

2 POLICIES AND PROCEDURES

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MAJOR DAMAGE PROCEDURE

1. Definition

“Major Damage” is defined as:

- damage that exceeds the amount specified by applicable State Disclosure Laws; or, if no State Disclosure Law exists then;
- damage that exceeds 5% MSPR, excluding the cost of damaged “bolt on” parts when replaced by identical manufacturer’s original equipment (e.g. glass, bumpers, tires, wheels, radios, hood, fenders, decklid, doors, etc.) – except when the total repair cost of exterior replacement parts exceeds 10% M.S.R.P.; or
- damage to the vehicle’s frame other than tie down hole elongation as defined by there being no cracks, ripping or separation evident; or
- damage to steering or suspension that cannot be corrected by the replacement of “bolt-on” parts;
- damage to any panel or section of panel that requires welding.

Above definitions must be applied as follows:

- If a State Damage Disclosure law exists in your state, which would require disclosure of damage below the threshold in the Chrysler major Damage definition, then use the disclosure threshold in the State Law.
- If a State Damage Disclosure law exists in your state, and the disclosure threshold in the state law does not require damage disclosure but is required under Chrysler’s major Damage definition, then use the threshold in Chrysler’s Major Damage definition.

Damages to vehicles involving bolt on parts, i.e., decklids, hoods, fenders, tires, wheels, bumpers, radios, etc., are not to be reported as major damage vehicles, unless specified by applicable state or local disclosure laws or, total repairs exceed 10% MSRP. Damages to frames, steering or suspension; and repairs requiring welding are to be reported as major damage vehicles.

2. Procedure

When a damaged vehicle is on-hand at a carrier's location, carrier management is requested to inspect the vehicle and determine if the nature of damage is such that it could be defined as "major" based on Chrysler Guidelines. If major damage is suspected, the following steps must be taken:

Call the Major Damage Hotline and report the major damage and then retain vehicle at your facility until advised disposition by tracking system Hot Line. You must transmit delay code of "TA" into the VISTA tracking system.

Within 24 hours of the damage(s), notify

Major Damage Hotline [fax]: 248-576-8783

All states except Alaska and Hawaii.....	800-888-0122
Alaska.....	503-526-5500 503-526-5501
Hawaii.....	714-450-5106 714-450-5180
Within Detroit area, call Service and Parts.....	810-497-3916

Report:

- your company's name
- your name and phone number
- VIN of damaged unit(s)
- present location of vehicle (street address, city and state; contact name, phone number if different)
- approximate date of damage
- description of damage

Obtain:

- name of individual taking report on Tracking System Hot Line and date of call.
- Damaged Vehicle Tracking Control number for each VIN reported.

Chrysler will appoint an independent inspection company for inspecting and classifying major damage vehicles. Upon receipt of inspection report, the Major Damage Hot Line will advise disposition and forwarding instructions.

If a major damaged vehicle remains in your possession 30 days after being reported to the Tracking System Hot Line, prepare a Detained Damaged Vehicle Survey and forward to Dealer Claims at the address shown on the Damaged Vehicle survey form and e-mail Vehicle Logistics Quality Assurance at: mfc2@daimlerchrysler.com, dtc6@daimlerchrysler.com, ran4@daimlerchrysler.com, or jch5@daimlerchrysler.com

If in doubt as to whether a vehicle is to be reported or not, make a report to the Tracking system Hot Line. We would prefer to have an unnecessary report on a minor damage vehicle than no report at all on a major damage.

Carriers may obtain copies of the damaged vehicle inspection reports:

- a) for vehicles detained at railheads and/or terminals, request a copy of the report directly from the inspection company immediately after the report is finalized.
- b) for vehicles inadvertently delivered to a dealer, the Major Damage Hotline will mail a copy of the completed form to the carrier's claim office.

In the event of a stolen vehicle or if a vehicle should have fire related damage, the carrier must follow the major damage procedure plus, notify the Vehicle Logistics Quality Office. This also applies to vehicles showing any evidence of battery acid spillage, in which it is also necessary to provide the make of battery and part number.

