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The Honorable Cynthia T. Brown
Chief, Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Re: Western Coal Traffic League Notice of Intent to Participate
in EP 558 (Sub-No. 23), Railroad Cost of Capital -- 2019

Dear Ms. Brown:

This letter constitutes the notice of intent of the Western Coal Traffic League ("WCTL") to participate in the above-referenced proceeding in response to the Board's decision served February 27, 2020.

WCTL intends to file comments on May 11, 2020, and wishes to receive copies of any submissions made by other parties to the Board, including all workpapers, as well as any releases from the Board.

The Board's decision seeks comment on, among other things, the 2019 capital structure mix of the railroad industry on a market value basis. In that regard, WCTL respectfully submits that the railroads' opening statement should include, on the railroads' own initiative or at the Board's direction, a presentation that treats operating leases of more than a year as debt. Under its governing statute, the Board is to follow generally accepted accounting principles ("GAAP") "to the maximum extent practicable." 49 U.S.C. §§ 11142, 11161, and 11164. As WCTL has previously noted, most recently on January 15, 2020, in EP 664 (Sub-No. 4), a GAAP revision, ASU 2016-02, which took effect no later than reporting year 2019, directs that operating leases longer than a year be treated as balance sheet debt.

WCTL is mindful that these challenging times are not optimal for change, but the requested measure is appropriate here for two reasons. First, the Board has

The Honorable Cynthia T. Brown

March 24, 2020

Page 2

indicated its awareness of the GAAP revision for some time. *Railroad Cost of Capital—2015*, EP 558 (Sub-No. 19) (STB served Aug 5, 2016), at 4-5. Second, the presentation should not be burdensome inasmuch as the railroads in the composite sample already included operating leases in their balance sheet liabilities in their 10-K and 10-Q filings for 2019. Nonetheless, if the railroads believe that an additional time is needed, WCTL would support a reasonable extension of time.

Thank you for your attention to this matter. Please let us know if there are any questions.

Respectfully submitted,



Robert D. Rosenberg
An Attorney for the Western Coal
Traffic League

cc: Timothy J. Strafford, Esq.
Raymond A. Atkins, Esq.
Counsel for the Association of American Railroads