Damaged and Defective Car Tracking System (DDCT)

North American Rail Summit, Montreal
October 18th, 2010

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Nichole Fimple—Railinc
Agenda

• Overview
• Current Damaged/Defective Process
• Damaged and Defective Car Tracking System Overview
• How to Learn More and Get Ready
DDCT Overview

• The Damaged and Defective Car Tracking System was requested jointly by ARB and EAC to serve as a centralized system to track damaged and defective cars under AAR Interchange rules and Car Hire rules

• Railroads, Car Owners and Shops will all be impacted
DDCT Status Update

• DDCT will Go-live January 5, 2011
  – Development is complete
  – The Industry is updating the Interchange and Car Hire Rules
  – The Car Hire Rules have been approved
  – The DDCT Technical Advisory Group is responsible for managing implementation efforts with the Railinc team
Damage is identified by the Handling Carrier. Handling Carrier notifies Car Mark Owner. Car Accounting determines car hire liability.

Current Damage Defective Process:
1. Manually places card on car
2. Communication
3. Bill Sent to Owner
4. Reclaim after the fact
Current Process – Defective Cars (Rule 1 & 108)

• Each field location makes the individual request to a centralized location within the railroad

• If railroad has their own automated system
  – Email notifies car owner to go in the railroad’s system to review the information and choose a shop for disposition
  – Car owner enters the information into the railroad’s system
  – Information is funneled back to the individual field location for proper disposition and handling within the railroad

- If the railroad does not have an automated system then the paper trail begins
  - An email or fax is sent to the car mark owner with defect information and a request for disposition
  - Car owner then has to respond back via email or fax with shop disposition
  - Railroad then has to funnel the information from the car owner back to the field location requesting disposition via email or fax

- Additionally for Rule 108 only
  - Add a JIC to the mix
Current Process – Damaged Cars (Rule 107)

• Field personnel notifies System Mechanical of a derailment and a request for DV via phone call, email or internal system

• An individual email or fax is sent to the car mark owner requesting DV and shop location if needed

• An email/fax is sent back from the car mark owner to the damaging carrier
  – This happens anywhere from almost immediately to the full allowance of the rule of 7 days (some take longer than that)
Current Process – Damaged Cars (Rule 107) cont.

• Damaging carrier has no set means to determine what an estimated DV for the car is to assist the field personnel at the site at that moment what the car may be worth
  – This is a best case/guess scenario based on history of similar car types.
• If the car is destroyed, an individual email/fax letter of authority is sent to the car mark owner
• This is all handled Monday – Friday between the business hours of 8am to 5pm
  – Evenings and weekends are a big black void
Current Process – Damaged Cars (Rule 107) cont.

• There are numerous functions that require manual participation for this to flow

• Phone calls generally occur during these transactions to try and speed up the process or gather information rapidly to assist the field in making determinations

• Many times the field locations are under the gun if the cost of the derailment comes close to the FRA thresholds and reporting requirements
Current Process – Defect Cards

- Railroad must create multiple copies of a Defect Card with an itemized list of the defects
  - Defect Card is then placed into the holder/receptacle on the car
  - Copy is kept at the location issuing the Defect Card
  - Copy is sent to Railroad’s System designee
  - Copy is sent to Chief Mechanical Officer or equivalent of the damaged car

- Paper tries to last four years - If a copy fails to make it to the car mark owner, their only hope is that the car makes it to shop and the card is still legible
New Damage Defective Process

Damage is identified by the Handling Carrier

Car moves as agreed to through DDCT process

Car Owner notified electronically

Repair Shop validated through DDCT

DDCT updates Liability Continuity System (LCS)

LCS applies car hire rules and determines car hire liability

Bill Sent to Owner
DDCT Benefits

- Accessibility
- Data Quality
- Efficiency
- Security
Accessibility

- Centralized source for incident tracking
- Increased visibility of damaged and defective cars
- Electronic Defect Cards
- Multiple methods available to access DDCT
  - DDCT Web UI
  - Web Service Request
  - Mobile App Request
  - Combination of any of the above
Data Quality