B. IN-TRANSIT REPAIR PROCEDURE

This policy covers Chrysler vehicles that experience mechanical difficulties such as glass or tire damage or a no start condition while the vehicle is in possession of transportation carriers. Complying with this policy ensures that vehicles are repaired prior to delivery to dealers. Designated dealers or repair suppliers in which the carrier site is located will provide this service. Vehicles covered by the in-transit repair policy may be at marshalling yards, terminals or destination railheads. All in-transit repairs, whether mechanical or part replacements, must be recorded on a Chrysler Malfunction Report. The carrier must keep a copy of this report on file for a period of 3 years. **A copy of the completed malfunction report MUST be placed in the vehicle to notify the receiving dealer of any repairs made.** Vehicles with damage not covered under in-transit repair are to be handled according to existing policy.

The following steps are to be taken when carriers receive a vehicle in need of in-transit repair;

Notify the Vehicle Logistics Quality office of vehicles that have been delayed for more than five days. (mfc2@daimlerchrysler.com, dtc6@daimlerchrysler.com, ran4@daimlerchrysler.com, or jch5@daimlerchrysler.com)

1. Carrier representative will locate vehicle to the best of his/her ability and determine, to the best of his/her ability, the cause of malfunction. Carrier representative must specifically identify parts that require replacement. For instance, the location of a broken window and type of glass, windshield vent, tinted or clear. If a tire, the type and size. **An inspection report must be transmitted into VICS to document the damage condition of the vehicle AS RECEIVED. This inspection can then be supplemented AFTER the repair is complete.**
2. **It is strictly forbidden for carrier personnel to repair or authorize repairs of any Chrysler vehicles for anything other than repairs under Chrysler's In-transit Repair program** (no starts, flat tires, batteries and glass repair). Any other type of repair shall not be done without the express written approval of DaimlerChrysler. There are no exceptions to this policy.
3. A Malfunction Report – Vehicle In-Transit form will be filled out by the ramp operator and/or repairing dealer. This report will be complete with the VIN number, carrier name and physical location of vehicle, type of malfunction along with cause of malfunction (if known), and any remarks. In the case of tire replacement, the size and type of tire are required as well as other details already cited.
4. The completed form will be faxed at the end of the business day to Chrysler Major Damage (248-576-8783) and/or Fenkell Automotive Services (248-858-6330). If there are no malfunctions for the day, you do not need to send this report. This report is only to be used and transmitted on the days when vehicles require in-transit repair.
5. The appropriate repair agent should be contacted for service. Upon arrival at the carrier yard, the repair agent will detail the Malfunction Report – Vehicle In-Transit report and together with the carrier's

representative, verify the type and cause of malfunction as stated on the form. If both parties are in agreement, the repair agent will perform repair. If there is a disagreement concerning the type, cause, or responsibility of malfunction, the repair agent will not repair the vehicle until the local Zone is contacted and dispute settled. Zone decisions will be binding on all parties.

6. Repair agent is to complete repair within 48 hours of initial vehicle inspection, excluding weekends.
 7. Repair agent will repair vehicle at carrier's location except when the zone office authorizes the towing of the vehicle off site for repair.
 8. Damaged and no start vehicles authorized for repair will be towed from the carrier's yard to the repair facility. Only Chrysler authorized towing firms will be used for towing vehicles. The towing company will present the towing charge bill to the repairing dealer. The repairing dealer will pay the towing bill and enter the amount on the transportation claim or a universal repair order.
 9. Repair mechanic will sign Malfunction Report – Vehicle In-Transit report after work is completed. *Carrier representative will verify that repair(s) was performed satisfactorily* and, if so, will sign the Malfunction Report – In-Transit form. The repair agent will give the third copy of this report to a carrier representative, who must transmit this data to Chrysler. The number two copy will be placed in the vehicle before delivery and remain in the vehicle until removed by the destination dealer.
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The following steps are to be taken when a vehicle is received at a yard/facility in an inoperative condition:

No Starts

Call the designated in-transit repair agent.

