



TDSI FACILITY DAMAGE REPORTING PROCEDURE

Applies to: All terminal contractors and haulaway carriers handling vehicles at TDSI/CSX facilities

Summary

Contractors have been hired at CSX facilities to load/unload finished vehicles as agents of TDSI (Total Distribution Services). Within the Automobile Terminal Operating Agreement, signed by both Contractor and TDSI, the Contractor has agreed to participate in damage prevention process, providing the customer with damage free handling and mitigating claims exposure for CSX.

Haulaway carriers have been hired by OEM to ship units from CSX facilities to destination dealerships. They have agreed to operate safely per TDSI/CSX terminal rules, and will document existing damages prior to taking custody of the vehicles.

The purpose of this guideline:

- 1) Establish the terms of damage liability for which the TDSI contractor will be responsible
- 2) Establish the reporting and documentation procedure for exceptions found by haulaway

Details

- Damage Verification Schedule (see Addendum A)

Chain of Custody

The assignment of liability on major damages to finished vehicles will be guided by Chain of Custody rules within the supply chain. The last party in possession of the vehicle prior to or during the identification of major damages is the party liable for any claims associated with that damage.

Intermediate Facilities

- Delivering Carrier – When vehicles are delivered to a TDSI facility, they are parked by the carrier in the truck pad. Vehicles are in delivering carrier custody until inspection process is fully completed, or until they are moved by the loading contractor, whichever comes first.
- Loading Contractor – Once the vehicle has been inspected on the TDSI truck pad or has been moved, custody is transferred to the loading contractor.

Destination Facilities

- Unloading Contractor – Once a single chock is removed, unloading has begun and custody is transferred to the unloading contractor. That unloading contractor will be responsible for the condition of that vehicle until the unit is in the custody of the haulaway company.
- Haulaway – Once the key placed in the ignition, or the vehicle has been started (push start), custody is transferred to the haulaway carrier.

On Rail Damage Documentation

Once a chock is removed, the destination contractor now has custody of that vehicle and is responsible for any and all major damage claims against that vehicle. For a destination to be absolved of all liability for a damage, the following conditions must be met:

- Damage must be clearly photographed on rail
 - Unit must be documented on rail, with all chocks in place
 - Photos must show units in front and behind of the subject vehicle, to show unloading has not begun
- A measurement card must be used to support clearance issues noted on rail

All major damages are expected to be documented on rail. Major damages not documented on rail are a missed opportunity to push liability back to origin and clarify root cause.

The contractor is responsible for all documentation, as well as having trained personnel that code damages per industry standard. CSX is partnering with LDS for the technology to capture the exceptions and photos, but proper documentation is the sole responsibility of the unloading contractor. Major damages not documented properly as instructed above will be the responsibility of the unloading contractor and any subsequent claims filed will reside with that contractor.

In Bay Damage Documentation

Per chain of custody rules, once unloading has begun, the vehicle is in the care and custody of the contractor until the haulaway places the key in the ignition, or starts the vehicle (push start), regardless of how long the unit has sat in bay. CSX has agreed to absorb all costs associated with damages that do not require verification, per Addendum A: Damage Verification Schedule. Once haulaway notifies the contractor of a damage that requires verification, the contractor has 24 hours during the week, 48 hours over the weekend, to investigate and provide on rail documentation or evidence that will absolve them of liability. Should there be a pattern of low severity, impact type damages, such as gouges and door edge chips, additional contractor liability will be discussed with TDSI management.

The contractor has an obligation to manage and maintain the facility and investigate suspicious damages in bay.

