

Warranty Procedure Handbook



INTRODUCTION

Electro-Motive Division basic warranty policy provides for making good at the factory by repair or furnishing a replacement part at its option for any part or parts which may prove defective within the warranty period as set forth in the applicable Warranty Policy.

This handbook has been prepared to explain the procedures involved in warranty handling with Electro-Motive. One of the functions of the EMD Service Department Field Representative is to assist with the preparation of warranty claims (Application for Adjustment) on behalf of the customer. The customer is expected to provide the field representative with pertinent information related to the failure which is necessary to justify the claim. This handbook will serve as a guide in dealing with EMD on warranty matters.

TABLE OF CONTENTS

	<u>Page No.</u>
Application For Adjustment Form	1
Preparation Of Warranty Forms	2
Return Material Tag - Form EMD 1186	2-3
Supplemental Preparation Information For Warranty Forms	4-5
Warranty Adjustment Options	4
Unit Exchange	4
Warranty Repair	4-5
Material Defective When Received	5
Other	5
Warranty Repair Vs Scrap And Return	5
Warranty Material Not Handled On An AFA	6
Material Not Handled As Warranty	6
Grouping Material On AFA's	6
AFA Single Items	7
Scrap Or Repair On Customer Property Vs Return To EMD	7
Vendor Material Warranty Handling	7-8
Handling Project Material	8
Material Applied During Manufacture	8
Material Applied In Field	8
Customer Material Returned For Inspection	8
Handling Modification Material	9
Listing On AFA	9
Warranty Adjustment Classification	9
Warranty Adjustment Option	9
Handling Material Lost Or Damaged In Transit	9
Processing The AFA	9
Invoicing Procedure	9-10
Unit Exchange	9-10
Power Packs	10
Warranty Repair	10
New Or Rebuilt Items Defective As Received	10
Return For Credit	10
Scrap On Customer Property	11
Incorrect Material Received As Part Of End Product (IPR)	11
Defective Material Received On End Product (WP)	11
Traction Motor Pinion End Bearing Failures	11
Warranty Handling On Interchange Locomotives	11

ALPHABETICAL TABLE OF CONTENTS

	<u>Page No.</u>
Adjustment Classification	2
Adjustment Options	4
Application For Adjustment Form	1
Damaged Material	9
Defective Material Received From Parts Department (PRO. No. 461)	5-10
Defective Material Received On End Product (WP)	6-11
Grouping Material On AFA's	6
Identification Of Part	2
Incorrect Material Received On End Product (IPR)	6-11
Incorrect Material Received From Parts Department	6
Interchange Locomotives	11
Invoicing Procedure	9-10
Lost Material (In Transit)	9
Major Item Restrictions	7
Material Lost or Damaged In Transit	9
Material Missing On End-Product	6
Material Returned For Investigation	6
Modification Material	9
Packaging Material For Return To EMD	4
Power Packs	10
Preparation Of Warranty Forms	2
Procedure 461, Defective New Parts	5
Project Material	8
Purchase Orders	2
Remarks And/Or Justification For AFA	2
Repair On Customer's Property	7
Return Of Material To EMD For Credit	10
Scrap Classification	4
Scrap On Customer's Property	7-9
Tags, Return Material	2-3
Traction Motor Bearing Failures	11
Unit Exchange	4-9-10
Vendor Material	7
Warranty Forms, Preparation Of	2
Warranty Repair	4-5-10

ELECTRO-MOTIVE DIVISION
GENERAL MOTORS CORPORATION

APPLICATION FOR ADJUSTMENT

SERIAL NO. _____
DATE _____

SHIP	ORD	TAX	DEST	CAR	CUST. CODE

1 CUSTOMER LOCATION 2 P. O. NO. 3 (FOR ACTS. USE ONLY)

MODEL	UNIT NO.	POS.	QUAN.	PART NO.	DESCRIPTION	SERIAL NO.	MILEAGE	DATE IN SERVICE	DATE OF FAILURE	PRICE EACH	TOTAL CREDIT

