



Implementation Guide to AAR Accounting Rule 11

EDI 404

Overview

What is AAR Accounting Rule 11

Rule 11 is used by the rail industry under AAR accounting rules to protect confidential prices and/or meet customer requirements by providing multiple invoices when shipments are covered by a through billing.

Responsibilities for the Rail Carrier

With Rule 11 billings, each rail carrier in the routing is responsible for invoicing the customer for their portion of the movement. In some circumstances, there may be joint Rule 11 agreements whereby one railroad will invoice for more than their portion.

Responsibilities for the Shipper

All Shipper furnished information relative to the assessment and collection of Rule 11 charges must be provided on the EDI 404 Bill of Lading. When in doubt about the information that is required, please refer to your rate publications with your various service providers/rail carriers.

CN Contact

The **EDI Onboarding team** email address is EDIMGR@cn.ca. You can also visit us at www.cn.ca.

The following additional format is required to apply a Rule 11 invoice on the EDI 404:

1. The complete spelling of the name and freight billing address for each party responsible for payment of freight charges must be provided for each portion of the movement beyond the origin carriers' (CN) freight billing responsibility.

If the "Send Freight Bill To" party is the same for each portion of the movement, it only needs to be provided once. If more than one "Send Freight Bill To" is involved, each carrier responsible for collection must also be shown.

2. The location where the contract or tariff with CN ends.
3. The location where the next railroad on the route begins.

Canadian National Railway - Electronic Commerce Rule 11 EDI 404 (Rail Bill of Lading) Requirements

The enclosed documentation covers information required to handle rail traffic for a Rule 11 shipment.

On this version 8030, there is a new requirement in the R2 segment that when there are multiple R2 segments present, the R203 (junction) is required on each, except for the final R2 segment.

The following segments on the EDI 404 will need to be mapped specifically to indicate Rule 11 freight invoice.

- Rule 11 indicator in the BX03 segment (value is 11)
- Rule 11 indicator in the first R2 segment (value is R)
- Rule 11 Payer of Freight indicated in the N1*11 segment group (including the N3 and N4 segments)
- Rule 11 Split information contained in the BL segment.

Canadian National Railway - Electronic Commerce Rule 11 EDI 404 (Rail Bill of Lading) Requirements

CN recommends EDI shippers to be within 2 versions of the current EDI Standard X12 Standard
Version/Release 8030/RAIL

Sample EDI Transmission with required data for the 404 Transaction Set on Rule 11 traffic of MALT from
a Canadian origin to a Mexican destination.

EDI 404 with mandatory Rule 11 data highlighted in **bold red**.

ISA*00* *00* *ZZ*GENERIC *02*CN *231115*1228*U*00803*000040058*1*P*:
GS*SR*GENERIC*CN*20231115*1228*31656*X*008030
ST*404*151228438
BX*00*R***11***1257*CN*K*B*N***14*N*2
BNX*A**S
M3*R*20231115*1228*CT
N9*BM*1257**20231115*1228
N9*PO*X80016
N9*2K*FDA**20231009*0934
N9*CED*ZZ1234202311051234567
N9*HS*340319
N7*CN*123456*75080*N*****RR
M7*1234*5678
M12*62
REF*UNC*50221302
N9*MTC*1107100100
N9*MPC*NC
N9*MMT*01
N10*1*Barley Malt, Not Roasted*****K*75080**CLD*CA
N10****J*340319*265166*****CA**USD
F9**TAYLOR*BC
D9**MOLINO*VL
N1*SH*GENERIC CARLOAD INC
N3*123 MAIN ST
N4*TAYLOR*BC*V0C 2K0*CA
PER*SP*JOHN DOE*TE*6045551234*EM*JOHN.DOE@GENCAR.com
REF*TJ*123456789
N1*CN*MEXICAN COMPANY INC
N3*AVENIDA SAN JUAN NO.1C.P. 94452
N4*MOLINO*VL*94452*MX
REF*TJ*123456789
N1*XU*LIVINGSTON INTERNATIONAL
N3*P.O. BOX 3789*270 C STREET
N4*BLAINE*WA*98231-378*US
N1*11*GENERIC CARLOAD INC
N3*123 MAIN ST
N4*TAYLOR*BC*V0C 2K0*CA
REF*TJ*123456789
BL*RD**TAYLOR*BC***LAREDO*TX**CN*KCS**
N1*11*MEXICAN COMPANY INC
N3*AV JAIME BALMES 8 PISO 9 INT 901-904 COL LOS MORALES
N4*MEXICO*DF*11510*MX
REF*TJ*123456789
BL*RC**LAREDO*TX***MOLINO*VL**KCSM**
N1*XR*MA. SARA MYRTHALA ESPINOSA GONZALEZ
N3*MATAMOROS 508 ALTOS
N4*NUEVO LAREDO*TM*88000*MX

N1*FW*TRANS AMERICA STORAGE&FORWARDING CO INC
N3*8600 SAN LORENZO DRIVE*TEJAS IND. PARK II
N4*LAREDO*TX*78045-870*US
N1*IM*MEXICAN COMPANY INC
N3*AV JAIME BALMES 8 PISO 9 INT 901-904 COL LOS MORALES
N4*MEXICO*DF*11510*MX
REF*TJ*123456789
R2*CN*R*JACKN
R2*KCS*1*LAREDO
R2*KCSM*2
LX*1
L5*1*MALT*2083110*T
L0*1***75080*N***1*CLD
X1***C*****1*265166.00
XH*USD*N*FCB
SE*65*151228438
GE*1*31656
IEA*1*000040058

