

SURFACE TRANSPORTATION BOARD MAKES RAIL REVENUE ADEQUACY DETERMINATION FOR 2011

The Surface Transportation Board announced today that it has made its annual determination of revenue adequacy for the Nation's Class I freight railroads for 2011. The Board found that Norfolk Southern Corporation (NS) and Union Pacific Railroad Company (UP) were "revenue adequate" for 2011.

A railroad is considered to be revenue adequate, under 49 U.S.C. 10704(a), if it achieves a rate of return on net investment equal to at least the current cost of capital for the railroad industry for 2011, which the Board determined to be 11.57%. Congress directed the Board to conduct such revenue adequacy determinations on an annual basis. The Board's finding today is that NS and UP achieved a rate of return equal to or greater than the Board's calculation of the average cost of capital to the freight rail industry.

The Board's decision in the case, [Railroad Revenue Adequacy—2011 Determination, Docket No. EP 552 \(Sub-No. 16\)](#), can be found on the Board's website, www.stb.dot.gov.

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