- Standardized Process
- Data edits reduce errors and data conflict
- Integrates with other Railinc systems:
  - Umler™, Industry Reference Files (IRFs), Event Repository
- Reduction in payable & receivable claims
- Historical records of the incidents and their resolution
Efficiency

- Update incident information real-time
- Receive Estimated DV upon incident creation
- Automated car-hire process eliminates reclaims
- Elimination of installation and maintenance of defect card brackets
- Web services to integrate with the Railinc DDCT system
Security

• Single Sign On (SSO)
  • Company specific permissions
  • Role specific permissions

• Possession check
  • Cannot create an incident without possession

• Estimated DV is accessible only when creating an incident
  • Car Mark Owner is notified when EDV is requested
DDCT Railroad Functionality

Railroads can

- Report and document damage
- Provide incident details
- Receive estimated depreciation for cars involved in an incident
- Request Actual DV & Dispo
- Handle settlements
DDCT Car Owner Functionality

Car owners can

- Manage data on car condition, repairs and location
- Receive detailed information on damage to car
- Provide Actual DV and disposition
- Accept or reject settlement offers
- Make decisions about repairing or scrapping equipment
DDCT Shop Functionality

Repair shops can

- Receive information on car arrival, condition and needed repairs
- Maintain an inventory of cars on site
- Update car owners on the status of repairs
Early Warning

• When DDCT Incidents are created, the cars are added to a Maintenance Advisory letter in the Early Warning System
• Each Rule number will have a dedicated MA letter number
• Cars are removed from the letter at the end of the incident lifecycle
Interchange Rules Impact

- Rule A & B
- Rule 1
- Rule 71
- Rule 95
- Rule 102
- Rule 103
- Rule 107
- Rule 108
- Rule 111
- Rule 112
- Rule 113
- Rule 114
- New Rule 115
- Appendix A

Car Hire Rules Impact

- Rule 7
- Rule 8
Pricing

• $0.70 per car per car fee based on Stenciled Mark Ownership in Umler ©

• Will be billed in February with Umler ©
DDCT – Getting Ready

- Get up to date information from the DDCT website:  
  www.railinc.com/ddct

- Establish a Railinc Single Sign-On (SSO) account.  
  Go to www.railinc.com for more information

- Register in FindUs.Rail. This is **required** by industry regulations, Rule 114

- Participate in training opportunities as they become available
Railinc Single Sign-On (SSO)


- This is required to access Railinc applications.
FindUs.Rail

- Register at FindUs.Rail. This is required for DDCT by industry regulations.

FindUs.Rail is a web-based centralized database that allows users to review and manage their company's contact information. It helps railroad departments, private car owners, and leasing companies stay connected. Users are able to query contacts and agency relationships for industry functions and roles. Contacts are organized under various categories, each managed by Company Administrators. Administrators can add, update, and delete contacts for the categories they manage. The Railinc Application Administrator is responsible for adding and removing categories.

News and Updates

Railinc Launches TrainFax Site
Cary, N.C. (May 12, 2010)—Railinc Corp. announced today the launch of the new Railinc TrainFax website that now delivers reliable, up-to-date rail equipment information in a single report. Freight rail equipment owners, lessees, investors, insurers, inspectors and other professionals conducting asset-related research can purchase an easy-to-read, rail equipment report in a standard downloadable format that compiles critical rail equipment data from rail industry sources and Railinc databases.