- If a damage is found that does not require verification (see Addendum A):
 - Exception is entered into haulway handheld or written on load sheet, unit is shipped
 - The load sheet and/or TDSI Inspection report is received and reviewed the next day, all exceptions that did not require verification are entered into LDS system within 12 hours of receipt.
- If a damage is found that does require verification:
 - During Hours of Operation:
 - Haulaway requests unloading contractor representative to verify damage
 - If the damage does not require additional investigation, exceptions are written on load sheet, or entered into handheld, and unit is shipped
 - If the damage does require additional investigation, unit is dropped from load and put on hold by the haulaway. Haulaway generates an email NOD to the terminal, describing damages and reason for hold. The unloader will be allowed 24 hours for investigation. Unloading contractor must notify haulaway when investigation is complete.
 - Outside of Hours of Operation:
 - Unit is dropped from load, put on hold by haulaway. Haulaway generates an email NOD to the terminal, describing damages and reason for hold. The unloader will be allowed 24 hours for investigation. Unloading contractor must notify haulaway when investigation is complete and communicate the appropriate codes that are used to cover the exception.

As the contractor is entering the exceptions, the haulaway can't ship a vehicle until both parties have reviewed each damage. There must be regular communication between haulaway and unloader to ensure units do not sit on hold.

Haulaway Load Sheets

All CSX/TDSI facilities must have functioning date & time stamp. Time should be checked for accuracy on a weekly basis by the guard service. Malfunctioning clock must be reported to Terminal Manager immediately.

Original load sheets and bay tags must be left with the security guard upon exiting the terminal. If using EPOD, no load sheet is required.

Driver has the responsibility to ensure that their copy of the load sheet has verified damages on it, which must match the original load sheet. If using EPOD, no load sheet retention required.

Incorrectly coded damages will not be entered. Damages identified in Addendum A: Damage Verification Schedule are to be physically verified or dropped from the load. Otherwise, they will not be honored or entered in the system.

Haulaway companies should retain a copy of load sheet for their records. If using EPOD, no load sheet retention required.

Security guard will date and time stamp all load sheets and secure in lockbox upon load out gating from terminal.

Load sheets will be picked up from the lockbox or turned over to the unloading contractor upon reporting to duty the next business day for review and entry of valid exceptions into system.

- Load sheets that require physical verification must be stamped and initialed by the unloading contractor.
- If using EPOD, bay tags must be turned into the guard and EPOD load list transmitted to CSX prior to arriving to the outgate guard shack.
- Load sheets and bay tags will be properly filed, secured and retained at facility for 24 months, in care & custody of CSX/TDSI for claim settlement purposes.

Original load sheets and bay tags will be controlled by CSXT or agent at respective facility

Flat Tires – On Rail

Every effort needs to be made to document flat tires on rail, in chocks. This is considered major damage and must be documented as such. These claims will be assigned to the loading facility if documented properly.

- Flat tires documented prior to chock removal will be origin loader liability

Flat Tires – In Bay

Per TDSI agreement, the contractor is responsible for sweeping the yard, keeping the facilities clear of bolts and screws.

- Flat tires discovered in bay, after the driver has bayed the unit, are the responsibility of the contractor.
 - If the contractor provides a detailed inspection, with photos showing factory fasteners in the tread, a case could be made for factory. Each flat tire will be dealt with on a case by case basis.

In Ops

All inops / major damages need to be communicated to the OEM by the Unloading Contractor for disposition. The OEM will determine intransit repair vs ship to dealer.

If damaged vehicle is to be removed from facility via wrecker service, etc. for In-Transit Repair: the guard notifies Unloading Contractor immediately of need for inspection for In-Transit repair release before tow truck entry to terminal is permitted. Upon completion of inspection and completion of a R.A.V.R. form (Repair Authorization Vehicle Release) unit can be released to wrecker service for repair.

If/when repaired unit is returned to facility, Unloading Contractor will again be notified before transporting company will be permitted entry to facility and will perform a re-entry inspection verifying clean inspection and documenting return inspection on the R.A.V.R. form. The unit will then be cleared to ship and notification to the haulaway company unit can be taken off hold and shipped.

- Wrecker Removal/Return: 7am - 3pm, M-F to allow immediate inspection by Unloading Contractor.

