

SURFACE TRANSPORTATION BOARD

DECISION

STB Ex Parte No. 661

RAIL FUEL SURCHARGES

Decided: April 25, 2007

In a decision served in this proceeding on January 26, 2007, the Board found that computing rail fuel surcharges as a percentage of a base rate is an unreasonable practice and directed carriers to change this practice. The Board also concluded that the practice of “double dipping,” i.e., applying to the same traffic both a fuel surcharge and a rate increase based on a cost index that includes a fuel cost component, such as the Railroad Cost Adjustment Factor, is an unreasonable practice and directed carriers to change this practice as well. Railroads were given a 90-day transition period to adjust their fuel surcharge programs to conform with these findings. The Board stated in that decision that “should an individual railroad need additional time to change its fuel surcharge system, it should request an extension from the Board and be prepared to demonstrate why it is necessary.”

On April 20, 2007, RailAmerica, Inc. (RailAmerica) filed a request for an extension of 60 days for three of its subsidiary railroads, the Chicago, Fort Wayne & Eastern Railroad Division of the Central Railroad Company of Indianapolis, New England Central Railroad, Inc., and Toledo, Peoria & Western Railway Corporation, to change their fuel surcharge system. RailAmerica states that the additional time is needed because the RailAmerica personnel implementing the new fuel surcharge system ran out of time after successfully implementing it at the other 26 RailAmerica subsidiary railroads. RailAmerica states that there is substantial complexity involved in changing the fuel surcharge system for these three railroads because of the amount of data that must be compiled.

RailAmerica’s request for an extension of time to conform the practices of three of its subsidiary railroads with the Board’s January 26, 2007 decision is reasonable and will be granted. Accordingly, the transition period as to these three railroads is extended until June 25, 2007.

It is ordered:

1. RailAmerica’s request for an extension of time is granted.

2. This decision is effective on the date of service.

By the Board, Vernon A. Williams, Secretary.

Vernon A. Williams
Secretary