

SURFACE TRANSPORTATION BOARD

NOTICE

Docket No. EP 290 (Sub-No. 4)

RAILROAD COST RECOVERY PROCEDURES—PRODUCTIVITY ADJUSTMENT

Decided: April 11, 2017

This proceeding involves the calculation of changes in railroad productivity, which is normally a routine matter. This year's productivity adjustment (for the 2011-2015 five-year period), however, was affected by a methodological change in the way distances are measured in the Board's 2015 Waybill Sample, which is provided to the Board by a Federal Railroad Administration contractor, Railinc Corp. (Railinc).

To ensure that the methodological change for calculating distances in the Waybill Sample does not skew the results of the 2011-2015 productivity adjustment calculation, the Board developed a "linking factor" to account for the general changes in distances measured in the Waybill Sample; issued a tentative productivity adjustment employing the linking factor; and sought public comment. R.R. Cost Recovery Procedures—Productivity Adjustment, EP 290 (Sub-No. 4), slip op. at 2-3 (STB served Feb. 14, 2017).<sup>1</sup> On February 28, 2017, the Board held a technical conference on the linking factor. On March 16, 2017, Railinc asked the Board to suspend the comment deadline so that it could complete its ongoing review of the 2015 Waybill Sample and the changes in mileages discussed in the Board's decision. The Board granted the request that day, suspending the deadline for comments pending further order of the Board. R.R. Cost Recovery Procedures—Productivity Adjustment, EP 290 (Sub-No. 4) (STB served Mar. 16, 2017).

Until issues relating to the new methodology are resolved, the Board is unable to produce a number of related work products that rely on those mileage calculations, including the Public Use Waybill Sample, the Confidential Carload Waybill Sample, the 2015 Uniform Railroad Costing System, the Revenue Shortfall Allocation Method, and the Commodity Revenue Stratification Reports.

Railinc continues to work on the mileage issue, and resolution of the matter is a high priority for the Board. The Board will move this proceeding forward as soon as practicable.

By the Board, Scott M. Zimmerman, Acting Director, Office of Proceedings.

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<sup>1</sup> The Board issued a corrected decision on February 24, 2017.