REMARKS AND/OR JUSTIFICATION FOR THIS APPLICATION

RECEIVING REPORT

FAILURE CODE	1	RUI	RET. MTL. TAG
	2	RUI	
	3	RUI	
	4	RUI	
	5	RUI	
	6	RUI	

(FOR LA GRANGE USE ONLY)

7 ORIG. EQPT. REMANUFACTURED PARTS
NEW PARTS

8 DECISION OF RESPONSIBILITY
REQUIRED YES NO
(INDICATE "YES" OR "NO")
CUSTOMER REPRESENTATIVE _____

9 ADJUSTMENT OPTIONS
UNIT EXCHANGE
WARRANTY REPAIR
PROC. 461
OTHER (EXPLAIN BELOW) _____

10 MATERIAL BEING RETURNED
PREPAID COLLECT
TO: LA GRANGE JACKSONVILLE
COMMERCE HAZELWOOD
HALETHORPE

11 SCRAP CLASSIFICATION
TYPE METAL _____
WEIGHT _____
LOCAL PRICE _____
TOTAL SCRAP VALUE _____

12 DECISION OF RESPONSIBILITY - (FOR LA GRANGE USE ONLY)
DATE _____ END. ADJUSTER _____ REGIONAL APPROVAL _____ DATE _____

TECHNICAL SERVICE APPROVAL _____ DATE _____ FINAL APPROVAL _____ DATE _____

PREPARATION OF WARRANTY FORMS

Handling warranty claims in the field requires the use of two forms, one being the Application for Adjustment (AFA) and the other a Return Material Tag. The information required for filing a warranty claim is to be provided to the EMD Service Department Field Representative by the customer. Prompt and efficient handling is not possible unless all information requested is supplied as indicated below (Refer to "Application for Adjustment" form on adjacent page):

1. **CUSTOMER** – Be sure to use correct (official) Company name.
2. **LOCATION** – Use address to which customer wants correspondence sent.
3. **PURCHASE ORDER** – All AFA transactions require a purchase order number which is necessary for both customer and EMD accounting purposes to accrue applicable credits and debits. The purchase order number in the case of material being handled for credit can be a reference number originated by the customer for the purpose of accepting credit for the transaction. All purchase orders covering material being handled under warranty are to be mailed direct to the EMD Parts Warehouse on which the order is placed. Be sure to specify Unit Exchange or Warranty Repair on the purchase order when it is applicable. Ordering new parts on the purchase order when Unit Exchange or Warranty Repair should have been specified will result in being invoiced for the new parts with the subsequent acquisition of a spare part when the defective item is repaired and returned to the customer.
4. **IDENTIFICATION OF PART** – All applicable information should be included under "Model, Unit No., Pos. (position), Quan., Part No., Description, Serial No., Mileage, Date in Service, and Date of Failure." The part number shown must be the number of the part being returned and not of the part being ordered.
5. **REMARKS AND/OR JUSTIFICATION FOR APPLICATION** – Supply sufficient information to explain reason for application.
6. **RETURN MATERIAL TAGS** – (Form EMD 1186 -- shown on page 3.) Be sure that all material being returned is properly tagged and that all tag numbers are listed on the AFA. Space has also been provided on the tag for the number of the AFA on which the material is handled. The AFA number must be shown on the tag to insure proper warranty handling of the material when received at EMD.

The loose tear-off customer copy should be detached and retained by the customer. The hard back copy, with Rebuild Sales and Production Control copies intact, should be attached securely to the material using a plastic bag when required for protection. Tags and plastic bags for warranty use only will be furnished by the EMD Field Representative.

7. **ADJUSTMENT CLASSIFICATION** – Original Equipment: If part was original equipment on a new (or remanufactured) end product this classification should be used.

New Parts: If part was originally purchased new as a replacement from the Parts Department, it should be classified as new parts.

Remanufactured Parts: This classification covers all parts and components that have been remanufactured by EMD, and shipped separately from an end product.