Tires

Vehicles received with flat tires will be segregated. Carriers will not attempt to repair or change flats tires. Under no circumstances should a vehicle be driven on a flat tire. Flat tires are to be replaced, not repaired. The repair contractor is expected to perform all necessary work in the yard. If a vehicle on a railcar waiting to be unloaded has a flat tire, the unloaders are to use an air compressor or similar device to fill it with air in order to unload it. It should be segregated in sick bay for 24 hours to see if the tire retains air. If so then, re-bay the unit in the yard. If the tire does not hold air, call for repair. If a tire is slashed or there is an obvious puncture, then a carrier may change the tire to unload the vehicle. This is the only instance in which a carrier is allowed to change a tire. The repair contractor is expected to clean the spare and reinstall it in the trunk when a new tire is furnished, unless it is a conventional tire in which the new tire can be used as a spare. An inspection report of the damage must be transmitted to DaimlerChrysler VICS.

*Tires are not a salvageable item. Carriers may not claim damaged tires due to liability laws and legal implications. The repair contractor or dealer is to render the tires unusable by cutting the bead and removing the DOT coupon from the tire keeping it available for Chrysler audit for a period of one year.

Glass Replacement

When vehicles are received with broken, chipped, or scratched glass, vehicles will be inspected (and the data transmitted to DaimlerChrysler VICS. The vehicle will then be segregated for in-transit repair). Plastic is to be immediately applied to the broken window area by the carrier to protect the interior. 3M number 225-type tape or equivalent must be used for this function. Carriers will contact the authorized glass repair supplier. Glass must be replaced within 48 hours. The glass contractor is responsible for cleaning the interior of the vehicle as well. Carrier must approve the quality of the repair.

Scratched or chipped glass should not be replaced unless scratch or chip is readily visible at a distance of 30 inches or more, or if scratch or chip obstructs vision of the driver or passenger then glass that is scratched, chipped or broken must be replaced.*

*Glass must be replaced on site at the railhead.

Key Replacement

If a vehicle is received without keys, the carrier can obtain the applicable key code from the selling dealer. The VIN will need to be supplied in order for the dealer to advise key code. If the selling dealer is not able to supply the key code then carriers should contact Central Invoicing at 248-512-1501 for the key code. Under no circumstances should a vehicle be delivered to a dealer without keys.

In-Transit Repair Log

The rail carrier at each ramp is required to maintain a repair log detailing vehicles that were serviced and the reason for repair. This log is to be available to all Chrysler personnel upon their request.

The following delay codes apply for inoperative, damaged or stolen vehicles and the carrier is responsible for transmitting the codes to DaimlerChrysler VISTA.

CODE	DESCRIPTION
AA	Mechanical failure (including tire repair)
IA	Glass damage
UA	Derailment
WA	Vehicle in repair (off-site)
SA	Vehicle scrapped, abandoned, or donated
TA	Damaged vehicle
VG	Stolen vehicle
EB	Stolen vehicle recovered

For any vehicle delayed for reasons other than listed above, refer to you VISTA manual or contact DaimlerChrysler Operations for correct delay code.

International Status Condition Codes

CODE	DESCRIPTION
X0	Major Damage at Port/A.D. (awaiting directions)
X1	Major damage/off-site
X2	Shippable/Hold – CR
X3	Distressed vehicle/hold
X4	Shippable/rec.
X5	Shippable/Clean
X6	On vessel/clean
X7	Damaged at Port/Port Repair
X8	Shippable with exception
X9	On vessel with exception

C. RAILCAR DERAILMENT PROCEDURE

The steps outlined below are to provide a uniform procedure for the notification of railcars involved in a derailment and the expeditious disposition of Chrysler vehicles.

1. The carrier will notify Vehicle Logistics' Operations immediately (248-576-8953; fax 248-576-8689) of a derailment by the servicing railroad.
2. The carrier will contact Major Damage Tracking System [M.D.T.S.] (800-888-0122) and request an independent major damage inspection. The Major Damage Tracking system will provide a control number to the carrier that will be referenced on all correspondence and used in all communications with involved vehicles.
3. With directions from M.D.T.S., the carrier will transport all vehicles involved in the derailment to a point or points directed by the M.D.T.S.. All vehicles involved in the derailment will be inspected.

The party that caused the derailment will absorb all costs associated with transporting damaged vehicles.

Special Authorizations (SA's) will not be issued for carrier payments through VISTA. *Exception:* M.D.T.S. may authorize Special Authorizations for unusual special circumstances.

