Institute of Scrap Recycling Industries, Inc.

www.isri.org

Date: November 21, 2008

ALERT: AAR Imposes New Open Top Rail Car Loading Rule
Compliance Required Now

The Association of American Railroads (AAR) has officially adopted the new restrictions on all scrap metal shippers using open top railcars. Specifically, AAR has amended its Part 87 Section 2 rules to prohibit the loading of loose commodities in mounds above the top chord of any open top railcar. Previously, scrap metal could be mounded in the center of open top railcars (gondolas) up to 18-inches above the side and end walls of the railcar, thereby maximizing freight efficiency within weight limits. AAR member railroads insist that the purpose of this new rule is to reduce railcar derailments, property damage and injuries to railroad employees that have allegedly become commonplace from loose scrap falling off railcars during transit and switching.

AAR, by its own calculations, estimates that the volume reduction of "leveling off" an "18 inch mounded" load of scrap would require one extra railcar for every 10-12 railcar loads, roughly 10% to 12% of previous volume.

Rail shippers should become familiar with and exercise caution while loading gondolas, and must ***comply with the following requirements and options***:

- Fill open top rail cars with heavy loose scrap only to the top of the car sides/ends (water level) no containment or securement is required (heavy scrap can be on top of loose scrap);
- Cover/secure/contain lightweight metal scrap, i.e. tin or aluminum stampings, etc., with wire mesh, netting and/or material of equal strength to prevent displacement by suction in transit, or;
- Cover/secure/contain lightweight metal scrap (as above) with baled scrap placed over loose scrap, completely in contact with sides and ends of railcar covering loose scrap, each bale in contact with adjacent bales, with the bales extending no more than 50% of bale dimension above railcar sides;
- Baled scrap loaded unevenly atop loose scrap must be secured with high tension bands: 2-inch X .044-Inch. Avoid securing bands to handholds and ladders.

ISRI will be preparing training materials to help ISRI members understand these rule changes and are establishing a better relationship with AAR to help ensure that any rules that are created has our input at the outset to prevent rules that unfairly affect the scrap recycling industry.

See the attached official rule circular letter for further details. Contact Tom Herod 202-662-8519, TomHerod@isri.org or Billy Johnson 202-662-8548, BillyJohnson@isri.org with questions.

James P. Grady
Assistant Vice President -
Technical Services

ASSOCIATION OF AMERICAN RAILROADS

Friday, November 14, 2008

C-10866

Circular Letter

Subject: Implementation of Revisions to Figures 87, Section 2, Open Top Loading Rules Manual for Scrap, Metal, Loose and Baled - Gondolas

To: MEMBERS AND PRIVATE CAR OWNERS **File Number: LR-8.10.4**

Circular Letter C-10803 was issued August 20, soliciting comments, under the provisions of AAR Standard S-050, to proposed revisions to Figure 87, Section 2, Open Top Loading Rules Manual for Scrap, Metal, Loose and Baled – Gondolas.

All comments received were duly considered by the Open Top Loading Rules Committee.

This Implementation Circular Letter is to notify the industry of the revisions to Figure 87, Section 2 as listed below and in the attachment.

As stated in C-10803, in the interest of safety to railroad employees, to the general public and the protection of property, the AAR Open Top Loading Rules Committee has approved these revisions. The major change in these revisions restricts loose scrap metal loading to be below the top of rail car sides and ends of the car at any point of the load.

Revised Sketch 1: Sketch will indicate the load below the top of car sides and ends of the car.

Existing Item B: High tension bands: 2 in. x .044 in. Locate to contact and secure top baled scrap not in compliance with Note 1 or loose scrap not in compliance with Note 3.

Revised Item B: High tension bands: 2 in. x .044 in. Locate to contact and secure top baled scrap not in compliance with Note 1.

Existing Item C: As required.

Revised Item C: As required. (not shown in drawing)

Existing Note 2: Scrap Metal (e.g., loose tin or aluminum stampings, etc.) must be secured with wire mesh, netting and/or material of equal strength to prevent displacement by suction in transit. Heavy or baled scrap may be substituted and loaded on top of light material provided height limitation of Note 1 is not exceeded.

Revised Note 2: *Light* scrap Metal (e.g., loose tin or aluminum stampings, etc.) must be secured with wire mesh, netting and/or material of equal strength to prevent displacement by suction in transit. Heavy or baled scrap may be substituted and loaded on top of light material provided height limitation of Note 1 is not exceeded.

Existing Note 3: Loose scrap metal loaded per restriction 3 (a) or 3 (b) as follows and loaded to a height of no greater than 18 in. above the car sides and ends at the center of the car per Sketch 1, requires no securement. Under both conditions, the slope of the material must be shallow enough to prevent the material from sliding over the sides and ends of the car during transit.

3.1. Heavy scrap metal 1.8 in. thick or greater must be loaded so that it interlocks in such a way as to prevent it from shifting over sides or ends of car during transit.
3.2. Loose scrap metal less than 1/8 in. thick (e.g., shredded scrap, turnings, etc.) may be sloped from the inside edge of the car sides and ends.

Revised Note 3: *Loose scrap metal must be below top of car sides and ends of the car at any point of load. See Sketch 1.*

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Existing Note 4: Light scrap metal loaded below 12 in. of top of car sides and ends requires no securement or covering.

Revised Note 4: Light scrap metal loaded *12 in. below* top of car sides and ends requires no securement or covering.

