

## Section 13 - Audit Fees

The following service fees are intended to defray the cost of handling by the AAR for the service application items listed. This information is public, and can be found in Appendix E of the Office Manual of the AAR Interchange Rules. Therefore, auditors need not be reluctant to provide copies to anyone so requesting.

### **Effective January 1, 2017 AAR Office Manual Appendix E**

#### **Quality Assurance Audit Fees**

<b>Item</b>	<b>Quality Assurance Audit Type</b>	<b>Member and Non-Member Fixed Rate Fee (USD)</b>
1	Certification Audit for Any Category A Commodity	\$ 9,000
2	Recertification Audit for Any Category A Commodity	\$ 8,630
3	Compliance Audit for Any Category A Commodity	\$ 3,760
4	Certification Audit for Any Category B Commodity	\$ 5,280
5	Recertification Audit for Any Category B Commodity	\$ 5,210
6	Compliance Audit for Any Category B Commodity	\$ 3,640
7	Certification Audit for Any Category C Commodity	\$ 4,990
8	Recertification Audit for Any Category C Commodity	\$ 4,930
9	Compliance Audit for Any Category C Commodity	\$ 3,050
10	Certification/Recertification for each added Commodity in Category A, B or C	\$ 1,160
11	Compliance Audit for Each Added Commodity in Category A, B or C	\$ 1,160
12	Quality Assurance Audit Administration Fee <ul style="list-style-type: none"> <li>• AAR Members, AAR Affiliate Railroad Members, and AAR Associate Supplier Members</li> <li>• Non-members</li> </ul>	\$ 760 \$ 900
13	When Audit requires two Mechanical staff, or two Hazmat staff, or one of each, fee will be times two.	Above items 1–12, as appropriate, ×2

A deposit may be requested by the auditor. This deposit will be applied to the audit. The deposit will not be refunded if the audit does not take place. A fee of \$2,700 per day will be assessed for a technical certification/recertification inspection when combined with a quality assurance audit. A fee of \$1,310 per day (members) or \$1,630 per day (non-members) will be assessed when a mechanical inspection is combined with a quality assurance audit.

For "Special" Quality Assurance Audits conducted per M-1003, applicants will be charged the actual cost of the audit, including all travel and lodging costs, auditor's fee, and an administration fee. "Special" audits will be billed by the AAR or its Agent after the audit takes place, but a deposit of the estimated fee may be requested in advance. Any deposit will be

applied to the audit fee. "Special" audits include audits that take place outside of North America and unannounced audits.

## **GUIDANCE ON AUDIT FEES**

The following guidance is offered in determining the appropriate fees to charge for audits; (Refer to the Contractor Profile for Related Code Identifiers.) It is intended for use when explaining or determining the appropriate audit fee. Please pay special attention to the highlighted sections, as they are changes for 2017. There is no add-on fee when:

- 1) Codes A1, B23 or B33 are combined in any way.
- 2) Codes A3 through A10, B4, and B12 through B19 are combined in any way.
- 3) Codes A11, A12, B5 through B8, B20 and B21 are combined in any way.
- 4) Codes A13 through A16 and B33 are combined in any way.
- 5) Codes A17, A18, B31 and B32 are combined in any way.
- 6) Codes A19, A20, B24, B25, B26, B27, B28, B73, B78-B86, and C6 are combined in any way.
- 7) Code C4 is combined with C5.
- 8) Codes C7 – C11 are combined in any way.
- 9) Code B2 is combined with B3.
- 10) Code B29 is combined with B30.
- 11) Codes C1 and B9 through B11 are combined in any way.

### **For Codes B37 through B77 and All Voluntary Activities, (Example)**

Manufacture/Recondition of like components is considered 1 Category B component. The first three components are considered a single group, and, thus charged a single fee. For each increment of three (3) components thereafter, an add-on fee of \$1160 is applied.

Example: Manufacture locomotives (A21), manufacture/recondition traction motors (B37-a, B37-b), manufacture/recondition turbochargers (B39-a, B39-b), manufacture/recondition locomotive engines (B61-a, B61-b), would be considered 1 category A audit plus one add-on fee of \$1160. If they added recondition radiators (B55-b) there would be an additional charge of \$1160, if they also added recondition locomotive & freight car side frames and bolsters (B18 & B19) there would be an additional charge of \$1160. Total for a recertification audit at this non-railroad facility would be \$8630 + \$1160 + \$1160 + \$1160 + \$900 (add min fee) = \$13,010.

### **In general:**

Manufacture and recondition of the same component are charged as one activity. Like components (Freight Car and Locomotive) are charged as one activity. Code B33-9 replaces category C2 and is billed as category C activity, if it is the only activity.