

# Overview of Railroad Clearinghouse (RCH)

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# Agenda



- Introduction to the Railroad Clearinghouse (RCH)
- Accessing RCH Web and the Funds Transfer Reports
- Settlements Through RCH
- Payments Through RCH
- RCH Resources



# Introduction to RCH



# Introduction to Railroad Clearinghouse (RCH)



- A process to net bills and settle funds between participating rail carriers in ISS, CHDX, SSDX, MLPB, and EOTD
- Reduces the number of cash transactions and float for the industry
- Funds are paid at pre-determined days resulting in better cash flow planning for the industry
- RCH provides funds transfer reports via the RCH Web portal
- Centralized payment management and oversight

# Overview of RCH



- Introduced in 1994 along with Interline Settlement System
- Oversight by RCH Board
- Reports through the Operations Committee of Safety & Operations Management Committee (SOMC)
- Governed by the Railway Accounting Rules – RCH Settlement Regulations
- Administered by RCH Administrator and Corporate Services

# RCH Monthly Settlements



## Interline Settlement System (ISS)

- Settles interline freight revenue
- All ISS users are required to use RCH
- Settles in USD, CAD, MXN (pending)

## Switching Settlements Data Exchange (SSDX)

- Settles switching services and allows roads to consolidate payments
- Settles in USD and CAD

## Car Hire Data Exchange (CHDX)

- Monthly exchange of time and mileage payment
- 2 months between activity and statement
- Private car owners and railroads
- Settles in USD

## Multi Level Pool Billing (MLPB)

- Consolidates pool repair data among participants
- Settles in USD

## End of Train Device (EOTD)

- Liability and Exception Management
- 5 months between activity and settlement
- Settles in USD



# Accessing RCH Web



# Accessing RCH Web



- Request access through your Single Sign-On (SSO) ID on railinc.com
- When you log into RCH Web, choose the MARK from the drop-down

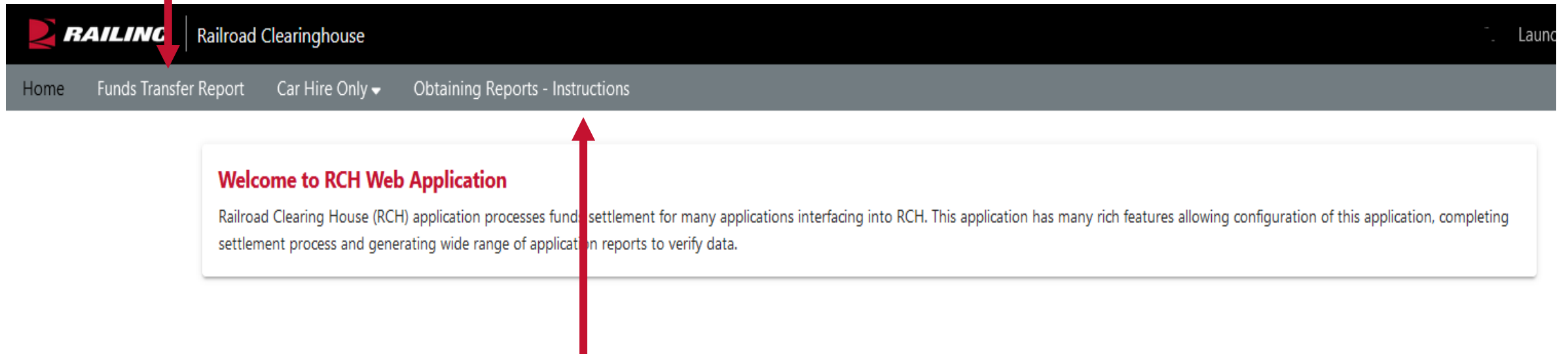
A screenshot of the RAILINC Railroad Clearinghouse web interface. The top navigation bar is black with the RAILINC logo and the text 'Railroad Clearinghouse'. Below this is a grey bar with the word 'Home'. The main content area is light grey and contains the text 'Click here to select a mark.' centered. A white modal dialog box is centered on the screen. The dialog box has the title 'User Mark Selection' in red. Below the title is a red text label 'Select a Mark \*' followed by a red downward-pointing triangle icon, indicating a dropdown menu. At the bottom right of the dialog box is a grey button labeled 'Select'.