RETURN MATERIAL TAG

NOTE: Detach and retain "Customer" copy. Attach hard copy along with remaining copies to the material being returned.

INTERNATIONAL FORM-CR80A EMD 1186C NO. **27000**

A Attach This Tag To Material Being Returned

Ship To **Electro-Motive Division**
Address **General Motors Corporation**

Shipped By _____ P.O. No. _____

Description _____ No. Pcs. _____

Check Proper Square } R & R UX Returned for Credit (EMD Approval Required)

Date Rec'd. _____

Car-Initial & No. _____ Rec'd. By _____ Part No. _____

Waybill No. _____ Lot Amt. Rec'd. _____ AFA No. if Warranty _____ Date _____

Routing _____ Total Pcs. Rec'd. _____ Serial No. _____

Customer _____ Total Weight _____

REGUILD SALES _____ Recg. Rep. No. _____

Routing _____ Total Pcs. Rec'd. _____ Total Weight _____

I E T L S V

I E T L S V

PROTECTED BY U. S. & FOREIGN PATENTS OF THE NATIONAL CASH REGISTER CO. DAYTON, OHIO, U. S. A.

NCR Paper

The blank line and box below the three specific classifications on the form should be used to provide additional classification for product lines other than Railroad. If the item is connected with Marine, Drilling Rig, Power Peaking, or Industrial equipment the proper product description should be inserted on the line and an "X" placed in the box.

8. **DECISION OF RESPONSIBILITY** – All major components being handled on warranty are subject to teardown and decision of responsibility. These AFA's will be marked "Yes." AFA's handling minor components can be marked "No" unless a decision is required by EMD Adjuster.
9. **ADJUSTMENT OPTIONS** - The option (Unit Exchange, Warranty Repair, Procedure No. 461, and Other) under which the part is being returned must be indicated to ensure proper handling of the material and processing of the AFA.
10. **MATERIAL BEING RETURNED** – EMD warranty stipulates that all transportation charges will be F.O.B. its factory; therefore, all material returned for adjustment covered by an AFA (except under Procedure 461) is to be returned transportation *PREPAID*. This should be indicated on the AFA. The procedure, whereby material known to be defective and not salvable can be scrapped on customer property, is a concession to our customers for the purpose of saving them transportation cost to EMD. This arrangement should not be construed as a provision of the warranty policy under which the customer can make a transportation collect shipment.

In preparing material for return under warranty it is necessary the customer exercise care and provide adequate protection to prevent shipping and handling damage. Damage to a failed item subsequent to the failure often destroys evidence indicating cause of failure and may result in rejection of a warranty claim. A Return Material Tag, properly filled out, must be attached to each item being returned to EMD for warranty handling and must include the EMD Warranty Reference (AFA, IPR, or WP) number to ensure proper handling.

11. **SCRAP CLASSIFICATION** - When a part is scrapped on customer property due to being beyond economical repair, the weight, kind of scrap, and local price per ton must be listed or the words "No Scrap Value" inserted when the value is negligible. The Field Representative will determine when the scrapped material is to be considered of no value.
12. **CUSTOMER REPRESENTATIVE** - After completion of the field portion of the AFA form it must be signed by the EMD Adjuster and responsible Customer Representative in the spaces provided. Regional Approval signature is entered when the AFA reaches the Regional Office. The customer receipt (green copy) is detached and left with the Customer Representative.

SUPPLEMENTAL PREPARATION INFORMATION FOR WARRANTY FORMS

WARRANTY ADJUSTMENT OPTIONS

The following Warranty Adjustment Options cover the various methods used in handling warranty material on AFA transactions:

Unit Exchange

The customer receives a replacement from the Utex Pool on receipt of the customer purchase order. The failed component upon receipt at EMD is thoroughly inspected to determine the cause and responsibility for failure, and then remanufactured to the current Unit Exchange Standards and placed in the Utex Pool. Unit Exchange items as warranty replacements carry the full one year/100,000 mile warranty or the unexpired portion of the original end product warranty, whichever is the greater.