BX Segment: General Shipment Information**BX*00*R*11*1257*CN*K*B*N***14*N*2**

Ref. Des.	Name	Data Element	Attributes
BX01	Transaction Set Purpose Code (00=Original)	353	ID 2/2
BX02	Transportation Method/Type Code (R=Rail)	91	ID 1/2
BX03	Shipment Method of Payment (11=rule 11)	146	ID 2/2
BX04	Shipment Identification number (1257)	145	AN 1/30
BX05	Standard Carrier Alpha Code (CN=CN Rail)	140	ID 2/4
BX06	Weight Unit Code (K=Kilograms)	188	ID 1/1
BX07	Shipment Qualifier (B=Bill of Lading for Individual Shipment)	147	ID 1/1
BX08	Section Seven Code (N=not in effect)	226	ID 1/1
BX11	Customs Documentation Handling Code (14=Proforma and B13 entered)	501	ID 2/2
BX12	Confidential Billing Request Code (N=not applicable)	199	ID 1/1
BX13	Goods and Services Tax Reason Code (2=Outbounds Goods and Services Tax Declaration to USA only)	714	ID 1/1

N1 Segment: Party Identification

Associated to N3 and N4 segments below. N1, N3 and N4, and PER segments are repeated for all Parties to the shipment.

N1*SH*GENERIC CARLOAD INC
N3*123 MAIN ST
N4*TAYLOR*BC*V0C 2K0
N1*CN*MEXICAN COMPANY INC
N3*AVENIDA SAN JUAN NO.1C.P. 94452
N4*MOLINO*VL*94452*MX
N1*XU*LIVINGSTON INTERNATIONAL
N3*P.O. BOX 3789*270 C STREET
N4*BLAINE*WA*98231-378*US
N1*11*GENERIC CARLOAD INC
N3*123 MAIN ST
N4*TAYLOR*BC*V0C 2K0*CA
N1*11*MEXICAN COMPANY INC
N3*AV JAIME BALMES 8 PISO 9 INT 901-904 COL LOS MORALES
N4*MEXICO*DF*11510*MX
N1*XR*MA. SARA MYRTHALA ESPINOSA GONZALEZ
N3*MATAMOROS 508 ALTOS
N4*NUEVO LAREDO*TM*88000*MX
N1*FW*TRANS AMERICA STORAGE&FORWARDING CO INC
N3*8600 SAN LORENZO DRIVE*TEJAS IND. PARK II
N4*LAREDO*TX*78045-870*US
N1*IM*MEXICAN COMPANY INC
N3*AV JAIME BALMES 8 PISO 9 INT 901-904 COL LOS MORALES
N4*MEXICO*DF*11510*MX

Ref.	Name	Data Element	Attributes
N101	Entity Identifier Code (SH=Shipper) (CN=Consignee) (PF = payer of freight) (XU=US Customs Broker) (XR=Mexican Customs Broker) (FW=Forwarder) (11=Party to be Billed Rule 11) (IM = Importer)	98	ID 2/3
N102	Name	93	AN 1/35

N3 Segment: Party Location

Ref. Des.	Name	Data Element	Attributes	
N301	Address Information	166	AN	1/30
N302	Address Information	166	AN	1/30

N4 Segment: Geographic Location

Ref. Des.	Name	Data Element	Attributes	
N401	City Name	19	AN	2/30
N402	State or Province Code	156	ID	2/2
N403	Postal Code	116	ID	3/15
N404	Country Code	26	ID	2/3

***For North American countries, use the ISO-3166 Alpha-2 character code.*

BL Segment: Billing Information

Provides information on how the invoices for each route segment will be generated for this shipment. This segment can only be used when the previous N1 is a Rule 11 Paying Party (11)

BL*RD**TAYLOR*BC***LAREDO*TX**CN*KCS**
BL*RC**LAREDO*TX***MOLINO*VL**KCSM**

Ref. Des.	Name	Data Element	Attributes
BL01	Rebill reason code (RC=Contract is with the delivering carrier) (RD=Contract is with the originating carrier after the city listed in the BL05)	747	ID 2/2
BL05	City Name <i>**The BL05 through BL07 is the city, state/province, and country for the rate for the beginning portion of the move.</i>	19	AN 2/30
BL06	State or Province code <i>If a Rule260 abbreviation is not used in the BL05, this must be included.</i>	156	ID 2/2
BL07	Country Code	26	ID 2/3
BL09	City Name <i>**The BL09 through BL11 is the city, state/province, and country for the rate for the ending portion of the move.</i>	19	AN 2/30
BL10	State or Province code <i>If a Rule260 abbreviation is not used in the BL09, this must be included.</i>	156	ID 2/2
BL11	Country Code	26	ID 2/3
BL12	Standard Carrier Alpha Code The SCAC of the railroad that will issue the invoice.	140	ID 2/4
BL13	Standard Carrier Alpha Code The SCAC of the railroad that will issue the invoice.	140	ID 2/4

R2 Segment: Route Information

Identifies the complete route of movement from origin to destination covered by this contract.

R2*CN*R*JACKN
R2*KCS*1*LAREDO
R2*KCSM*2

Ref. Des.	Name	Data Element	Attributes
R201	Standard Carrier Alpha Code (SCAC) (CN=Canadian National)	140	ID 2/4
R202	Routing Sequence Code (R=Origin Carrier, Rule 11 Shipment) (1=1st Carrier After Origin Carrier) (2=2 nd Carrier after origin carrier)	133	ID 1/2
R203	Junction Name (Contains R260 junction)	19	AN 2/30

****When multiple iterations of the R2 segment are present, the R203 is required on each, except for the final.**