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SURFACE TRANSPORTATION BOARD SEEKS PUBLIC COMMENT ON PROPOSALS REGARDING RAILROAD PRACTICES INVOLVING FUEL SURCHARGES

The Surface Transportation Board announced today that it is seeking public comment on several measures the agency proposes to adopt regarding railroad practices involving fuel surcharges. The proposals follow the STB's May 11, 2006 public hearing concerning the manner in which fuel surcharges are calculated and charged by railroads, and the extensive testimony submitted to the agency by the rail industry, the public, and railroad customers regarding those practices.

Specifically, the STB is proposing that

- A railroad wishing to assess a fuel surcharge would need to develop a computation more closely linked to its increased fuel costs attributable to that movement;
- Railroads would be prohibited from "double dipping" by charging for the same fuel-cost increases for the same shipment both through a fuel surcharge and through application of a rate escalator based on an index, such as the STB's Railroad Cost Adjustment Factor (RCAF), without first subtracting any fuel-cost component from that index;
- Railroads would be required to use a single, uniform index--the Energy Information Administration "U.S. No. 2 Diesel Retail Sales by All Sellers (Cents per Gallon)"--for measuring fuel-cost increases; and
- Each Class I railroad (the Nation's largest) would submit a monthly report to the agency showing the railroad's actual total fuel costs, total fuel consumption and total fuel surcharge revenues, as well as how much of its total fuel surcharge revenues were shared with its shortline connections.

The STB's decision seeking public comment on these proposals was issued today in the proceeding entitled Rail Fuel Surcharges, STB Ex Parte No. 661. Comments are due on September 25, 2006. That decision is available for viewing and downloading via the agency's Web site at http://www.stb.dot.gov. A printed copy of the agency's decision also is available for a fee by contacting ASAP Document Solutions, 9332 Annapolis Rd., Suite 103, Langham, MD 20706, telephone (202) 306-4004, or via asapadc@verizon.net.