



## REVISED CIRCULAR TD-1

### ASSOCIATION OF AMERICAN RAILROADS

Effective July 1, 2010

TO: Transportation Officers - All Railroads

The following instructions shall govern the placing and handling of embargoes:

#### I. DEFINITIONS

- A. An embargo is a method of controlling traffic movements when, in the judgement of the serving railroad, an actual or threatened Physical or Operational Impairment, of a temporary nature, warrant restrictions against such movements.
- B. For the purpose of this Circular, "Traffic" is defined as loaded and revenue empty freight cars, trailers and/or containers. In the case of disasters the definition of "Traffic" can be expanded to include embargo of empty freight cars. Empty equipment may be embargoed only in the case of a disaster in which damage or destruction of railroad facilities such as bridge fires, accidents, or the imminent occurrence of such a Physical Impairment (e.g., approaching hurricane, rising floodwaters). This shall include carrier and privately owned or leased freight cars, trailers and/or containers.

#### II. PROHIBITIONS

- A. It is prohibited to issue embargoes:
1. As a permanent measure to control traffic.
  2. At the request of a consignee.
  3. As a commercial measure to control the routing of Traffic to or via any particular gateway, railroad or destination which is not related to the existence of the impairment.
  4. Against acceptance of Traffic on specified days.
  5. Limiting the amount of Traffic to be accepted daily or periodically.
  6. Against Traffic consigned to the United States Government, its authorized agents or officers, except when the Physical or Operational impairment prevents movement of such Traffic.
  7. Against a consignor or consignee for failure to pay freight charges and/or demurrage.
  8. Enforce terms of a contract or interchange agreement between railroads.
  9. De-market traffic.
  10. Restrict business growth
- B. It shall not be permissible to *maintain* an embargo against:
1. Traffic for railroads or parts thereof, or stations, which are being abandoned or to which service is being discontinued, except as a temporary measure, to be kept in effect only until appropriate revisions of pricing documents of affected stations can be accomplished
  2. Acceptance of Traffic by reason of weight or clearance limitations, except as a temporary measure, pending publication of restrictions in Official List of Open and Prepay Stations / Railinc Centralized Station Master Notes.

#### III. PROCEDURE

When necessary to restrict traffic movements, for periods in excess of 24 hours, an embargo must be used. It is the responsibility of a Railroad experiencing an Operational or Physical Impairment to place its own embargo rather than wait for such action by its connections. An embargo placed against an individual consignee is applicable to Traffic consigned, re-consigned or intended, as well as Traffic billed "shippers order", for that consignee.

- A. Carriers placing, amending, or canceling an embargo must notify the AAR and use the AAR Embargo and Permit System. The Association of American Railroads will transmit via email or XML notices of embargoes

placed, amended, or cancelled to each full member railroad's designated embargo officer named in the AAR electronic Embargo Officer Registration File, to the Surface Transportation Board and the American Short Line and Regional Railroad Association. The AAR will provide an electronic subscription service for daily embargoes to other interested parties upon request. Instructions to submitters are contained in [www.aar.org](http://www.aar.org) under RR Industry Info - Embargoes site.

- B. Each railroad shall designate an officer to issue and receive embargoes, whose name, title and address must be published in The Official Railway Equipment Register and the AAR electronic Embargo Office Registration File. Each railroad shall maintain a file of applicable embargoes for the information of the public, and the AAR will maintain an Embargo and Permit System containing all effective, cancelled and expired embargoes for three years. The AAR Embargo and Permit System is located at [www.aar.org](http://www.aar.org).
- C. Embargoes against a consignee shall be placed by the railroad performing the switching service or by a connecting road haul carrier for traffic it delivers to the switching carrier for that consignee. If served by more than one road, a consignee may be embargoed by each such road.
- D. If in the judgment of the Association of American Railroads an emergency exists, it may issue an embargo without a prior request by the serving or switching carrier(s) involved. The AAR will contact the affected railroads in advance of issuing the embargo.
- E. The Association of American Railroads will issue an embargo, at the request of the Surface Transportation Board.
- F. Embargoes will remain in effect until cancelled but, unless cancelled, will automatically expire one year after effective date of issuance. No expiration date shall be stated in the embargo. (See VIII. Re-issuance).
- G. An embargo shall contain the following information, as necessary to ensure the embargo will be properly applied: (i) if the embargo is station specific, a list of the affected stations, by Freight Station Accounting Code as defined in the Railinc Centralized Station Master (CSM); (ii) if the embargo is directed at a gateway or territory, a description of the affected gateway or territory by city, state or province, (iii) commodities embargoed and their Standard Transportation Code(s) (or state "all commodities"); (iv) if the embargo is customer specific the railroad embargo officer must supply by Customer Identification File (CIF) Number, the customers consigned, re-consigned or intended to be embargoed; (v) embargo cause; and (vi) any exceptions to the embargo.

#### IV. EFFECTIVE DATE

The body of the embargo shall state a specific date, not earlier than date submitted via the AAR Embargo and Permit System to the Association of American Railroads, on which the embargo is to become effective.