Warranty Repair

The failed component is returned to EMD, inspected to determine cause and responsibility for failure, and upon completion of repairs is returned to the customer. The failed or damaged portions of the

component are repaired or replaced as necessary to render the repaired component equally serviceable as it was prior to the failure. Warranty Repair components revert to the status of a replacement component and carry the balance, if any, of one year/100,000 mile warranty.

Material Defective When Received

Procedure 461: New parts or remanufactured components which are found defective before being placed in service are to be handled under Procedure 461.

This procedure has been established to provide for replacement of new parts or EMD rebuilt components found to be defective when received by the customer, and before being placed in service. This procedure was originally established to provide a means for the customer to return defective new components without additional expense such as issuing a new purchase order and paying additional transportation expense. A number of customers, however, have now put their order records on computers and find it impossible to reuse the original order number. To accommodate these customers, the following alternatives may be offered under Procedure No. 461.

1. For customers who want to retain the original order number.
 - a. The AFA should show only the original number.
 - b. The statement "Purchased from ----- Branch (or Parts Warehouse) on above order" must be shown in the space for remarks.
Under this handling, the defective part is to be returned freight "collect" and a replacement will be shipped freight "prepaid."
 - c. If material was received from the unit exchange pool, the option "Unit Exchange" should be used. If the item was previously handled on a Repair and Return basis, then "Warranty Repair" should be used. In either case "Procedure No. 461" must also be indicated. "Decision of Responsibility" should not be requested when material is being returned under Procedure No. 461. The provisions of this procedure place the responsibility for verification of customer's complaint on the District or Service Engineer.

2. For customers who cannot use the original order number.
 - a. The AFA should show the new order number. Material is to be returned to EMD freight "collect"; however, any replacement material will be shipped freight "collect."
 - b. The statement "Returned for credit only. Do not ship replacement," must be shown in space for remarks if the item was new from the Parts Department.
 - c. The statement "Returned on new unit exchange order. Do not ship replacement," must be shown in the space for remarks if the item was originally received on unit exchange.
 - d. The statement "Returned on new warranty repair order," must be shown in the space for remarks if the item was originally handled on a "repair and return" basis.

"Other" Option

Warranty material being scrapped on customer property, or being returned for inspection and scrapping, should be listed as "Other" with the proper explanation in the lined space provided for it at the bottom of the option box.

WARRANTY REPAIR VS SCRAP & RETURN

Parts returned to EMD for inspection, Decision of Responsibility and Scrap are often found to be salvable. Whenever there is a possibility that a part can be repaired, the AFA should indicate "Warranty Repair." If after inspection it is found to be repairable, all paper work will be in order. If the part is not repairable, it is a simple matter to issue a change notice to indicate the part was scrapped, and if EMD responsibility, the AFA will be processed to authorize credit for the cost of a replacement.

When a failed item is determined as customer responsibility, the customer will be promptly notified and disposition instructions will be requested.

WARRANTY MATERIAL NOT HANDLED ON AN AFA

Incorrect material received on an end product and defective material found on an end product prior to being placed in service are handled under special procedures and *do not* require an AFA to obtain warranty consideration.

Incorrect Material Received As Part Of End Product (IPR):

When incorrect material is received on any EMD end product, the responsible EMD Field Representative or Regional Office will arrange for shipment of replacement material on an "IPR" (Incorrect Parts Replacement) order. Incorrect material being returned to EMD should be identified on the Return Material Tag (Form EMD 1186) by inserting the "IPR" number which will be furnished by EMD and a note "Returned under Procedure 481" on the tag in the space provided for warranty information. Incorrect material is returned to EMD transportation collect.

Defective Material Received On End Product (WP):

When defective material is found on any EMD end product prior to being placed in service, the responsible EMD Field Representative will arrange for shipment of the replacement material on a "WP" (Warranty Parts) order. Defective material being returned to EMD must be identified on the Return Material Tag (Form EMD 1186) by inserting the "WP" number which will be furnished by EMD and a note "Returned under Procedure 547" on the tag in the space provided for warranty information. Defective material under this procedure is returned to EMD transportation collect.