# Accessing RCH Web



- Choose Funds Transfer Report



- Additional instructions for retrieving a funds transfer report are here.

# RCH Funds Transfer Reports



RCH Reports

Home

Funds Transfer Report

User Guide

## RCH Reports

All of the fields are required.

Settlement Type:

Funds Transfer Date:

# RCH Funds Transfer Report



- Drop down for each Settlement type the MARK participates in
  - ISS, EOTD, CHDX, MLPB, or SSDX
- Reports available from the time the MARK began participating in that RCH settlement
- Choice of how to download the report
  - PDF, CSV, or XLS

# RCH Funds Transfer Report



Railroad Clearinghouse (RCH) Funds Transfer Report

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## Railroad Clearinghouse

*Railinc Corporate Services Division, 7001 Weston Parkway, Suite 200, Cary, NC 27513  
Phone: (877) RAILINC (1-877-724-5462) Fax: (919) 651-5409*

**Application:** CHDX

**To:** [REDACTED]

**Phone:** [REDACTED]

**Fax:** [REDACTED]

**Re:** Railroad Clearinghouse Settlement

**Contact:** Railinc Customer Support Center (CSC)  
(csc@railinc.com)

**Funds Transfer Date:** 09/22/2023

**For:** [REDACTED]

**Net Amount:** \$1,590.81

**SEND to Wells Fargo NA in  
USD funds:** \$1,590.81



# Settlements Through RCH



# Settlements Through RCH



- RCH publishes the Funds Transfer Report once the product team (MLPB, CHDX, SSDX, EOTD) notifies RCH that the data is ready to transmit to RCH, and RCH pulls the data
- RCH Calendars are distributed at the beginning of every year
  - Shows the date the product teams distribute (“OUT”) the data
  - RCH runs one business day later
- Email is sent to RCH-product specific distribution lists when reports are published
- Settlement date (day funds are due or to be distributed) are highlighted

# Settlements Through RCH – ISS



- Interline Settlement System (ISS)
  - Participation in RCH is required for ISS participants
  - RCH is always run and published on the **1<sup>st</sup> business day** of the month
  - RCH always settles on the **2<sup>nd</sup> business day** of the month
  - Settles in both USD and CAD

# Settling through RCH – ISS



- ISS Split Settlement

- Occurs when US and Canadian banks are not both open on an ISS-date
  - If there is a Canadian holiday, but not a U.S. holiday, we may settle portions of ISS on one day and the remainder on the next
  - USD settlements on both days
  - Highlighted in yellow on the ISS Calendar
  - Specifically mentioned in the RCH-ISS distribution emails
- Do not net the settlement across both days
  - If funds are owed for one day and received for another, cannot net the transactions
  - If both days require paying into RCH, feel free to send funds in one transaction



