

SURFACE TRANSPORTATION BOARD PROHIBITS MISLEADING RAIL FUEL SURCHARGE PRACTICES

The Surface Transportation Board today concluded its inquiry into railroad fuel surcharge practices by issuing a final rule declaring it an unreasonable practice for railroads to compute fuel surcharges in a manner that does not correlate with actual fuel costs for specific rail shipments. In its decision, the STB prohibits the assessment of fuel surcharges based on a percentage calculation of the base rate charged to freight railroad customers. The decision also prohibits "double-dipping"--applying to the same traffic both a fuel surcharge and a rate increase based on a cost index that includes a fuel component. Finally, the Board is proceeding with a proposal to monitor the fuel surcharge practices of the rail industry by imposing mandatory reporting requirements on all large (Class I) railroads.

In announcing today's decision, STB Chairman Charles D. Nottingham said:

"Our decision today brings common sense and fairness to the railroads' implementation of fuel surcharges. This new rule will preclude them from selectively imposing surcharges in a manner that bears little relationship to actual fuel use. It will also remove the possibility that railroads will view fuel surcharges as a profit center."

The STB first held a hearing on rail fuel surcharges in May 2006. In August 2006, the STB issued a notice of proposed rulemaking seeking comments on several proposed measures to address its concerns about fuel surcharge practices. The STB received 73 comments on the proposals.

Today's [decision in Rail Fuel Surcharges, STB Ex Parte No. 661 \(Sub-No. 0\)](#), is available for viewing and downloading via the STB's website at <http://www.stb.dot.gov>, under "E-Library," then under "Decisions & Notices," beneath the date "1/26/07." A printed copy of the decision is available for a fee by contacting **ASAP Document Solutions, 9332 Annapolis Rd., Suite 103, Lanham, MD 20706, telephone (202) 306-4004**, or via asapdc@verizon.net.

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