MATERIAL NOT HANDLED AS WARRANTY

Missing material from an EMD product when received by the customer and incorrect material received from EMD Parts Department by the customer *are not* handled as an AFA, IPR, or WP transaction.

When an end product is received minus some of the material specified as part of the end product, the responsible EMD Field Representative will make arrangements to provide the missing material.

When incorrect material is received from the Parts Department, the customer is to contact the EMD Branch or Warehouse that originally handled the order. The Branch or Warehouse will arrange for shipping the correct material and the return of the incorrect material.

Material which is not within the limits of the EMD warranty provisions which is being returned at the request of the Technical Section or Engineering Department for investigation is not to be handled as a warranty transaction. The person requesting such material will make necessary arrangements for repair or replacement where applicable.

GROUPING MATERIAL ON AFA'S

Proper classification by material type and end product model when original equipment warranty is involved, or classification of material on rebuild items will reduce the number of AFA forms needed.

AFA's are classified according to original equipment, rebuild, or new replacement parts.

Original equipment material can be grouped on the same AFA when removed from the same model equipment.

New replacement parts and original equipment parts should be listed on separate AFA's.

Rebuild material, original equipment material, and new replacement parts should be listed on separate AFA's.

Zero mileage or time in service replacement parts (new or rebuild) should be listed on separate AFA's from items having mileage or time in service.

AFA SINGLE ITEMS

Some of the major items handled on an AFA must be examined before final AFA processing. Additional inspection on one major item could delay settlement on the remaining items as much as four weeks or more.

To forestall unnecessary delays in settling warranty claims on such items, each single item should be handled on a separate AFA. Material in this category includes:

Traction Motor	Engine
Main Generator	Engine Blower
Auxiliary Generator	Turbocharger
Cooling Fans	Crankcase & Oil Pan
Blower Motors	Air Compressor
Governor	

SCRAP OR REPAIR ON CUSTOMER PROPERTY VS RETURN TO EMD

The cost of shipping, handling, and repairing items with a value of \$100 or less often exceeds the value of the item being returned. In an effort to minimize cost for both EMD and the customer in warranty transactions dealing with such items, the following policy applies.

Many items valued at \$100 or less which qualify for warranty consideration can be handled on an AFA as either "Scrapped on Customer Property" or "Repaired by Customer" providing the District or Service Engineer has examined the item and agrees the failure was due to defective material or workmanship on the part of EMD. The customer selects the alternative most beneficial to him. Provisions for the two alternate methods of handling are:

1. Scrapped on Customer Property

The item is to be mutilated under the direction of the district or Service Engineer and disposed of as scrap. The AFA is to be marked "Other" under Adjustment Options section with notation "Scrapped on Customer Property." The AFA will be processed for issuance of a credit memo to the customer for the price of the item.

2. Repaired by Customer

The customer will be reimbursed 25% of the price of the item to make necessary repairs to return the item to serviceable condition. The AFA is to be marked "Other" under Adjustment Options section with notation "Repaired by Customer." The AFA will be processed for issuance of a credit memo to the customer for 25% of the price of the item to cover repairs necessary to return the item to serviceable condition and to fulfill EMD's warranty obligation on the item.

There are times when some items which fall into the above category are needed for investigation by EMD. Such items are to be written up on the AFA for "Investigation and Scrap at EMD."

VENDOR MATERIAL WARRANTY HANDLING

A working agreement between EMD and several vendors provides for the direct warranty handling of certain EMD supplied vendor items. The purpose of the agreement is to eliminate the delay involved in shipping the material to EMD where it must be reshipped to the vendor for processing and returned via the same route.