ADDENDUM A:

DAMAGE VERIFICATION SCHEDULE

The Haulaway Carrier(s) Management is responsible for distributing the following information to any/all drivers including 3rd party subcontractors. This Information is intended to distinguish what types of damages and severities will and will not require physical verification by the unloading contractor.

Haulaway drivers are responsible for properly entering damages on the load sheet and/or EPOD device consistent with industry standards outlined in AAR Manual of Standards and Recommended Practices, Multi-Level Manual, RP-831. Inaccurate reporting of damage severity on a load sheet or EPOD device could result in claim exposure for the Haulaway carrier.

Vehicle damages meeting the following criteria must be verified in bay by the unloading contractor or authorized agent of TDSI/CSX.

- Major Damage (Severity 3 & above) **must be verified**
- 3 or more exceptions to the same body panel **must be verified**
- Any and all exceptions to wheels, Chrome, Alloy and/or Aluminum **must be verified**
- Any and all exceptions to 'Roof Panels' (Damage Area, 37) **must be verified**
- Any/All Missing Parts (i.e. moldings, panels, etc.) **must be verified**
- Any/All Missing Keys and/or Key Fobs **must be verified**

In addition to the above criteria, all severities of the following 'Damage Types' must be verified:

<u>Damage Type Code</u>	<u>Description</u>
01	Bent
02	Broken
03	Cut
04	Dented with Paint or Chrome Broken
06	Cracked Panels
11	Punctured
13	Torn
20, 21, 22 & 23	All Glass Damages

Damages requiring verification must be verified in bay, with the unit in the original bayed position, or they will not be covered by the railroad. Damage hidden by dirt should not be wiped away as it risks more damage to the unit. TDSI and/or its designated inspection representative will verify vehicle damage severity 3 and above that can be seen from an arm's length away. Except in certain scenarios, damages not visible at arm's length will be considered severity 1 or 2 that can be documented by haul away carrier on ePod and/or load sheets.

Minor severity damages not meeting the above criteria can be noted on the load sheet / EPOD by the trucker without verification.

When load sheets / EPOD transmissions are collected and reviewed, in addition to exceptions meeting the criteria above, the following will also not be entered:

- Blanketed Load sheets and/or EPOD transmissions
 - 3 or more similar damages noted on the same panel
 - 3 or more similar damages noted on multiple panels
 - Any greater severity damage noted as a series of lesser severity damages
- Damages discovered after departing the facility

STANDARD VEHICLE NOMENCLATURE CODE LISTING

**Recommended Practice
RP-831**

Adopted: 2011; Revised: 2014

1.0 INSPECTION FORMAT

The inspection data format for motor vehicle inspections is designed as a five-numerical-digit code. The first and second digits are used to describe the vehicle part or component. The third and fourth digits are used to describe the type of damage to the identified part. The fifth digit is used to describe the severity of the damage to that component.

2.0 VEHICLE PART CODES—NUMERIC

The following is a numeric listing of the part codes as identified by the first and second digits of the inspection code. Note that a “/” in any listing is interpreted as meaning “and/or.”

