

Surface Transportation Board Sets Schedule in First "Small," Non-Coal Rail-Rate Case

Surface Transportation Board Chairman Roger Nober today announced that the Board issued a decision setting the procedural schedule and announcing the Board's intentions for handling the first case filed under the Board's *Rate Guidelines--Non-Coal Proceedings*, 1 STB 1004 (1996).

Chairman Nober said:

"Since I became Chairman, I have made reforming our small rate case guidelines one of my top priorities, and over the past two years the agency has done substantial work on the small rate case process. Recently, a shipper filed a small rate case, the first ever under the Board's small rate case guidelines. This case will give the Board the opportunity to implement that work in this case rather than in a rulemaking, which will save the parties and the agency months of administrative process.

"We have set an aggressive schedule for this first small rate case and notified the parties about the way we expect to handle the case. Given our experiences in large rate cases, we think these simplifications are absolutely necessary for the agency to meet our stakeholders' and Congress's desire for a simplified and expedited method for determining whether a rail rate is reasonable. While I do not know how this case will turn out, I do know that our agency will give this matter full and fair consideration."

The Board's decision in the first case filed under *Rate Guidelines--Non-Coal Proceedings*, 1 STB 1004 (1996), is entitled [*BP Amoco Chemical Company v. Norfolk Southern Railway Company*, STB Docket No. 42093](#), and is available for viewing and downloading via the agency's Web site at <http://www.stb.dot.gov>. A printed copy of the decision also 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. A fact sheet is attached.

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ATTACHMENT

Fact Sheet

***BP Amoco Chemical Company v. Norfolk Southern Railway Company*, STB Docket No. 42093**

This first case, *BP Amoco Chemical Company v. Norfolk Southern Railway Company*, STB Docket No. 42093, involves a challenge to the reasonableness of a rate charged by the Norfolk Southern Railway Company for the transportation of paraxylene from Decatur, Alabama, to Kingsport, Tennessee.

In its decision today in STB Docket No. 42093, the Board:

- Ordered 30 days of mediation between the parties and, at the parties' request, delayed the start of the procedural schedule for 30 days;
- Adopted a procedural schedule to resolve the case 200 days after the schedule becomes effective;
- Adopted process tools, such as mandatory disclosures by the parties of certain information and litigant-STB staff conferences, to expedite the proceeding;
- Announced its intent to use the standard, readily available, computer program to calculate variable costs and not to permit any adjustments to the program's results;

- Announced its intent to simplify the calculation of the average markup a railroad would need if it were to replace all of its assets as those assets wear out; and
- Announced its intent to use a final-offer process for selecting a traffic group that is more comparable to the traffic at issue in the case.

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