The vendors and items are:

Exide	--Batteries
Gould	--Batteries
New York Air Brake	--Air brake equipment
Westinghouse Air Brake	--Air brake equipment
Mars	--Headlight equipment
Barco Manufacturing Co.	--Speed recorders
All wheel vendors	--Locomotive wheels
Vapor Corporation	--Steam generators and associated equipment only

Whenever a customer elects that the warranty be handled by EMD, it can be handled on an AFA in the normal manner.

HANDLING PROJECT MATERIAL

Project material is normally applied either to (1) new equipment during manufacture or rebuild or (2) in the field to equipment already in service and only after prior permission has been obtained from customer. When removed due to failure it should be handled as follows:

MATERIAL APPLIED DURING MANUFACTURE

Project material applied during manufacture or rebuild becomes a part of the end product purchased by the customer. If failure occurs during warranty period, the material will be covered by an AFA and identified by a Return Material Tag, with the project number clearly shown on each.

The Field Representative should be notified immediately that project material has failed. He will furnish detailed instructions for any special handling and advise the future status of the project.

Project material not under warranty should *not* be handled on an AFA. The Field Representative should be contacted for handling instructions.

MATERIAL APPLIED IN FIELD

Material applied as a project in the field should *not* be handled on an AFA.

When a failure is encountered, the Field Representative should be contacted for handling instructions and if the part is to be returned, it is to be handled on a Return Material Tag only.

CUSTOMER MATERIAL RETURNED FOR INSPECTION

Customer material related to project material; i.e., cylinder liners in which project piston rings are being tested, may be requested for examination at times. This is not a warranty transaction and an AFA should not be issued. When inspection has been completed, the material will be reconditioned and returned to customer. If the material is destroyed during inspection it will be replaced by the Engineering Department without the need for any action on the part of the customer or EMD field personnel.

HANDLING MODIFICATION MATERIAL

LISTING ON AFA

When handling material covered by modification, it should be listed on the AFA in the same way as specified by the modification. If a kit number is specified, this number should be used on the AFA and on the purchase order, not the individual part numbers. Material given in a modification by individual part numbers will of course be listed by part number on the AFA.

The number of the purchase order on which the modification material was purchased should be used on the AFA. Do not issue a new purchase order.

When listing modification material on an AFA, material not specifically called out by the modification should not be included.

WARRANTY ADJUSTMENT CLASSIFICATION

The modification number should be inserted in the unused space at the bottom of the "Adjustment Classification" box.

WARRANTY ADJUSTMENT OPTION

The option indicated should correspond with that given in the modification instructions. When replaced material is being scrapped on customer property option "Other" should be used with notation, "Scrapped on Customer property" inserted in the space provided.

HANDLING MATERIAL LOST OR DAMAGED IN TRANSIT

Material lost or received in a damaged condition is not eligible for warranty consideration under the EMD Warranty Policy. For all practical purposes, traffic rules provide that when a carrier accepts material for shipment he also accepts the responsibility for safe delivery. He can refuse to accept material either at point of origin or interchange if in his opinion it is not packaged or protected so as to ensure arrival at destination without damage.

PROCESSING THE AFA

When the defective component is received at EMD, an investigation will be made to verify the defect and determine the responsibility. Upon determining responsibility, the AFA will be processed, and you will receive a copy with an explanation of the cause and responsibility for failure under the "Decision of Responsibility" section. When the necessary work has been completed on the component, the applicable document (no-charge invoice, customer charge invoice, split charge invoice, or credit memo) will be forwarded to you.

INVOICING PROCEDURE

Receipt of the approved AFA by the Accounting Department authorizes issuance of all credits or invoices which are related to the transaction. Final invoices on some major components cannot be issued until all associated repairs and/or disposition of material has been made by the shop.