All derailments are to be reported to Vehicle Logistics Operations regardless of severity.

D. NEW VEHICLE RECEIPT AND INSPECTION

A quality inspection must be made on each unit. The damage must be properly coded and transmitted to VICS.

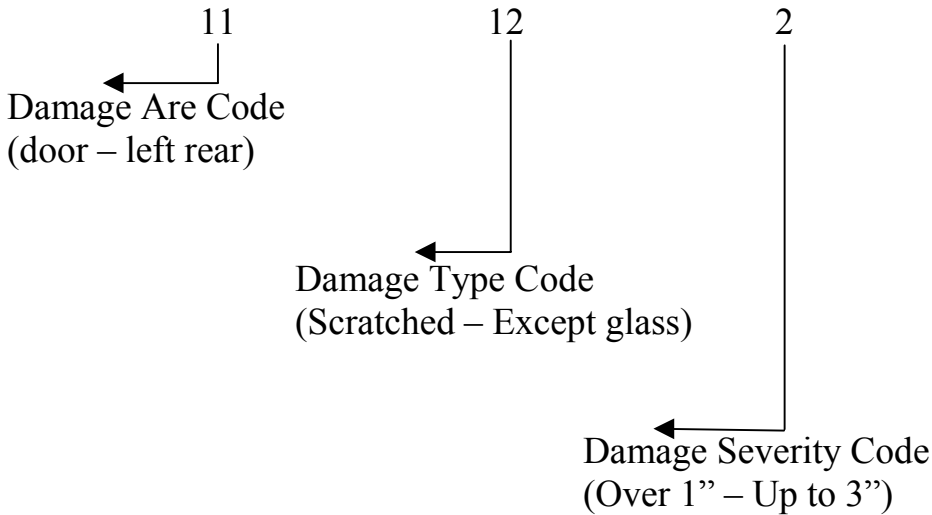
THE FIVE DIGIT DAMAGE CODE SYSTEM

The five digit damage code system is an industry-wide standard and is used by DaimlerChrysler, damage prevention/inspection companies, carriers and dealers.

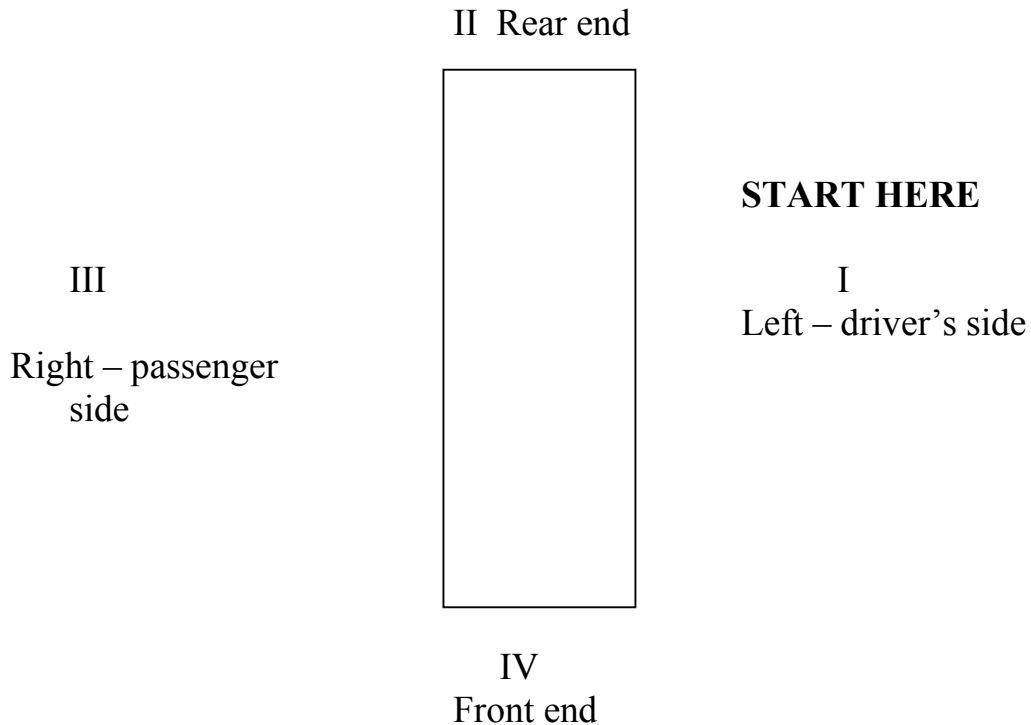
The five digit code consists of the following data:

