

Mechanical Association Railcar Technical Services

Chicago, IL

September 13, 2007

Mechanical Association Railcar Technical Services

GOAL

- To create a process that will allow all car repair billing to be handled in a paperless environment.

Mechanical Association Railcar Technical Services

- The following topics pertain to the handling of interchange repair records between railroads, railroad running repair agents, and car owners.
- These items do not pertain to the handling of repairs between car owners (which include railroads) and private independent repair facilities.

Mechanical Association Railcar Technical Services

- In 1990s an attempt was made to provide “paperless billing”.
- Numerous meetings were held and it was determined that the magnitude of the issue was more involved than the resources or funding that was available at the time.

Mechanical Association Railcar Technical Services

- In 2001, the Car Repair Billing Committee (CRB) was directed to modify the then-current 160 byte Data Exchange record to a size that would allow for enough information to accommodate billing in a paperless environment.
- The CRB determined that a 500 byte record was needed and this record was established as the AAR standard in October 2004.

Mechanical Association Railcar Technical Services

- **December 21, 2006 [C-10444]**

Subject: Implementation of the Optional Use of the Data Exchange System To: MEMBERS AND PRIVATE CAR OWNERS

- **File Number: CRB-10025**

On November 10, 2006, Circular Letter C-10397 was issued to solicit comments on a two stage program to facilitate and require the use of the AAR Data Exchange System as a method of invoicing for car repairs. No comments were received to C-10397 and as such, the use of the AAR Data Exchange System as an optional method of invoicing for car repairs becomes effective on January 1, 2007. Language will be added early in 2007 to the Office Manual to recognize this option.

Additionally, **no comments were received to the proposal to make the use of the Data Exchange System mandatory on January 1, 2008.** Language will also be added to the Office Manual early in 2007 for this 2008 requirement.

Mechanical Association Railcar Technical Services

- What constitutes an invoice?
- The invoice and detail source data submitted to the responsible party (car owner, intermediate road, defect card road) for repairs performed or damage compensation due.

Mechanical Association Railcar Technical Services

- Who is affected?
- Everyone that is presenting an invoice for:
 - Repairs
 - CBAs
 - JICs
 - Defect Cards
 - Destroyed Cars
 - Rule 108 Settlement
 - Rule 85

Mechanical Association Railcar Technical Services

- 112.G.7
- Presentation of the invoice will be either paper mailed to the responsible party or as a .PDF attachment to an email (Appendix I) presented to the Billed Party. The presentation method will be at the discretion of the Billing Party. Regardless of method chosen, the repair detail source data must be submitted to the Car Repair Billing Data Exchange System in accordance with Rule 112.G.2 and Rule 113.

Mechanical Association Railcar Technical Services

- Appendix I
- Payable
- Car Mark TTX
- Billed Party Mark TTX
- Address for Billing TTX Company
Controllers
- Department
- 101 North Wacker
Drive
- Chicago, IL 60606
- Email address for
Billing TTXAARBills@TTX.com

Mechanical Association Railcar Technical Services

- Appendix I
- Receivable
- Billing Party Mark TTX
- Address for Exceptions TTX Company
Manager AAR
- Receivables
101 North Wacker
- Drive
Chicago, IL 60606
- Email address for
Exceptions TTXAARExceptions@TTX.com

Mechanical Association Railcar Technical Services

- 112.G.2
- Data supporting the invoice presented in accordance with Rule 112.G.1 **must** be submitted to the Car Repair Billing Data Exchange System in accordance with Rule 113. The submitted detail source data totals must match the detail source totals for each invoice presented. (reference Rule 112.H.2)

Mechanical Association Railcar Technical Services

- 112.G.11
- In rendering invoices, cars shall be treated as belonging to companies or individuals whose reporting marks they bear and charges for repairs to all cars bearing like reporting marks will be invoiced against that one Billed Party at one address and to one officer.

Mechanical Association Railcar Technical Services

- 112.G.5
- All charges for repairs, (i.e. Defect Cards, endorsed Joint Inspection Certificates, Rebuttals and Counter Billing Authorities) shall be consolidated against any one Billed Party into one invoice. This principle applies equally to railroads, private car owners, and running repair agents (Appendix H). This specifically sets a limit of one (1) invoice per month against any one Billed Party.

Mechanical Association Railcar Technical Services

- 112.G.9
- Settlement for destroyed equipment in accordance with Rule 107(Detail Source DE) must be billed in accordance with Rule 112.G.5.
- a. For destroyed equipment, the car initial, car number, authorization date, and total amount billed must be listed on the statement.
- b. The detailed source data supporting the amount invoiced must be included with the monthly Data Exchange Record (Detail Source DE).

Mechanical Association Railcar Technical Services

- 112.G.10
- Settlement for worn out cars, owners' responsibility, dismantled in accordance with Rule 108.4 (Detail Source DM) must be billed in accordance with Rule 112.G.5.
 - a. For equipment being handled under this rule, the car initial, car number, authorization date, and total amount billed must be listed on the statement.
 - b. The detailed source data supporting the amount invoiced must be included with the monthly Data Exchange Record (Detail Source DM).

Mechanical Association Railcar Technical Services

- 112.H.2
- The receipt of the invoice for the purpose of invoice payment and auditing will be defined as the date that the detail source data supporting the invoice is available (Rule 113) from the Car Repair Billing Data Exchange System. In the event that your company is not downloading your repair data from Car Repair Data Exchange, the receipt of the invoice will be defined as the date that the Data Exchange data would have been available subsequent to the date that the Billing Party submitted the detail source data.

Mechanical Association Railcar Technical Services

- 112.H.2.a.
- Each month, the Billing Party will receive a report detailing the information received and accepted from the Billing Party, which will include Billed Party, number of records, amount billed, account month/year, submitted month/year, and an indicator as to whether the data will be sent to the Billed Party.

Mechanical Association Railcar Technical Services

- 112.H.2.b.
- Each month, the Billed Party will receive a report detailing the information available to that Billed Party which will include Billing Party, number of records, amount of billing, account month/year, and submitted month/year.

Mechanical Association Railcar Technical Services

- 112.H.3.b.
- In the event a returned invoice is corrected and resubmitted, the Billing Party must submit detail source data to match the corrected invoice. This will be considered the receipt date in accordance with Rule 112.H.2. Exceptions for time limits per Rule 112.E will be measured from the date of the first receipt.

Mechanical Association Railcar Technical Services

- 112.H.4.b.
- Exception letters, including all supporting documentation, may be forwarded via mail or as .PDF attachments to an email. The presentation method will be at the discretion of the Billed Party.

Mechanical Association Railcar Technical Services

- Three year implementation plan
 - One year might be a little ambitious
 - Allow for bi-lateral agreements
 - Phase in over time

Mechanical Association Railcar Technical Services

- January 1, 2008
 - Invoice must be properly rendered
 - Paper or attachment to an e-mail
 - AND
 - Detail data matching the invoice is received through Data Exchange
- All billing data must be submitted through Data Exchange

Mechanical Association Railcar Technical Services

- Subsequent to January 1, 2008
 - Drop support for the 160 byte-500 byte
 - Optional fields to Mandatory
 - Elimination of paper invoice
 - Streamline the exception process

Mechanical Association Railcar Technical Services

- January 1, 2009 ?
 - Railroad Contact List
 - Electronic defective/damaged equipment car tracking

Mechanical Association Railcar Technical Services

- Questions or Comments