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To: Distribution List

Subject: March 2020 AAR Circular Letter Summary

The March 2020 summary includes the (19) 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, please send any future questions and issues to Pubs@aar.com.

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
Implemented Changes, Effective the Date of Circular		
C-13515 Mar. 10, 2020	<p>Subject: Implementation of Revisions to AAR Intermodal Interchange Rules, Section F, Section H, Section L, and Section M, Tires Slid Flat, and Repair Limit Increase.</p> <p>Summary: This circular letter is to notify the industry of revisions to AAR Intermodal Interchange Rules, Section F, Section H, Section L, and Section M, to clarify when repair or replacement of tires with flat spots is needed, and an increase of the repair limit from \$450 to \$750.</p> <p>Implementation Date: AAR Intermodal Interchange Rules, Section F, Section H, Section L, and Section M, are now implemented and effective immediately.</p>	<p>Car Type: Intermodal</p> <p>Car Owner: No</p> <p>Repair Shop: No</p> <p>Comments: If Sections L and M are required publications for your location, be sure to update them with this circulars attachments.</p>
CPC- 1357 Mar. 17, 2020	<p>Subject: Tank Car Facility Certification Audits.</p>	<p>Car Type: Tank Cars</p> <p>Car Owner: Yes</p>

Circular No.	Subject and Summary	Impact Statement
	<p>Summary: AAR has determined it prudent to postpone all AAR inspections and audits. Therefore, the AAR is immediately postponing all Quality Assurance M-1003, Tank Car M-1002, Mechanical Inspections, DPLS Quality Review, and other Technical Inspections and Audits until further notice. AAR will not remove anyone’s certification due to the temporary suspension of audits due to the COVID-19 virus.</p> <p>Implementation Date: The AAR will re-evaluate the situation weekly.</p>	<p>Repair Shop: Yes</p> <p>Comments: M-1003 certified facilities can continue to refer to the M-1003 online registry for certification status.</p>
<p>C-13518 Mar. 17, 2020</p>	<p>Subject: All AAR inspections and audits are postponed.</p> <p>Summary: AAR has determined it prudent to postpone all AAR inspections and audits. Therefore, the AAR is immediately postponing all Quality Assurance M-1003, Tank Car M-1002, Mechanical Inspections, DPLS Quality Review, and other Technical Inspections and Audits until further notice. AAR will not remove anyone's certification due to the temporary suspension of audits due to the COVID-19 virus.</p> <p>Implementation Date: The AAR will re-evaluate the situation weekly.</p>	<p>Car Type: Freight</p> <p>Car Owner: Yes</p> <p>Repair Shop: Yes</p> <p>Comments: M-1003 certified facilities can continue to refer to the M-1003 online registry for certification status.</p>
<p>C-13519 Mar. 24, 2020</p>	<p>Subject: Canadian Car Repair Facility Labor Rate – Effective April 1, 2020.</p> <p>Summary: The Canadian Car Repair Facility Labor Rate, effective April 1, 2020 is \$182.61 CAD. This represents a decrease of \$0.06 CAD from the calculation for January 1, 2020.</p> <p>Implementation Date: The change will be reflected in the April 1, 2020 release of the Canadian Price Master.</p>	<p>Car Type: Freight</p> <p>Car Owner: Yes</p> <p>Repair Shop: No</p> <p>Comments: The currency conversion factor used to calculate the Health & Welfare portions of the April 1 Canadian Labor Rate is 1.3178. This caused the small decrease in the Canadian Labor Rate.</p>
<p>CPC-1358 Mar. 25, 2020</p>	<p>Subject: Notification to Industry of AAR M-1002 Exhibit B-2 form.</p> <p>Summary: The AAR has received requests from the tank car industry asking AAR to provide the AAR M-1002 Exhibit B-2 form. AAR through this CPC is providing industry the Exhibit B-2 form in its current state. The Exhibit B-2 form is an internal AAR document and therefore AAR reserve the right at any time without notification to industry to change the Exhibit B-2 form as needed.</p>	<p>Car Type: Tank Car</p> <p>Car Owner: Yes</p> <p>Repair Shop: Yes</p> <p>Comments: The Exhibit B-2 form is not an auditing checklist for M-1002 audits nor is it set up as an auditing tool. The Exhibit B-2 form</p>