Damage Area Code -----First two digits
Damage Type Code-----Third and fourth digits
Damage Severity Code-----Fifth digit

Example: Left rear door scratched about 3 inches in length. The Damage code to describe this condition is:



To assure accurate and complete inspections, the following procedure is recommended:



*A complete walk-around inspection of the exterior and visible areas of the vehicle’s undercarriage.

*A complete trunk or cargo area inspection, including all part/options normally stored or transported in this area.

*Interior inspections, including any glove or console compartments, all trim panels, headliner, carpets and upholstery. *All keys must be located and placed in their designated location within the vehicle.* The location must be consistent in each unit throughout the yard.

Missing items (according to the Vehicle Shipping Order) will be noted.

DAMAGE AREA CODES (1st and 2nd DIGITS)

I LEFT SIDE	III RIGHT SIDE (continued)
10 Door, left front	31 Mirror, outside right
11 Door, left rear	36 Rocker panel
14 Fender, left front	39 Running bd./step, right (T)
15 Qtr. Panel or P.U. Box L.	69 Center post, right
30 Mirror, outside left	71 Corner post, right front
35 Rocker panel left side	73 Corner post, right rear
38 Running Bd./Step, left (T)	76 Cab panel, right side (T)
70 Center post, left	79 Quarter panel ext. r.r.
72 Corner post, left frt.	83 Fender, right rear (T)
74 Corner post, left rear	89 Sleeper box door right (T)
75 Cab panel, left side (T)	
78 Quarter panel ext. L.R.	FRONT END
80 Sleeper box door, left	01 Antenna
82 Fender, left rear (T)	03 Bumper/cover/ext., front
	05 Bumper guard/strip, front
II REAR END	20 Glass, windshield
04 Bumper/cover/ext., rear	22 Grille
06 Bumper guard/strip, front	23 Header panel or hood ext.
07 Door, back cargo, right(T)	24 Headlight/cover/turn sig.
08 Door, back cargo, left (T)	25 lamps-fog/driv'g/spot lt.
18 Floor mats front	42 Splash panel, front
19 Floor mats rear	59 Wipers, windshield
21 Glass rear	80 Cow
34 Rear end panel	
40 Spare tire/wheel	UNDERCARRIAGE & MISC.
43 Splash panel rear	02 Battery/box
45 Tail light/rim	37 Roof
47 tires other than spare	41 Filler above bumper
52 Deck lid/tailgate/hatchback	44 Gas tank
55 Cargo area, other	53 Sun roof/t-top
57 Wheel covers/cap/rings	54 Undercarriage/other
61 Box interior, P.U. (T)	56 Vinyl/convertible top
64 Deflector/spoiler, rear	62 Catalytic converter
77 Cab panel rear (T)	63 Rails, truckbed/rollbars
84 Tools/jacks/S-T mount lock	65 Luggage rack (strips)
87 Compartment front panel	86 Air cleaner/intake
92 License bracket	90 Frame
	91 Exhaust system
III RIGHT SIDE	93 Suspension system
12 Door, right front	99 Engine compartment, other
13 Door, right rear	00 No exceptions
16 Fender, right front	
17 Qtr. Panel or P.U. box r.	