- A. An embargo may be "effective immediately" only if it is due to the issuance of a security alert requiring an embargo; the sudden occurrence of a Physical Impairment that would make the rendering of service impossible or highly impracticable (e.g., natural disasters, damage or destruction of railroad facilities such as bridge fires, accidents); or the imminent occurrence of such a Physical Impairment (e.g., approaching hurricane, rising floodwaters). An "effective immediately" embargo may not be issued for other Physical Impairments or for Operational Impairments of any kind.
  - A. An "effective immediately" embargo shall become effective at the time it is made available to other railroads on the AAR Embargo and Permit System (the "Effective Time").
  - B. An origin road may not accept Traffic to or via an embargoed location after the Effective Time. This does not preclude bilateral agreements between carriers that could allow traffic to move using an alternate route.
  - C. The serving road is not obligated to accept loaded or revenue empty traffic from connections which is intended for interchange to the serving road after the Effective Time. This does not preclude bilateral agreements between carriers that could allow traffic to move using an alternate route.
- B. An Embargo other than an "Effective Immediately Embargo" becomes effective 11:59 P.M. of the date specified and no Traffic will be accepted for movement except as specified in Paragraph IV-B-1 below:
  - A. An origin road will accept loaded traffic for movement to or via embargoed locations not to exceed 48 hours after the effective date of the embargo and then only for Traffic loaded or in the process of loading prior to the effective date of the embargo.

Empty cars, trailers, and/or containers en-route to shippers' loading facilities do not qualify as being in the process of loading.

- B. The serving road will accept loaded Traffic from connections which was originated in accordance with the provisions of Paragraph IV-B-1.

#### V. AMENDMENTS AND CANCELLATIONS

Amendments or parts thereof reducing restrictions and embargo cancellations become effective immediately on submission to the Association of American Railroads, and reviewed by the AAR administrator unless otherwise specified therein. Amendments or parts thereof increasing restrictions will have an effective date subject to Section IV-A or IV-B (as applicable) of this Circular.

- A. When an embargo is amended, the portions of the original restrictions remaining in effect shall be considered continuous in application. Amendments shall be consecutively numbered and in each case shall state the reason for the change.
- B. Railroads will cancel embargoes immediately upon removal of cause for which embargo was issued.

#### VI. PERMITS

- A. An embargo may contain provision for a permit system to provide controlled movement of Traffic, including permits for special emergency situations where there is public necessity for special transportation relief. Where a permit system is used, the embargo will contain the name and contact information for the party responsible for the issuance of permits.
- B. Railinc, acting as the agent for the Association of American Railroads and for the railroads submitting embargoes will maintain an electronic AAR Embargo and Permit System to forward Embargo Numbers and Embargo Permit Numbers reported in an EDI 417 Transportation Waybill to railroads listed in the routing.
- C. When a permit number is used to move a shipment; the shipper is required to furnish the Embargo Number and Permit Number in accordance with ANSI EDI 404 (Bill of Lading) Guidelines. The Embargo Number must be transmitted in the N901 EN Qualifier and the Permit Number must be transmitted in the N902 EB Qualifier. Failure to provide this information will result in shipments being held or billing rejected.

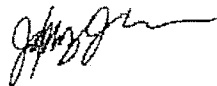
#### VII. WATER CARRIERS

Water carriers listed in Appendix "A" of the Association of American Railroads Circular TD-1 printed in the current issue of The Official Railway Equipment Register, have agreed to transmit embargoes, amendments or cancellations thereof, issued by them to the Association of American Railroads and to connecting rail carriers. In turn, the Association of American Railroads shall transmit embargo notices to the water carriers. Water carrier embargo notices transmitted to the Association of American Railroads shall be issued in the name of the originating water carrier. Embargoes issued by such water carrier will be observed by the railroads in the same manner as those issued by railroads. In the event of failure of the water carrier to receive Traffic currently, and to issue formal embargo notice, it shall be incumbent on connecting rail carriers to issue individual embargoes covering the Traffic involved, in the same manner as against individual receivers.

#### VIII. REISSUANCE

Each embargo will automatically expire one year after the effective date of issuance unless request is made to the Association of American Railroads for re-issuance. Re-issuance request must include a new number in accordance with Paragraph III-F.

Yours very truly,



Jeffrey J. Usher  
Asst. Vice President-Business Services  
Association of American Railroads

**NOTE 1:** Changes in Appendix 'A' listing water carriers, are made regularly and may be found in current issues of *The Official Railway Equipment Register*.

#### CIRCULAR TD-1 – APPENDIX A

#### WATER CARRIERS WHICH HAVE AGREED TO EXCHANGE EMBARGO INFORMATION THROUGH EMBARGO HEADQUARTERS

Jeffrey J. Usher  
Asst. Vice President-Business Services,  
Association of American Railroads  
50 F St., N.W.  
Washington, D.C. 20001  
csc@railinc.com

**NAME OF LINE, TITLE OF DESIGNATED EMBARGO OFFICER AND ADDRESS**

**Arnold Transit Company**  
Paul W. Brown, President  
P.O. Box 220  
Mackinac Island, MI 49757