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	<p>Implementation Date: Note: The AAR BOE auditor will use both the M-1002 Exhibit B-2 form and the M-1003 QAPE for the tank car facility AAR M-1002/M-1003 on-site audits. The M-1002 Exhibit B-2 is in no way to be interpreted as modifying or superseding the requirements of US and Canadian regulations or the AAR interchange standards. Direct any questions shall be directed to Matt Forister, Director Tank Car Safety.</p>	<p>was formulated based on demonstration capabilities under paragraph 3.6 of M-1002 Appendix B standard published under CPC-1354.</p>
<p>CPC-1359 Mar. 25, 2020</p>	<p>Subject: Clarification to the use of approved AAR Form 4-2 and associated fittings arrangement drawings by C6 and C6r Certified Facilities (T91.39).</p> <p>Summary: At the request of industry, the AAR Tank Car Committee was asked to clarify M-1002, Chapter 1 as to what approved AAR Form 4-2 and associated fittings arrangement drawings are permitted for use by C6 or C6r facilities to modify fittings arrangements on tank cars.</p> <p>Implementation Date: If the C6 or C6r certified facility does not receive from the equipment owner an approved AAR Form 4-2 and associated fittings arrangement drawing as outlined in this CPC, then the equipment owner must seek approval per Chapter 1 of M-1002 for the modification. Questions concerning this CPC should be directed to the Matt Forister - Director of Tank Car Safety.</p>	<p>Car Type: Tank Cars</p> <p>Car Owner: Yes</p> <p>Repair Shop: Yes</p> <p>Comments: For any precedent approved AAR Form 4-2 to be used in a fittings arrangement modification, the precedent AAR Form 4-2 and associated fittings arrangement drawing must clearly identify each approved piece of service equipment being replaced, and its approved position(s) on the arrangement.</p>
<p>CPC-1360 Mar. 25, 2020</p>	<p>Subject: Notification to Industry on Availability of Fillable AAR M-1002 Exhibit B-1 and Exhibit B-3a form.</p> <p>Summary: The purpose of this CPC is to notify the industry that AAR has updated the M-1002 Exhibit B-1 and Exhibit B-3a. These updated forms reflect the final action published within CPC-1354.</p> <p>Implementation Date: Questions shall be directed to Matt Forister, Director Tank Car Safety.</p>	<p>Car Type: Tank Cars</p> <p>Car Owner: No</p> <p>Repair Shop: Yes</p> <p>Comments: Tank car facilities be sure to download the attached B-1 and B-3a pdf fillable forms for your use.</p>
<p>CPC-1361 Mar. 25, 2020</p>	<p>Subject: Notification to Industry on AAR M-1002 Tank Car Facility Registry.</p> <p>Summary: The purpose of this CPC is to notify the industry that AAR has created a link to the AAR M-1002 Tank Car Facility Certification Registry for online public access. Like the online public access of the AAR M-1003 registry under the AAR Quality Assurance Committee site the M-1002 certification registry is accessible through the AAR Tank Car Committee site.</p>	<p>Car Type: Tank Cars</p> <p>Car Owner: Yes</p> <p>Repair Shop: Yes</p> <p>Comments: Once on the site “Click” on the following button labeled “M-1002 Certification Registry” for a list of M-1002 certified tank car facilities. This live</p>

