

SURFACE TRANSPORTATION BOARD

DECISION

STB Ex Parte No. 664

METHODOLOGY TO BE EMPLOYED IN DETERMINING THE RAILROAD INDUSTRY'S
COST OF CAPITAL

Decided: October 23, 2006

By an Advance Notice of Proposed Rulemaking (ANPR) served on September 20, 2006, the Board summarized the methodology used to calculate the rail industry's cost of capital and described how that measure affects the Board's revenue adequacy determinations pursuant to 49 U.S.C. 10704(a). The Board sought public comments on the appropriate methodology to be employed in determining the cost of capital and how evidence should be submitted and analyzed in future proceedings. The ANPR set November 6, 2006, as the deadline for comments.

By a request filed on October 12, 2006, the Association of American Railroads (AAR) seeks to extend the due date for comments to December 8, 2006, to enable all parties to make a thorough analysis of alternative methods for calculating cost of capital. Petitioner states that an extension is needed to permit interested parties to analyze and address in appropriate detail the Board's current methodology for calculating the cost of capital, to analyze and review the alternative methodologies noted in the ANPR, and to develop other potential methodologies. Petitioner also states that the National Industrial Transportation League (NITL) supports the proposed extension.

The proposed extension of time is reasonable. Therefore, it will be granted.

It is ordered:

1. The request for modification of the procedural schedule is granted.
2. This decision is effective on the date of service.

By the Board, Vernon A. Williams, Secretary.

Vernon A. Williams
Secretary