# ISS Calendar Example



INTERLINE SETTLEMENT SYSTEM (ISS)					
FOR 2024					
Start Date	End Date	Funds Transfer RCH Report Availabiltiy Date	2023 US Date	2023 Can Date	2023 Mex Date
11/1/2023	11/30/2023	12/1/2023	12/4/2023	12/4/2023	12/4/2023
Start Date	End Date	Funds Transfer RCH Report Availabiltiy Date	2024 US Date	2024 Can Date	2024 Mex Date
12/1/2023	12/31/2023	1/2/2024	1/3/2024	1/4/2024	1/3/2024
1/1/2024	1/31/2024	2/1/2024	2/2/2024	2/2/2024	2/2/2024
2/1/2024	2/29/2024	3/1/2024	3/4/2024	3/4/2024	3/4/2024
3/1/2024	3/31/2024	4/1/2024	4/2/2024	4/3/2024	4/2/2024
4/1/2024	4/30/2024	5/1/2024	5/2/2024	5/2/2024	5/2/2024
5/1/2024	5/31/2024	6/3/2024	6/4/2024	6/4/2024	6/4/2024
6/1/2024	6/30/2024	7/1/2024	7/2/2024	7/3/2024	7/2/2024
7/1/2024	7/31/2024	8/1/2024	8/2/2024	8/2/2024	8/2/2024
8/1/2024	8/31/2024	9/3/2024	9/4/2024	9/4/2024	9/4/2024
9/1/2024	9/30/2024	10/1/2024	10/2/2024	10/2/2024	10/2/2024
10/1/2024	10/31/2024	11/1/2024	11/4/2024	11/4/2024	11/4/2024
11/1/2024	11/30/2024	12/2/2024	12/3/2024	12/3/2024	12/3/2024
12/1/2024	12/31/2024	1/2/2025	1/3/2025	1/6/2025	1/3/2025
1/1/2025	1/31/2025	2/3/2025	2/4/2025	2/4/2025	2/4/2025
2/1/2025	2/28/2025	3/3/2025	3/4/2025	3/4/2025	3/4/2025
Split Settlement. USD will settle on both the US date and the CAN date					

# Questions?

# Payments Through RCH



# Importance of Due Dates in RCH



- Distribution emails are sent when the reports are published in RCH
- There are normally 5-7 business days between published date and settlement date (with exception of ISS)
- Debtor roads (paying INTO RCH) need to have funds transfer completed by 11:30 AM EST on settlement day.
- Creditor roads (receiving FROM RCH) will have funds by the end of the day.
  - Goal to release wires by 3:30 p.m., but at minimum will be released by 5:00 p.m.
- We cannot release wires to the Creditor roads until all Debtor payments are received



# **Sending Funds to RCH**



- On or before Settlement Day
- Received by RCH by 11:30 a.m. EST/EDT
- Wire or Automated Clearinghouse (ACH)
- USD to RCH account at Wells Fargo
- CAD to RCH account at Bank of Montreal

# Challenges We've Identified



Waiting to initiate a wire until RCH notifies participant that it's late

Sending RCH to the wrong bank

Understanding the difference between a wire and ACH (same day vs. next or 2-day)

Not taking advantage of pre-dating the wire

Getting timely second approvals

## Other Frequent Questions



- RCH reports the total debit and credit transactions between users – RCH does not have access to the line items that result in your totals
- Specific transactions should be addressed with your transmit agent
- RCH does not manage Negative Payables or Thresholds
- If you believe there is an “unfunded amount,” confirm what data was sent to Railinc; product team will then consult and review the data

# What Happens When Payments Aren't Made



- Penalties

- If RCH debtor payment is not received on settlement day, RCH may charge a penalty of \$2,000 or 2% of the total due, plus interest at Prime+2%
  - \$1,000 or 1% for not funding on settlement day
  - \$1,000 or 1% for not notifying RCH of the delayed settlement 2 days before
  - If payment is missed on settlement day 3 times in a year, MARK may be asked to stop participating in RCH for at least one year
- Could also result in a short-pay to a creditor road

- Recast

- Remove a MARK from that specific settlement and re-run RCH, potentially causing other MARKS to adjust their settlements based upon how the two interacted



# RCH Resources



# RCH Resources



- Single Sign-On and Launch Pad User Guide:

<https://public.railinc.com/sites/default/files/documents/SSOUserGuide.pdf>

- Railroad Accounting Rules:

<https://public.railinc.com/sites/default/files/documents/RAR.pdf>

- Retrieving a Funds Transfer Report:

<https://public.railinc.com/sites/default/files/documents/Retrieving%20Funds%20Transfer%20Report%20Instructions.pdf>

- RCH Overview:

[https://public.railinc.com/sites/default/files/documents/RCH\\_Overview\\_and\\_Requirements.pdf](https://public.railinc.com/sites/default/files/documents/RCH_Overview_and_Requirements.pdf)

# Questions?

# *Railinc Keeps You Moving.*

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