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	<p>Implementation Date: Link to AAR Tank Car Committee site. http://www.aar.com/standards/TankCarCommittee.html</p>	<p>registry includes the facility name, city, state, QA Code/Station Stencil, M-1002/M-1003 expiration date, and M-1002 certification elements (activity codes, material groups, repair level capability, and service equipment category).</p>
<p>C-13525 Mar. 30, 2020</p>	<p>Subject: Implementation of Revisions to MSRP Section H-II, Roller Bearing Manual, S-723, Secondhand Seal Wear Ring Parallel Requirement.</p> <p>Summary: This circular letter is to notify the industry of revisions to Section H-II, Roller Bearing Manual, S-723, revision to parallel requirements of secondhand seal wear rings. A previous revision removed the visual inspection of seal wear rings, this revision has added back the previous visual inspection requirements.</p> <p>Implementation Date: Standard S-723 is now implemented and effective immediately.</p>	<p>Car Type: Freight</p> <p>Car Owner: No</p> <p>Repair Shop: Yes</p> <p>Comments: If Section H-II is a required publication for your facility be sure to replace the existing S-723 with the updated one attached to this circular.</p>
<p>C-13526 Mar. 30, 2020</p>	<p>Subject: Implementation of Editorial Revisions to MSRP Section G, Wheels and Axles, M-101, Axle End Chamfer.</p> <p>Summary: This circular letter is to notify the industry of editorial revisions to Section G, Wheels and Axles, M-101, the Notes in Fig. B.3 have been updated to remove the 7" x 12" axle end chamfer and the Y dimensions in the Fig. B.3 table have changed format to degrees.</p> <p>Implementation Date: M-101 is now implemented and effective immediately.</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 facility be sure to replace the existing M-101 with the updated one attached to this circular.</p>
Changes Pending 30-Day Comment Period from Date of Circular		
<p>C-13520 Mar. 26, 2020</p>	<p>Subject: Solicitation of Comments for Revisions to MSRP Section I, Intermodal Equipment Manual, M-998, RP-853, Trailer Skirt, and IBC Handle Requirement.</p> <p>Summary: This circular letter is to solicit comments for proposed revisions to MSRP Section I, Intermodal Equipment Manual, M-998, and RP-853. The proposed changes define the requirements for trailer skirts, and design of the IBC handle position.</p> <p>Implementation Date: All comments received within 30 days of the issuance of this circular will be considered by the Intermodal Committee prior to taking action on the revisions which are the subject of the comments.</p>	<p>Car Type: Intermodal</p> <p>Car Owner: No</p> <p>Repair Shop: No</p> <p>Comments: The proposed revisions to M-998, and RP-853 do not have costs associated with implementation.</p>

Circular No.	Subject and Summary	Impact Statement
C-13522 Mar. 27, 2020	<p>Subject: Solicitation of Comments for Revisions to MSRP Section G-II, Wheel and Axle Manual, RP-631, MD-11 Reporting and Bearing External Inspection.</p> <p>Summary: This circular letter is to solicit comments for proposed revisions to MSRP Section G-II, Wheel and Axle Manual, RP-631, revision to MD-11 reporting and bearing external inspections to complete MD-11 form prior to completing external inspection.</p> <p>Implementation Date: All comments received within 30 days of the issuance of this circular will be considered by the WABL Committee prior to final action on the revisions which are the subject of the comments.</p>	<p>Car Type: Freight</p> <p>Car Owner: No</p> <p>Repair Shop: Yes</p> <p>Comments: The proposed revisions do not have costs associated with implementation.</p>
C-13523 Mar. 27, 2020	<p>Subject: Implementation of Revisions to MSRP Section G-II, Wheel and Axle Manual, RP-633, Axle W Dimension References and Axle K Dimension Update.</p> <p>Summary: This circular letter is to notify the industry of revisions to Section G-II, Wheel and Axle Manual, RP-633, revision to the references for the Axle W dimension, removal of Fig. 4.76 Shop Status Code Explanation, and increase of the K dimension for Class F and Class K axles.</p> <p>Implementation Date: RP-633 is now implemented and effective immediately.</p>	<p>Car Type: Freight</p> <p>Car Owner: No</p> <p>Repair Shop: Yes</p> <p>Comments: If Section G-II is a required publication for your location, be sure to download the revised RP-633 and update your manual.</p>
C-13524 Mar. 27, 2020	<p>Subject: Implementation of Revisions to MSRP Section G, Wheels and Axles, M-107/M-208, and S-669, Wheel Design Evaluation, Shot Peening Coverage, and Wheel Design Approval Process.</p> <p>Summary: This circular letter is to notify the industry of revisions to Section G, Wheels and Axles, M-107/M-208, and S-669, update of the freight wheel design analysis to include the analytic evaluation in S-669, update of shot peening surface coverage description from “greater than” to “minimum of,” and update to the wheel design approval process.</p> <p>Implementation Date: M-107/M-208 and S-669 is now implemented and effective immediately.</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 download the revised M-107/M-208, and S-669 and update your manual.</p>
General Information for the Industry		
C-13513 Mar. 4, 2020	<p>Subject: AAR Research Review Postponed.</p> <p>Summary: Because of current and evolving public health concerns related to the COVID-19 virus, the 25th Annual</p>	<p>Car Type: Industry Information</p> <p>Car Owner: No</p> <p>Repair Shop: No</p>