DAMAGE TYPE CODES (3RD AND 4TH DIGITS)

- 01 Bent (deformed surface or part, different from broken or dent)
 - 02 Broken – except glass (to separate into two or more pieces, as the result of impact or fatigue)
 - 03 Cut (a smooth-edged separation, as if by a knife not a break, crack or tear)
 - 04 Dented (surface depressions, inward, paint damage...code not to be used for *outward* dents)
 - 05 Chipped – except glass or panel edge (a small area of missing paint usually ¼ inch or less, occurring in areas other than panel edges)
 - 06 Cracked – except glass (a narrow opening or flaws, as the result of impact of fatigue but pieces remain together)
 - 07 Gouged (a groove or cavity scooped or chiseled out causing damage to surface & base material)
 - 08 Missing – except molding/emblem (part or option is not present at time of inspection)
 - 09 Scuffed (a mark that does not break the paint surface and possibly could be buffed out)
 - 10 Stained or Soiled Interior (discoloration of an interior surface by a foreign substance)
 - 11 Punctured (hole caused by being pierced)
 - 12 Scratched – except glass (line type exception in paint or chrome surface where base material is not disturbed)
 - 13 Torn (similar to cut but, edges of damaged area is ragged)
 - 14 Dented, pain/chrome not damaged (inward surface depression – paint finish is in good condition....This code must not be used for outward dents)
 - 16 Molding/emblem/weather-strip damage (applies to any exception related to molding, emblem or weather strip other than missing or loose)
 - 17 Molding/emblem/weather-strip loose, missing (poorly secured molding, emblem or weather strip)
 - 18 Glass cracked (glass cracked but, pieces remain together)
 - 19 Glass broken (broken glass due to impact or surrounding panel/molding – Use this code for side panel glass)
 - 20 Glass chipped (small area of missing glass – Use this code for side panel glass)
 - 21 Glass scratched (narrow line-type exception penetrating the surface – Use this code for side panel glass)
 - 22 Marker light damaged (Use this code in conjunction with applicable part code – damage to marker light lens &/or molding)
 - 23 Decal/paint strip/wood grain transfer damage (exception to decals, paint stripe or wood grain)
 - 30 Fluid spillage – exterior (foreign paint stain or other fluid on exterior areas)
 - 34 Chipped panel edge (missing paint usually ¼ “ or less)
 - 36 Incorrect Part/Option – Not as Invoiced (presence of a part or option not specified by the vehicle monrone label or vehicle shipping order)
 - 37 Hardware – Exterior Damaged (other than molding, emblem or weather strip)
 - 38 Hardware – Exterior Loose, Missing (not present, other than molding, emblem or weather strip)
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DAMAGE SEVERITY CODE (5TH DIGIT)

- 0 No Exception
- 1 Less than and including 1" length/diameter
- 2 Over 1" up to and including 3" length/diameter
- 3 Over 3" up to and including 6" length/diameter
- 4 Over 6" up to and including 12" length/diameter
- 5 Over 12" length/diameter
- 6 Replacement – Severe Damage/Missing

Carriers handling Chrysler vehicles are entitled to conduct a complete and thorough inspection. Schedule I & II are to be used as vehicle inspection guidelines at all locations.

ITEMS NOT TRANSPORTATION CARRIER RESPONSIBILITY

SCHEDULE 1

The conditions listed below (Schedule 1 items) are not considered to be transportation damage and should not be reported on the Carrier's Delivery Receipt. Should these conditions exist they are generally claimed on a Warranty Repair Order.

1. Industrial fallout, acid or fluids dripping damage to vehicle exterior, unless clear evidence supports carrier responsibility.
2. Wavy sheet metal or file, grinder or weld marks, except any inward dent, regardless if covered or not covered by protective shipping film.
3. Sheet metal protrusions of any size, unless evidence supports carrier liability or abuse.
4. Paint damage caused by misalignment of panels or moldings.
5. Minor surface scratches or scuffs that can be buffed or polished out as part of new car prep. Chips on panel edges, other than the driver's door. These are New Vehicle Prep items.
6. Peeling, runs, sags, blisters or foreign material in paint.

7. Stress cracks in glass.
8. Under-chrome defects or, thin or peeling chrome.
9. Obvious assembly damage, done prior to or during installation of parts (i.e. scratches that run under moldings, decals or bumper guards).
10. Improperly installed moldings, emblems or weather stripping.
11. Bent parts caused by misalignment.
12. Missing moldings, emblems or decals when there is clear evidence of no installation (i.e. holes not drilled for installation).
13. Damage to painted surfaces under the protective shipping film, unless there is damage to the shipping film.
14. All other physical impact type damage, loss or soiling, is generally considered transportation damage.