UNIT EXCHANGE

Many items returned on unit exchange (such as contactors, relays, injectors, governors, etc.) will be invoiced "no-charge" if the defect is established as EMD responsibility. The customer will be invoiced a

charge for service life received from "major" components. "Major" components are: AR10 Alternators, Main Generators, Auxiliary Generators, A.C. Fan Motors, Traction Motors, Traction Motor Blower Motors, Dynamic Brake Blower Motors, Turbochargers, Engine Blowers and complete Engines. The charges will be in accordance with the following table:

A. ORIGINAL EQUIPMENT

<u>SERVICE LIFE</u>		<u>CUSTOMER CHARGE</u>
<u>MONTHS</u>	<u>MILES</u>	
0 to 5	0 to 50,000	No-Charge
5 to 10	50 to 100,000	10% of basic
10 to 15	100 to 150,000	20% of basic
15 to 20	150 to 200,000	30% of basic
20 to 24	200 to 250,000	40% of basic

B. REPLACEMENT COMPONENTS

<u>SERVICE LIFE</u>		<u>CUSTOMER CHARGE</u>
<u>MONTHS</u>	<u>MILES</u>	
0 to 2	0 to 20,000	No-Charge
2 to 4	20 to 40,000	10% of basic
4 to 6	40 to 60,000	20% of basic
6 to 8	60 to 80,000	30% of basic
8 to 12	80 to 100,000	40% of basic

POWER PACKS

If a customer elects to return a complete power pack, whether for unit exchange or warranty repair, and EMD accepts the AFA, there will be a flat rate charge based on months of service life received. All such power packs will then carry a full one-year warranty.

WARRANTY REPAIR

Upon completion of repairs on all items returned under this option, assuming EMD accepts the responsibility for the failure, a no-charge invoice will be issued except in instances where an item has been returned with critical parts missing which are necessary for inspecting and testing or for protection such as covers and guards, for which the customer will be charged. In the event the customer is determined responsible for the failure, the total charges will be invoiced.

NEW OR REBUILT ITEMS DEFECTIVE AS RECEIVED

Upon shipment of a replacement new part an invoice will be issued. Disposition of the warranty claim will be finalized upon receipt of the defective part by EMD.

A no-charge invoice will be issued on a Unit Exchange transaction upon receipt and inspection of the defective component by EMD.

Warranty Repair components will be repaired and a no-charge invoice issued.

RETURN FOR CREDIT

Upon receipt of material and verification of defect by EMD a credit memo will be issued against the purchase order or reference number shown on the AFA.

SCRAP ON CUSTOMER PROPERTY

Upon receipt of the AFA at La Grange a credit memo will be issued against the purchase order or reference number shown on AFA to allow credit for the material listed on the AFA.

INCORRECT MATERIAL RECEIVED AS PART OF END PRODUCT (IPR)

A memo invoice will be issued upon shipment of the correct material and an invoice will be issued for the incorrect material which was received by the customer. A credit memo will be issued to offset the invoice when the incorrect material is received by EMD.

DEFECTIVE MATERIAL RECEIVED ON END PRODUCT (WP)

Replacement for the defective part or component is covered by a memo invoice upon shipment. The defective part or component is to be returned or scrapped per instructions given at the time the replacement order is placed. Failure to return the defective part or component, that is not designated as scrap, within 30 days will result in an invoice being issued to replace the memo invoice.

TRACTION MOTOR PINION END BEARING FAILURES

The following rule must be followed when an AFA is issued covering a traction motor pinion and bearing failure:

"An AFA is not to be issued for a traction motor which has had a pinion end bearing failure (this also includes failure of both bearings), unless the pinion gear is available for inspection by an EMD representative or is returned to EMD with the motor."

AFA's which do not have a definite statement confirming the above will be rejected.

WARRANTY HANDLING ON INTERCHANGE LOCOMOTIVES

Locomotives under warranty or containing components under warranty which are involved in interchange agreements are still within the scope of normal warranty handling except the request for warranty consideration can be handled by either the owner or the user. Determination of which party will request the warranty consideration for a failure should be agreed upon by the owner and user when they enter into the interchange agreement.

The AFA for an interchange locomotive should, in addition to the standard information, include the name of both the owner and the user. The name of the party submitting the claim should appear as the customer on the AFA and the second party involved should be mentioned in the "Remarks and/or Justification" section of the AFA with the designation owner or user.