

BEFORE THE
SURFACE TRANSPORTATION BOARD

ENTERED
Office of Chief Counsel
April 15, 2026
Part of
Public Record

In the Matter of:

RAILROAD COST RECOVERY
PROCEDURES - PRODUCTIVITY
ADJUSTMENT

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) Ex Parte No. 290 (Sub-No. 4)
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COMMENTS OF THE WESTERN COAL TRAFFIC LEAGUE

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Jessica tucker
President
Josefina Walker
Vice President
Western Coal Traffic League

William L. Slover
Robert D. Rosenberg
Slover & Loftus LLP
1828 L Street, N.W., Suite 1000
Washington, D.C. 20036
(202) 347-7170

Dated: April 15, 2026

Its Attorneys

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In response to the decision of the Surface Transportation Board (“Board” or “STB”) in the above-captioned proceeding served March 31, 2026, the Western Coal Traffic League (“WCTL”)¹ submits the following comments regarding the Board’s proposed calculation of railroad industry productivity for 2024 and the 2020-2024 multi-year productivity average for use in the Rail Cost Adjustment Factor (“RCAF”) productivity adjustment.

WCTL concurs in the Board’s calculation of the input index value of 1.002 for 2024. The input index value utilizes publicly-available data, and the calculation is thus transparent. WCTL is unaware of any information that directly undermines the technical accuracy of the Board’s calculation of the input index value of 1.002 for 2024.

¹ WCTL is a voluntary association, whose regular membership consists entirely of shippers of coal mined west of the Mississippi River that is transported by rail. WCTL’s members are: Ameren Missouri, Arizona Electric Power Cooperative, Inc., Austin Energy (City of Austin, Texas), CLECO Corporation, CPS Energy, Entergy Services, Inc., Evergy, Inc., Lower Colorado River Authority, MidAmerican Energy Company, Minnesota Power, Nebraska Public Power District, and Western Fuels Association, Inc.

WCTL is unable to confirm the STB’s calculation of the output index for 2024 at 1.016. Beyond the unavailability of the unmasked confidential waybill sample and the computer program that the Board uses to process the sample, WCTL is not able to replicate the values shown in the STB’s WBSTB24.TXT workpaper of \$75,446,673,408 for 2024 revenue or 1,493,465,825,280 for 2024 revenue ton-miles of freight (“TOTAL TM ADJUST”). The revenues shown in the R-1 reports as most recently revised sum to \$80,661,134,000, leaving a difference of roughly \$5.2 billion, and the ton-miles sum to 1,493,464,429,000, leaving a difference of roughly 1.4 million. The STB’s program may make some adjustment(s), but the decision offers no explanation beyond the statement in the Appendix that “[t]he costed Waybill Sample excludes movements lacking sufficient information for the application of unit costs.” It would be useful if the decision or workpapers specified the amounts and/or characteristics of revenues and ton-miles excluded to permit reconciliation to publicly-available data.

The calculated growth in output (1.6%) is the first since 2021. The increase in output in 2024 relative to 2023 was less than the reported increase in units handled.² The quantitative impact of such developments on the output index cannot be validated without

² For example, the AAR Report for Weekly Rail Traffic for the Week Ending December 28, 2024 (Jan. 3, 2025), reports that units handled (“Total combined U.S. traffic”) by the big four Class I railroads (excluding U.S. operations of CPKC, CN and GMXT) for the first 52 weeks of 2024 increased by 3.4% from 2023, resulting from an increase in intermodal units (+9.3%) that more than offset a decrease in carloads (-2.9%). See <https://www.aar.org/news/aar-reports-weekly-rail-traffic-for-the-week-ending-december-28-2024/>.

access to both the Board’s productivity program and the underlying data. Nonetheless, the output index calculation result and public volume data confirm that containers and carloads do not have an equal (1:1) impact on “total traffic” output, even if their impact is regularly depicted as equivalent by the industry.³ The further implication is that additional growth in intermodal containers would need to significantly exceed any concurrent decline in carload volumes to achieve an actual increase in total rail output due to the differences in traffic and operating characteristics of the different traffic groups.⁴

Respectfully submitted,

WESTERN COAL TRAFFIC LEAGUE

Jessica Tucker
President
Josefina Walker
Vice President
Western Coal Traffic League

William L. Slover
/s/ Robert D. Rosenberg
Slover & Loftus LLP
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Washington, D.C. 20036
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³ See n.2, *supra* (AAR weekly report), linking to AAR detail for “Total Traffic” at <https://www.aar.org/wp-content/uploads/2025/01/2025-01-01-railtraffic.pdf>.

⁴ For 2024, Class I railroads reported moving between 3.74 and 5.08 intermodal units per railcar on average (URCS Table E2, Line 202. Column 1). This variable together with differences in lading weight, average length of haul, and empty return ratio among traffic groups have a collective impact on rail industry output as measured by the Board’s model.

Certificate of Service

I hereby certify that today, April 15, 2026, copies of the foregoing
Comments of the Western Coal Traffic League have been served on all parties of record
in this proceeding in accordance with the Board's Rules of Practice.

/s/ Robert D. Rosenberg