Section G, Wheels and Axles.</p> <p>Implementation Date: Since the last book printing issued in June 2013, WABL has reviewed Section G. All previously implemented standards and specifications are included in this print of Section G.</p>	<p>Car Type: Freight</p> <p>Car Owner: No</p> <p>Repair Shop: Yes</p> <p>Comments: If Section G is a required publication for your location, be sure to purchase this new edition and update your Master Document List.</p>
<p>C-12715 Sept. 30, 2016</p>	<p>Subject: Informational Circular, CRB DX Mandatory Reject for Slack Adjuster CID – Delayed until January 1, 2017.</p> <p>Summary: Due to feedback from the industry, the Car Repair Billing and the Arbitration and Rules</p>	<p>Car Type: Freight</p> <p>Car Owner: Yes</p> <p>Repair Shop: Yes</p>

Circular No.	Subject and Summary	Impact Statement
	<p>Committees have decided to delay the implementation of the CRB DX mandatory reject requiring CID for slack adjusters until January 1, 2017.</p> <p>Implementation Date: The CRB DX will continue to return informational error codes for missing or invalid CID's until January 1, 2017.</p>	<p>Comments: It is recommended that this information be shared with all Car Repair Billing and IT personnel in your company that work with or are responsible for Car Repair Invoices submitted to and/or received from Railinc's Data Exchange.</p>
C-12716 Sept. 30, 2016	<p>Subject: New Circular Letter Release: Implementation of Changes to MSRP, Section K-II, Specification S-9101E.V1.1 – Locomotive System Integration Communications.</p> <p>Summary: This document specifies that the standard for locomotive system integration (LSI) has been developed through a public, open-forum process involving contracted systems engineers, railroad industry professionals, and suppliers. The purpose of this and other LSI standards is to define the performance and interface requirements for LSI hardware and software. LIS standards are designed to facilitate compatibility and standardization without limiting the internal design approaches of individual suppliers.</p> <p>Implementation Date: Revised Specification S-9101E.V1.1 – Locomotive System Integration Communications is effective with the issuance of this Circular letter.</p>	<p>Car Type: Locomotives</p> <p>Car Owner: No</p> <p>Repair Shop: No</p> <p>Comments: Publication of this standard does not commit any railroad to purchase any hardware or software described herein, require any railroad to use this standard for the purchase of hardware or software generally described, nor constitute endorsement of any supplier's product designed or built according to this standard. Decisions to purchase any product developed in accordance with this standard are matters of discretion and judgement on the part of individual railroads and individual suppliers. LSI specifications are recommended by the AAR Railway Electronics Standards Committee and approved by the AAR Locomotive Committee.</p>
C-12717 Sept. 30, 2016	<p>Subject: New Circular Letter Release: Implementation of Changes to MSRP, Section K-II, Standard S-9152.V2.2 – End-of-Train Communications.</p> <p>Summary: This document presents the standard for train information systems, intended to provide additional train handling and safety information in locomotive cabs. The train information system is composed of a basic system and related optional features that use communications frequencies available under Federal Communications Commission (FCC) and Department of Communications (DOC) rules. All equipment shall comply with all applicable regulatory requirements. All end-of-train and head-end-of-train devices purchased by the AAR member railroads after January 1, 2015, shall comply with version 2.1 of this standard.</p> <p>Implementation Date: Revised Standard S-9152.V2.2 – End-of-Train Communications is effective with the issuance of this Circular letter.</p>	<p>Car Type: Locomotives</p> <p>Car Owner: No</p> <p>Repair Shop: No</p> <p>Comments: The purpose of this standard is to outline various characteristics of devices to transmit information between the rear car and the controlling locomotive cab of freight trains. Standards are needed to avoid developing equipment (locomotive cab and rear-car units) whose message transmission to reception ability is incompatible with any other designated unit. It also is important to ensure that these systems do not cause undesirable communications interference with systems on other trains. Compatibility will ensure that run-through motive power or train consists that exist or may develop with further rationalization of the railroad system, will not be impeded</p>