

SURFACE TRANSPORTATION BOARD

DECISION

STB Ex Parte No. 290 (Sub-No. 4)

RAILROAD COST RECOVERY PROCEDURES-PRODUCTIVITY ADJUSTMENT

Decided: March 17, 2008

On February 22, 2008, the Board proposed to adopt 1.008 (0.8% per year) as the measure of average change in railroad productivity for the 2002-2006 (5-year) averaging period. This value is a decline of 0.9 of a percentage point from the current measure of 1.7% that was developed for the 2001-2005 period.

The decision provided that comments may be filed addressing any perceived data and computational errors in the Board's calculation. The Board's decision also stated that the proposed productivity adjustment would become effective on March 17, 2008, unless a further order is issued postponing the effective date.

On March 13, 2008, the Board received comments from both the Association of American Railroads and The Western Coal Traffic League. Both parties have requested that the Board revisit the development of the output index calculation and make certain other clarifications.

In light of the comments received, the effective date of the annual productivity adjustment will be postponed. The Board will review and confirm the calculations of the output index for 2006 set forth in table B of the Appendix. This review will consist of checking all of the calculations, as well as re-running the program used to calculate the Waybill Revenue Ton-Miles Yearly Change.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The effective date of the annual Productivity Adjustment is postponed.

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

By the Board, Anne K. Quinlan, Acting Secretary.

Anne K. Quinlan
Acting Secretary