Product details, including a sample TrainFax report, are available on the product website at www.railinc.com/trainfax.
FindUs.Rail – RR and Car Owners

Required for car owners and railroads

Available now
FindUs.Rail – Shops

Required for shops

Car owner cannot dispo a car to a shop that is not in FindUs.Rail
FindUs.Rail – Shops

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FindUs.Rail

- Contact information is **required** for DDCT by industry regulations

- DDCT Category
  - Required for Car Owners & Railroads

- Shop Category
  - Required for Repair Shops
  - SPLC Required for each Shop location
Communication Efforts

- Railinc will provide information and training opportunities:
  - Meetings
  - Webinars
  - On-line demos
  - Circular letters, email notifications
  - User guides
  - FAQs
- Event dates/times are listed at [www.railinc.com/ddct](http://www.railinc.com/ddct)
## Communication & Training Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Events</th>
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</table>
| **September** | • Webinars  
• Demos  
• Presentations  
• Implement FindUs.Rail Repair Shop Category  
• Contact Industry to Start Entering FindUs.Rail Data |
| **October**   | • Webinars  
• Demos  
• Presentations  
• End to End Testing  
• Contact Industry to Begin Training in Test System |
| **November**  | • Webinars  
• Demos  
• Presentations  
• Training with DDCT Test System |
| **December**  | • Webinars  
• Demos  
• Training with DDCT Test System  
• DDCT Roles available in SSO  
• Contact Industry to Start Requesting DDCT Permissions  
• Lock Down Test System |
Hands on Training

• Railinc will open the pre-production environment to the industry for Training purposes during 4th quarter 2010

• Interested parties please email csc@railinc.com stating desire to participate along with entering contact information into FindUs.Rail
DDCT System Industry Project Overview

For decades, railroads, car owners and repair shops each maintained their own manual processes for tracking, identifying and repairing damaged and defective cars. Because there was no standardized system, data retrieval could be time-consuming and complicated, and information was often unreliable.

The new Damaged Defective Car Tracking (DDCT) system automates this manual process through an easy-to-use, centralized web-based application. Now users have real-time access to information through a single standardized source. And users can easily update, retrieve and share information in a timely manner. The result is better communication and collaboration among rail partners for better equipment management, improved rail safety and reduced administrative costs.

*The new DDCT system, developed by Railinc, goes live in January 2011.*

DDCT Project Resources Now Available

This website will provide training background materials, event schedules, training resources and user guides to help your organization get ready for the new system. Information will be posted as it becomes available. Use the menu below to navigate to important DDCT resources.
Get Ready for DDCT

The new DDCT system is a significant process change and technology implementation for the rail industry. All users of the system from railroads to equipment owners to repair shops have a role to play in learning about and implementing the new system.

Car Repair Shops can go here for more detailed instructions.

You must undertake the following activities in order to use the new DCCT system in January 2011:

1. Single Sign-On Account - Required Activity. DDCT system users must register and establish a Railinc Single Sign-On (SSO) account to access the application and to register at FindUs.Rail. Go to www.railinc.com and follow the prompts in the login box to establish your account and then request access to DDCT. You may request access to the DDCT system beginning in December.

2. FindUs.Rail - Required Activity. Industry rules require all DDCT system users to register in the FindUs Rail directory before being granted access to the system. Railinc will use this contact information to communicate about DDCT training opportunities and system implementation. Go to www.railinc.com to register after establishing your SSO account. (See above.)
DDCT Overview for Car Repair Shops

The Damaged and Defective Car Tracking (DDCT) system is a new web-based application that provides a centralized system for tracking damaged and defective rail cars handled under AAR Interchange and Car Hire Rules. DDCT provides more accurate information to repair shops on cars that are coming in for repair and provides an easy way for the shops to communicate with car owners and carriers about the status of repairs. The new system more efficiently processes and shares information on car history, condition, location, ownership and repair status. This information allows for a seamless process of receiving, repairing and returning cars to their owners.