Eliminate Note 5: ~~Loose scrap metal, 1/8 in. and over not meeting the requirements of Notes 2, 3, and 4 must be secured to prevent falling from car.~~

The above revisions become effective immediately and will be included in the next edition of the AAR's OTLR Manual. In the interim, please insert the attached revised Figure 87 in Section 2 of your Open Top manual and be governed accordingly. For the ease of updating you manual, page 84, the reverse side of the first updated page is included as well. Carriers are asked to ensure that copies of this circular letter are distributed to all concerned shippers and railroad personnel for their attention and guidance.

Questions should be directed to Mr. John Blackman, Manager-Open Top Loading Rules and Damage Prevention, TTCI, P.O. Box 11130, 55500 DOT Road, Pueblo CO 81001. Or email to john_blackman@aar.com.

NOTE FOR INTERNET SUBSCRIBERS: The proposed specification changes are attached to this circular as a .PDF file, which can be viewed by use of Adobe Acrobat Reader. If you do not have this feature Acrobat Reader software can be downloaded for free from the following Adobe web site.

ON BEHALF OF THE OPEN TOP LOADING RULES COMMITTEE

http://www.adobe.com/prodindex/acrobat/readstep.html#reader

Sincerely,
James P. Grady
Assistant Vice President - Technical Services

Safety & Operations
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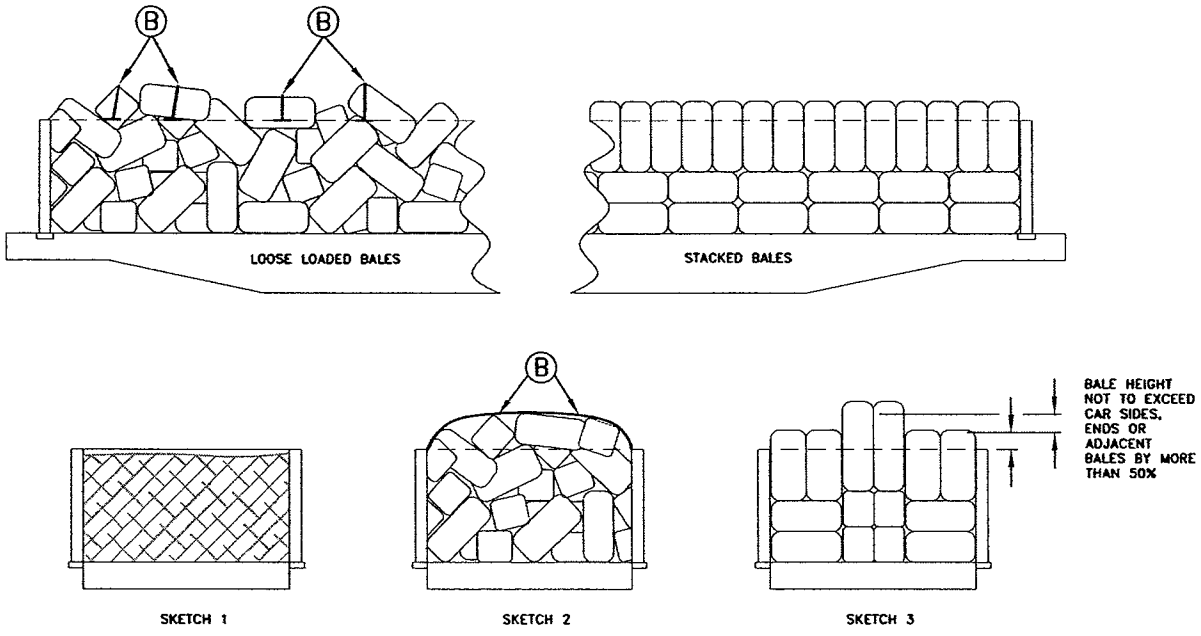
Attachments

section2part1.fig_87.20081110.pdf

Fig. 87 (Rev. 08/08)
(New 02/60)

SCRAP, METAL, LOOSE AND BALED—GONDOLAS



Item	No. of Pcs.	Description
A		Brake wheel clearance: see General Rule 2 in Section 1.
B	2 per 8 ft or less of load length extending above car sides. Add 1 for each additional 4 ft of load length.	High tension bands: 2 in. × .044 in. Locate to contact and secure top baled scrap not in compliance with Note 1.
C	As required. (not shown in drawing)	Wire mesh or netting: of sufficient strength, width, and length to cover complete top of car. Secure to lading strap anchors. Do not secure to safety appliances, such as handholds and ladders. Not required when loaded to provisions of Notes 3 and 4.

Notes and Additional Requirements:

1. Baled scrap, extending above car sides and ends must engage car sides, ends and adjacent bales by minimum of 50% of bale. See Sketch 3.
2. Light scrap metal (e.g., loose tin or aluminum stampings, etc.) must be secured with wire mesh, netting and/or material of equal strength to prevent displacement by suction in transit. Heavy or baled scrap may be substituted and loaded on top of light material provided height limitation of Note 1 is not exceeded.
3. Loose scrap metal must be below top of car sides and ends of the car at any point of load. See Sketch 1.
4. Light scrap metal loaded 12 in. below top of car sides and ends requires no securement or covering.

Reference the General Rules in Section No. 1 of the *Open Top Loading Rules Manual* for additional details.

IMPLEMENTED 11/2008