ATSI Initiative

September, 2005

Lisa Stabler – CWC Chairman
Actions Since Last Meeting

- **Cost Recovery for Repairs Made on Line-of-Road**
  - Recovery of added repair costs due to repairs made on line-of-road
  - Recovery of costs, not recovery of damages
  - Adjustable setout criteria based upon road’s business model
  - Request made for ARB to consider potential rule changes
  - Expected implementation 2nd Quarter 2006

- **Rule 88-Mechanical Requirements for Acceptance**
  - Define conditions which should be remediated by a car owner during a significant shopping event
ATSI Re-Focus

- Changing maintenance paradigm not efficient for some repairs
- Require car owners to proactively intervene for extensive repairs
  - For truck hunting, estimates are less than 10,000 cars per year
  - Other identified repairs should be of similar magnitude
- Car owners must receive advanced notification of car condition – InteRRIS/EHMS
- Utilize RAMP-ed for home shop movement
ATSI Initiative

3 Prong Approach

Rule 88 – Mechanical Requirements for Acceptance

Cost Recovery for Service Interruptions

Required Shopping for Extensive Repairs
CRB Overhead Study

- ARB will examine these items for potential inclusion in the current overhead rate
  - Detector capital cost, calibration and on-going maintenance costs
  - Material costs changes
  - Car per diem
  - Cost of the inspection process for all cars, not just the car identified as deficient by the inspector
  - Railroad cost of capital
2005 EHMS Status

- On budget
  - $1,490,000 actual vs. $1,500,000 budgeted

- 2005 Enhancements
  - Wheel profile information added to InteRRIS
  - Using CRB records and EW to create a CRH record
  - Data integrity issues addressed
  - Maintenance Responsible Party management
  - Enhanced ability to determine present car remediation status
2006 EHMS Project Request

- Planned Enhancements
  - Clear Alerts More Efficiently
  - Leverage RAMP-ed technology for dispositioning empty cars
  - Consolidate Separate Databases
  - Add Detector Alerts as needed to EHMS
  - Enhance Security
  - Generate EHMS-related Statistics
2006 EHMS Costs

- **Software Development Costs**
  - Railinc FTE – 12 heads

- **Railroad Development Costs - $1.25 million**
  - Combined estimates from 6 Class I Railroads

- **System Fees and Maintenance**
  - $1,375,000
    - Reduction from original request of $1,600,000
  - Split between car owners and railroads
    - Car owners - $41,000, billed on a per car basis
    - Railroads - $1,334,000, billed on a revenue ton mile basis
EHMS Statistics – WILD Remediation

**Window of Opportunity**
- Remaining: 60%
- Advanced: 29%
- Removed: 11%
- Alerts: 822,000

**Opportunistic Repairs**
- Remaining: 49%
- Advanced: 33%
- Removed: 18%
- Alerts: 319,000

**AAR Condemnable**
- Remaining: 46%
- Advanced: 2%
- Removed: 52%
- Alerts: 269,000

**Final Alert**
- Remaining: 12%
- Removed: 88%
- Alerts: 7,800
WILD Remediation Statistics

Window of Opportunity

Opportunistic Repairs
WILD Remediation Statistics

AAR Condemnable

Opportunistic Repairs

Remediated
High Impact Wheels
Per 1000 Wheels Past a Detector

![Chart showing incidents per 1000 wheels by month. The chart includes data for two categories: 140+ kip and 90-140 kip. The months Jan-03 to Jul-05 are displayed, with bars indicating the number of incidents per month for each category.]
ATSI Request for SOMC

- Support 3-prong approach for ATSI
  - Cost recovery on line-of-road
  - Car condition after shopping dictated by Rule 88
  - Home shopping process for extensive repairs
- Support continuation of EHMS in 2006 along with associated total projected cost of $1,375,000