

SURFACE TRANSPORTATION BOARD SEEKS COMMENT IN ADVANCE OF PUBLIC HEARING ON RAIL REVENUE ADEQUACY

The Surface Transportation Board announced today that it is seeking written comments from the public in advance of a future public hearing to explore both the Board's methodology for determining railroad revenue adequacy and the revenue adequacy component used by the Board in judging the reasonableness of rail freight rates.

The Board is statutorily required to annually determine which railroads are revenue adequate. Since standards were established in 1981, the Board has made adjustments to its methodology to improve the agency's ability to accurately determine revenue adequacy. However, during the past decade, both the structure of the rail industry and the flow of commerce have continued to change substantially. The Board believes a new examination of revenue adequacy is in order, and today has begun a proceeding to begin that process.

The Board's Notice seeking comment, announcing a subsequent hearing, and providing details and due dates for the submission of filings in [Railroad Revenue Adequacy, Docket No. EP 722](#), and in [Petition of the Western Coal Traffic League to Institute a Rulemaking Proceeding to Abolish the Use of the Multi-Stage Discounted Cash Flow Model in Determining the Railroad Industry's Cost of Equity Capital](#), Docket No. EP 664 (Sub-No. 2), may be viewed and downloaded at the Board's website, www.stb.dot.gov, under "E-LIBRARY / Decisions & Notices / 04/ 02 / 14".

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