Circular No.	Subject and Summary	Impact Statement
	<p>AAR Research Review is being postponed to occur 23-24 June 2020.</p> <p>Implementation Date: Contact Mickey Johnson at the e-mail address below, if you have any questions.</p>	<p>Comments: See circular for seminar details.</p>
C-13514 Mar. 10, 2020	<p>Subject: Cancelled - Town Hall on Early Warning System Rewrite and Car Repair Rates</p> <p>Summary: AAR has cancelled the Town Hall Meeting schedule for March 26, 2020 to discuss the rewrite of the Early Warning System and changes to the Car Repair Rates to include input from non-Class 1 railroads and Running Repair Agents which was announced on February 10, 2020 via C-13507.</p> <p>Implementation Date: Contact nfimple@aar.org with any questions.</p>	<p>Car Type: Industry Information</p> <p>Car Owner: No</p> <p>Repair Shop: No</p> <p>Comments: A webinar will be set up and communicated shortly via this Circular Letter System to replace the Town Hall.</p>
C-13516 Mar. 10, 2020	<p>Subject: Open Registration for AAR M-1003 Basic and Advanced Auditor Training Classes in Mexico.</p> <p>Summary: AAR's Quality Assurance Committee (QAC) has scheduled the Basic and Advanced Auditor Training classes in Mexico.</p> <p>Implementation Date: Interested parties are encouraged to enroll promptly as classes tend to fill quickly and acceptance is based on a first-come first-serve basis.</p>	<p>Car Type: Industry Information</p> <p>Car Owner: Possible</p> <p>Repair Shop: Possible</p> <p>Comments: Refer to this circular letter for class and location details.</p>
C-13517 Mar. 11, 2020	<p>Subject: Informational Circular, Car Repair Facility Labor Rate – Effective April 1, 2020.</p> <p>Summary: The Car Repair Facility Labor Rate, effective April 1, 2020 is \$141.22. This represents a decrease of \$0.02 from the calculation for January 1, 2020.</p> <p>Implementation Date: The change will be reflected in the April 1, 2020 release of the AAR Office Manual.</p>	<p>Car Type: Freight</p> <p>Car Owner: Yes</p> <p>Repair Shop: No</p> <p>Comments: Last year's back pay for one small railroad's carmen and machinists has now been spread over four quarters, and was therefore removed, which caused this decrease in the Labor Rate.</p>
C-13521 Mar. 27, 2020	<p>Subject: Updated Schedule and Registration Links for 2020 AAR M-1003 Basic Auditor, Advanced Auditor and Root Cause Analysis Training Classes.</p>	<p>Car Type: Industry Information</p> <p>Car Owner: Possibly</p>

Circular No.	Subject and Summary	Impact Statement
	<p>Summary: The Association of American Railroads (AAR) Quality Assurance Committee (QAC) has rescheduled some of the 2020 Basic Auditor, Advanced Auditor and Root Cause Analysis Training classes.</p> <p>Implementation Date: Questions should be directed to either Don Guillen or Mark Rusovick with the AAR Quality Assurance Committee at QA@aar.com.</p>	<p>Repair Shop: Possibly</p> <p>Comments: Refer to this circular for available classes, dates and locations.</p>