



## Specializing in Rail Transportation Solutions

*We are a railcar and locomotive operating lessor, broker, rail consultant and transportation manager with a tactical and boutique approach to providing rail transportation solutions.*

### Steps for Acquiring Private Railcars

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When you're looking at owning or leasing private railcars, the process can feel quite overwhelming. Here are some steps for acquiring private railcars. Whether you are acquiring rail equipment direct from Tealinc, Ltd. or from someone else, Tealinc is here to help! Tealinc can provide package or à la carte services to best support your specific needs.

- 1) **Inspection and Acceptance.** Conduct a mechanical inspection of the railcars to ensure that they are in a condition suitable for your shipments. Employ a knowledgeable car man / repairman already on staff or hire a third party inspector outside of your organization to take photos and generate a report noting the condition of the railcars and any defects. Tealinc can inspect cars on your behalf or provide you with recommendations for third party inspectors should you need one. Once the cars are inspected and deemed suitable for your service, notify the seller or lessor that the cars are acceptable.
- 2) **Paperwork.** Submit financials as requested by the lessor and review and finalize the lease documentation or purchase and sale agreement. Tealinc can assist you in understanding your responsibilities.
- 3) **Register private reporting marks.** You can request a private mark with Railinc using the [Onboarding Application](#) using this link: <https://www.railinc.com/rportal/web/guest/onboarding#/>. Tealinc can research available railcar marks and provide you with Railinc's paperwork upon request. If you will be leasing cars from Tealinc, ask about using Tealinc private mark and our rolling stock management program.
- 4) **Obtain Insurance.** You will need to have your railcars insured whether you lease them or own them. Many policies can be added with an existing insurance carrier. Tealinc can provide you with suggestions if you need them.
- 5) **Payment and Bill of Sale.** In the event you are purchasing the railcars, provide payment for the railcars and receive a bill of sale showing the transfer of ownership of the equipment. In the event you are leasing



**Railcar & Locomotive  
Leasing and Brokerage**



**Project Management**



**Transportation  
Consulting**

Tealinc, Ltd. | 1606 Rosebud Creek Road | Forsyth, MT 59327

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cars, ensure that the lessor is setup as a vendor within your system and that payments are scheduled per the lease agreement.

- 6) **STB Filings.** You will need to submit a Memorandum with the Surface Transportation Board for filing. If you need help with this paperwork, Tealinc is available to assist you.
- 7) **Restencil and Retag.** In the event you are required to remove and / or change the reporting marks on the railcars, work with a qualified shop or mobile crew to remove any current railcar markings on the railcars and replace them with your organizations markings. These will include railcar marks and numbers on the sides of the railcars, trucks and on both the "A" end and "B" end of the top chord. Additionally, you'll need to remove the AEI tags and apply new AEI tags programmed with your reporting mark. Tealinc can provide you with references of mobile crews or repair shops upon request.
- 8) **Complete Umler Transfer.** In the event you purchase the railcars outright, work with the seller and Railinc – Umler to transfer the ownership of the railcars to your organization. Tealinc can manage or guide you through this process.
- 9) **Complete OT-5 Approval.** Once the cars are transferred in UMLER or carry the mark of the lessor, you'll need to submit OT-5 forms to your originating carrier. This process will be completed through Railinc but must be approved by the originating carrier prior to moving the railcars under their first load. Tealinc can assist you in submitting an OT-5 form and following up with the carrying railroad until the application is approved.
- 10) **Submit Railroad Billing.** Once the cars are ready to move, you'll need to submit billing to the appropriate railroad. Ensure beforehand that you either have credit established with the railroad or expect that you'll need to pre-pay for the move before the cars can be picked up by the railroad. Tealinc can assist in you in preparing the waybill.



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**Congratulations! You are now shipping with private rail equipment!**

*Now What?*

*Read below for next steps.*

- 1) **Trace.** Trace your cars daily to ensure that they're moving without incident. Tealinc will provide a daily trace of the cars until they are confirmed received by your team. Once the railcars arrive, we recommend you trace the railcars daily to ensure that railcars are on route as billed and continue moving efficiently. Effective management of your fleet will ensure that it moves effectively for years to come.
- 2) **Loading / Unloading.** You need to understand proper Open Top Loading Rules prior to shipping your railcars. Tealinc can assist you in training and re-training your employees on proper loading and unloading rules and techniques.
- 3) **Taxes.** You will need to pay taxes for distance your railcars travel through any given location based on reported railway mileage. Tealinc can provide further assistance upon request or direct for any railcars moving under Tealinc private railcar marks.
- 4) **OT-5 Review.** Ensure that OT-5 applications remain effective for the length of your lease or ownership of your railcars. Applications should be visited on an annual basis or more frequently as new origin and destinations are defined. Tealinc can assist you with this process as frequently as desired.
- 5) **Management.** Ensure that your railcars are moving efficiently and effectively. If the cars get stopped for maintenance, get off route or are improperly treated, know how to manage your assets properly. Tealinc can help by identifying your most efficient cycle times, managing your bad order and out of route cars and managing any derailments your railcars are in or damage your railcars sustain.



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- 6) **Maintenance.** As a railcar shipper, you are responsible for delivering your railcars to the railroad in good condition and in compliance with the Association of American Railroads (“AAR”) and Federal Railway Administration (“FRA”) rules and regulations. If you own your own railcars, you are responsible for all maintenance and repairs to the cars. If you lease the cars, terms of your maintenance responsibility will differ depending on the structure of your lease. Proper preventative maintenance programs can reduce the maintenance costs of your fleet. Tealinc can help design a railcar maintenance preventative maintenance schedule and plan that best suits your company, facilities, employees, railcars and product. Tealinc also services auditing and disputing maintenance bills, evaluating fleet requirements, selecting repair shops and mobile crews, etc.

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*Tealinc, Ltd.* is dedicated to creating value for our customers.

We specialize in Rail Transportation Solutions by buying, selling, leasing, consulting and managing rolling stock fleets and locomotive assets with our customers’ long term and short-term requirements in mind. We participate in nearly every industry supported by rail; sell, lease and purchase nearly every type of freight railcar, and provide management and consulting services to both novice and experienced rail shippers. Call on us. Our knowledgeable staff is here to help!

*We look forward to earning your business!*

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