TRANSPORTATION CARRIER RESPONSIBILITY

SCHEDULE II

These items should be noted as transportation carrier responsibility on the carrier delivery receipt and submitted for reimbursement on a Transportation Claim.

1. Damage caused by physical impact, abrasion or other carrier negligence.
2. Exterior glass scratches or broken glass not caused by stress.
3. Soiling of interior, regardless of location.
4. Interior damage when vandalism or abuse is evident.
5. Tire or wheel rim damage, including spare.
6. Undercarriage damage.
7. Damage caused by abuse.
8. Incorrect or missing keys.
9. Missing part or accessories, particularly items shipped loose. These must be listed on MSRP Label (cars), Bill of lading (trucks) or, be standard equipment.

When missing, incorrect or broken trunk keys prevent an immediate inspection of the trunk area, note “*KEYS MISSING, BROKEN* or *INCORRECT*” on the carrier delivery receipt. Handle any damage or shortage inside the trunk as “hidden damage”.

E. INTERCHANGE INSPECTIONS

The following interchange inspection procedure will be complied to by all carriers.

NOTE:

- Only one inspection at a carrier interchange shall be transmitted and accepted into Chrysler’s Vehicle Inspection and Claims System (VICS).
- Carriers shall make prior arrangement on how the inspections are to be carried out and which carrier (or third party inspection company) will be responsible for transmitting inspection data into VICS.
- Inspections must be transmitted to VICS within 24 hours of the inspection and all supplemental inspections and transmission error corrections must be transmitted to VICS within fourteen (14) calendar days of the inspection. Chrysler will not arbitrate nor make claim assignments as a result of tardy inspection data nor will Chrysler tolerate late payment of claims due to such disputes and issues.
- All inspections will be in accordance with DaimlerChrysler and the current AAR/AAMA format.

F. ACCESSORY DISCONNECT

Several vehicle models will be shipped from the assembly plant with accessories disconnected. This reduces the key off drain on the battery and will reduce the number of dead batteries during transportation. Carriers **shall not** reconnect disconnected accessories.

G. BATTERY DISCONNECT

It is strongly recommended that the battery disconnect be used on all vehicles held at a carrier facility for extended periods. During the course of normal transportation, if a vehicle is put on hold by the Zone or Vehicle Logistics, the battery disconnect should be used. The disconnect is located immediately to the rear of the battery and can be undone in less than one minute.

Use of the battery disconnect will discourage vehicle theft as well as battery drain. No tools are necessary for this disconnect.

H. JUMP START PROCEDURE

WARNING: Battery fluid is a corrosive acid solution. **DO NOT** allow battery fluid to contact eyes, skin or clothing. Don't lean over a battery when attaching clamps or allow the clamps to touch each other. If acid splashes in eyes or on skin, flush contaminated area **IMMEDIATELY** with large quantities of water. Seek medical attention.

WARNING: Take care to avoid the radiator-cooling fan. It can start anytime the ignition switch is on.

Do not use a booster battery or any other booster source with an output that exceeds 12 volts. A battery generates hydrogen gas that is flammable and explosive. Keep flame and/or spark away from the filler holes.

Under no circumstances may vehicles be started by pushing or pulling.

Jump-start vehicles only to unload from carrier and only when other unloading methods jeopardize operator safety. An inspection report must be transmitted to VICS. The in-transit repair agent must replace the battery within 48 hours. Under no circumstance are vehicles to be jump started for loading purposes.

I. BATTERIES

- No battery is to be charged.
- Any black-eye battery will be changed out by the in-transit repair agent.
- Dealer will be permitted 24 hours maximum from receipt of unit to test a battery.
- In-transit repair agent will determine the cause of failure. If found to be a defective battery or manufacturing defect, the claim will revert back to the plant. If no off-draw cause is found or, if the battery is dead due to vehicle shipping negligence, the carrier shall be liable for the claim.

J. KEY HANDLING PROCEDURE

One key is to remain in the ignition and partially pulled out, unless otherwise instructed by Chrysler. All other keys will be placed in the glove box.

AT NO TIME SHALL WINDOWS BE BROKEN OR A SLIM JIM TYPE OF TOOL BE USED TO ACCESS A LOCKED OR INACCESSABLE VEHICLE (refer to page 19 – key replacement).