01	Antenna/Antenna Base	34	TV/DVD Screen	67	Cigarette Lighter/Ashtray
02	Battery/Box	35	Rocker Panel/Outside Sill—Left	68	Carpet—Front
03	Bumper/Cover/Ext. Front	36	Rocker Panel/Outside Sill—Right	69	Center Post—Right
04	Bumper/Cover/Ext. Rear	37	Roof	70	Center Post—Left
05	Bumper Guard/Strip, Front	38	Running Board/Step—Left	71	Corner Post
06	Bumper Guard/Strip, Rear	39	Running Board/Step—Right	72	Left Front Tire
07	Door—Back Cargo, Right	40	Spare Tire/Wheel	73	Left Front Wheel/Rim
08	Door—Back Cargo, Left	41	Open	74	Left Rear Tire
09	Door—Right Cargo	42	Splash Panel/Spoiler—Front	75	Left Rear Wheel/Rim
10	Door—Left Front	43	Open	76	Right Rear Tire
11	Door—Left Rear	44	Gas Tank	77	Right Rear Wheel/Rim
12	Door—Right Front	45	Tail Light/Hardware	78	Right Front Tire
13	Door—Right Rear	46	Open	79	Right Front Wheel/Rim
14	Fender—Left Front	47	Open	80	Cowl
15	Qtr. Panel/Pick-up Box—Left	48	Trim Panel—Front Left	81	Gas/Cap Cover
16	Fender—Right Front	49	CD Changer Separate unit	82	Fender—Rear Left
17	Qtr. Panel/Pick-up Box—Right	50	Trim Panel—Front Right	83	Fender—Rear Right
18	Front Floor Mats	51	Open	84	Tools/Jacks/Spare-Tire Mount + Lock
19	Rear Floor Mats	52	Deck Lid/Tailgate/Hatchback	85	Communication/GPS Unit
20	Glass Windshield	53	Sunroof/T-Top	86	Parking Sonar System
21	Glass Rear	54	Undercarriage—Other	87	Open
22	Grille	55	Cargo Area—Other	88	Open
23	Accessory Bag/Box	56	Vinyl/Convertible Top/Tonneau Cover	89	Trailer Hitch, Wiring Harness, Tow Hooks
24	Headlights/Cover/Turn Signal	57	Wheel Covers/Caps/Rings	90	Frame
25	Lamps—Fog/Driving/Spot Light	58	Radio Speakers	91	Exhaust System
26	Headliner	59	Wipers, All	92	License—Bracket
27	Hood	60	Special Use	93	Steering Wheel/Airbag
28	Keys	61	Box Interior, Pickup	94	Seat—Front Left
29	Keyless Remote	62	Open	95	Seat—Front Right
30	Mirror—Outside Left	63	Rails, Truckbed/Lightbar	96	Seat—Rear
31	Mirror—Outside Right	64	Spoiler/Deflector—Rear	97	Carpet—Rear
32	Open	65	Luggage Rack (Ships)/Drip Rail	98	Interior Other
33	Audio/Video Player	66	Dash/Instrument Panel	99	Engine compartment—Other

**AAR Manual of Standards and Recommended Practices
Multi-Level Manual**

RP-831

4.0 DAMAGE IDENTIFICATION CODES

The following is a description of the damage types as identified by the two-digit code that is used as the third and fourth digits in the inspection format.

01	Bent	18	Moulding/Emblem/Weatherstrip Damaged
02	Broken	19	Moulding/Emblem/Weatherstrip Loose
03	Cut	20	Glass Cracked
04	Dented	21	Glass Broken
05	Chipped	22	Glass Chipped
06	Cracked	23	Glass Scratched
07	Gouged	24	Marker Light/Additional Turn Light Damage
08	Missing	25	Decal/Paint Stripe Damaged
09	Scuffed	29	Contamination, Exterior
10	Stained or Soiled	30	Fluid Spillage, Exterior
11	Punctured	34	Chipped Panel Edge
12	Scratched	36	Incorrect Part or Option Not as Invoiced
13	Torn	37	Hardware—Damaged
14	Dented—Paint Not Damaged	38	Hardware—Loose, Missing

5.0 DAMAGE SEVERITY CODES

The following is a description of the damage severity as identified by the fifth digit of the inspection code.

1	Damage up to and including 1 in. in length/diameter—less than 2.5 cm
2	Damage over 1 in. up to and including 3 in. in length/diameter—2.5 cm up to 7.5 cm
3	Damage over 3 in. up to and including 6 in. in length/diameter—over 7.5 cm up to 15 cm
4	Damage over 6 in. up to and including 12 in. in length/diameter—over 15 cm to 30 cm
5	Damage over 12 in. in length/diameter—over 30 cm
6	Missing