

29358

SERVICE DATE - JUNE 26, 1998

SURFACE TRANSPORTATION BOARD

NOTICE

STB Ex Parte No. 347 (Sub-No. 2)

RATE GUIDELINES - NON-COAL PROCEEDINGS

Date: June 24, 1998

The Surface Transportation Board established guidelines for handling small maximum rate complaints in Rate Guidelines -- Non-Coal Proceedings, Ex Parte No. 347 (Sub-No. 2) (served Dec. 31, 1996). In that decision, the Board provided tables containing composite "Revenue Shortfall Allocation Method" (RSAM) and "Average Revenue to Variable Cost > 180" (R/VC_{>180}) percentages for Class I railroads for the period 1991-1994 for use in addressing small rail rate complaints.

Updated tables reflecting percentages for the period 1993-1996 are attached as Tables I and II. The updated tables reflect the addition of the Burlington Northern Santa Fe Railroad (BNSF), whose financial and operating data were reported for the first time for the year 1996. The separate (pre-merger) railroads that combined to form BNSF no longer exist, and their data have been dropped from the historical analysis. The tables also include regional (Eastern and Western) and national percentages for use in proceedings involving non-class I railroads.

By the Board, Leland L. Gardner, Director, Office of Economics, Environmental Analysis, and Administration.

Vernon A. Williams

Secretary

Table I
RSAM Markup Percentages
(Range With & Without Efficiency Adjustment)

Railroad/ Region	4 - Year Average	1996	1995	1994	1993
BNSF¹		230 - 307			
CR	212 - 240	202 - 228	205 - 234	210 - 242	229 - 256
IC	138 - 154	149 - 165	92 - 99	132 - 147	179 - 205
KCS	224 - 268	269 - 321	252 - 305	199 - 232	175 - 213
SOO	277 - 339	251 - 318	239 - 283	335 - 419	282 - 337
NS	190 - 219	185 - 206	184 - 213	192 - 223	200 - 232
CSXT	205 - 236	187 - 216	191 - 216	217 - 261	223 - 251
SP	382 - 574	419 - 611	373 - 560	316 - 476	420 - 650
UP	180 - 231	179 - 219	178 - 237	176 - 226	188 - 240
Eastern Region	202 - 232	190 - 215	193 - 221	207 - 244	218 - 249
Western Region	219 - 298	223 - 298	215 - 296	205 - 280	232 - 318
National	209 - 259	205 - 259	202 - 252	205 - 257	223 - 275

¹ BNSF data was reported starting in 1996.

Table II
Average Existing Revenue-to-Variable Cost Percentages
For Traffic Above 180% R/VC

Railroad/ Region	4 - Year Average	1996	1995	1994	1993
BNSF²		261			
CR	223	222	228	227	216
IC	300	309	316	294	282
KCS	224	239	217	222	217
SOO	258	279	288	223	240
NS	227	227	230	230	222
CSXT	213	215	208	231	196
SP	260	249	264	280	248
UP	229	227	245	226	219
Eastern Region	223	224	223	232	212
Western Region	251	251	257	253	241
National	234	241	234	238	221

² BNSF data was reported starting in 1996.