This document provides an overview of the steps car repair shops need to take to get ready for DDCT system implementation in January 2011. You can also watch a detailed demonstration here (view Getting Started demo). For car owners to disposition cars to a shop within DDCT, each shop must exist as a contact within FindUs Rail and have a valid SPLC code. If a shop location is not identified in FindUs.Rail as a Repair Shop contact with a valid SPLC, that shop cannot report repairs to DDCT for damage/defective incident damage (including defect card repairs).

Getting Started

This page provides a quick overview of the steps that car repair shops need to take in order to prepare to use DDCT. These steps are covered in detail in the DDCT Getting Started Guide for Car Repair Shops. You can also watch a detailed demonstration here (view Getting Started demo).
DDCT Event Schedule

The following is the current schedule of industry meetings, town hall meetings and webinars currently scheduled to help carriers, car owners and repair shops prepare for DDCT implementation.

Please follow the links below for registration, related fees and more information. Attendees are responsible for their own transportation, fees and accommodations. This schedule will be updated and links will be added as registration becomes available. Schedule and events may change without notice. Please contact the event organizer for questions or more information.

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<th>Event</th>
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<td>ARB</td>
<td>Jacksonville, FL</td>
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<tr>
<td>May 1-5</td>
<td>ASLRA</td>
<td>Orlando, FL</td>
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<td>May 12</td>
<td>ACACSO</td>
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<td>May 25</td>
<td>DTE Conference</td>
<td>Denver, CO</td>
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<td>May 25-26</td>
<td>AAR Town Hall Meeting</td>
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<td>ASLRA - Central Pacific Mtg.</td>
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<td>CRB/ARB Committee Mtg</td>
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<td>Oct. 16-19</td>
<td>RSI-CMA Conference</td>
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<td>Nov 7-9</td>
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<td>Nov. 10-12</td>
<td>ACACSO</td>
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<td>Jan. 2011</td>
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Webinars

• DDCT 101 – Introduction to DDCT
  – September 29th, 3 PM (ET) - Completed
  – October 1st, 11 AM (ET) - Completed
  – October 8th, 2 PM (ET) - Completed
  – October 27th, 11 AM (ET)

• DDCT 102 – Basic DDCT Process
  – October 13th, 3 PM (ET) - Completed
  – October 27th, 2 PM (ET)
**DDCT Webinar Schedule**

Railinc is offering a series of webinars to help railroads, equipment owners and repair shops prepare for the launch of the new Damaged and Defective Car Tracking (DDCT) System in January 2011. The DDCT system affects the reporting, documentation and management of damaged equipment under AAR rules 1, 95, 107 and 108.

**Webinar Schedule for October 2011**

Railinc is pleased to announce the October dates for its DDCT webinars. These first two webinar sessions are designed to present an overview of the DDCT system and related processes. Railinc highly recommends participating in these webinars to help prepare for the launch of the DDCT system in January 2011. Here are the webinar descriptions, times and registration links:

**Introduction to DDCT**: This session will cover basic information about the Damaged/Defective Car Tracking (DDCT) System to answer the following questions: what is DDCT, who will be affected by DDCT, when will DDCT go-live and what you can do to get ready for DDCT. The dates for this webinar are:

- September 29th, 3 PM (ET), Click here to register for this webinar.
- October 1st, 11 AM (ET), Click here to register for this webinar.
- October 8th, 2 PM (ET), Click here to register for this webinar.
- October 27th, 11 AM (ET), Click here to register for this webinar.

**Basic DDCT Process**: This session will cover the basic process flow of the incident life cycle within DDCT, including incident creation, requesting/providing disposition, creating defect cards and shop repairs.

- October 13th, 3 PM (ET), Click here to register for this webinar.
- October 27th, 2 PM (ET), Click here to register for this webinar.
Recap

Process Change: January 5, 2011
- Discontinue Use of Paper Defect Cards

Electronic Defect Card: Triggered by DDCT actions
- FindUs.Rail: Registration Required

Car Hire: www.railinc.com/ddct
Contact us:
1- 877-RAILINC
csc@railinc.com

Questions?


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