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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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REVIEW OF THE GENERAL PURPOSE	)	
COSTING SYSTEM	)	Docket No. EP 431 (Sub-No. 4)
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**COMMENTS OF THE WESTERN COAL TRAFFIC LEAGUE**

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Dated: October 11, 2016

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The Western Coal Traffic League (“WCTL”) submits these Comments in response to the proposals contained in the supplemental notice of proposed rulemaking that the Surface Transportation Board’s (“STB” or “Board”) served in this proceeding on August 4, 2016 (“SNPR”). The Board previously served a Notice of Proposed Rulemaking in this proceeding on February 4, 2013 (“NPR”), as supplemented by the decisions served on March 11, 2013 and April 25, 2013. WCTL submitted Comments and Reply Comments on June 20 and September 5, 2013, respectively, in response to the NPR.

**SUMMARY**

The Board’s Uniform Railroad Costing System (“URCS”) formula is complicated. In proposing to modify URCS, the Board’s first objective should be to “do no harm.” Moreover, the Board should have solid support for any changes it might propose on its initiative. Ideally, that support should be empirical and reflect actual experience or evidence. The Board should be wary of proposing changes that have only theoretical support, particularly when those changes have adverse consequences. Unfortunately, the Board’s proposals fall short in those critical respects. Indeed, the

proposals in the Board's SNPR actually represent deterioration in those standards from the NPR.

WCTL's primary concern in this proceeding is with the costing of western unit coal trains. Unit train transportation of western coal is the most efficient, and least costly, form of rail service on a per unit basis. Unfortunately, the STB's URCS unit train costing procedures have failed, since 2006, to recognize a substantial portion of those efficiencies because the Board made an ill-advised policy decision in *Major Issues*<sup>1</sup> by limiting such analyses to the URCS Phase III program's nine basic inputs and casting aside its longstanding policy of using movement-specific adjustments in such analyses. As a result, the Board calculates variable costs on western unit coal train shipments that far exceed the actual variable costs of this service. The distortion is especially significant because most rate cases that have been brought and decided in favor of shippers have involved western unit coal train movements.

The Board has chosen to ignore the issue of overstatement of variable costs for such movements and to focus instead on ostensibly more technical matters in both its NPR in 2013 and its most recent SNPR. WCTL supported those portions of the Board's earlier NPR that – in theory – increase the accuracy of variable cost calculations on western unit coal train moves, and opposed those proposals that would reduce accuracy. WCTL also emphasized that the STB had not supported its proposals with any new

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<sup>1</sup> *Major Issues in Rail Rate Cases*, EP 657 (Sub-No. 1) (STB served Oct. 30, 2006) (“*Major Issues*”).

empirical studies and that tinkering with URCS was no substitute for allowing shippers to accurately calculate those costs through use of movement-specific adjustments in individual cases.<sup>2</sup>

The Board's SNPR again ignores the movement-specific adjustment issue, and instead focuses on more technical matters (*i.e.*, eliminating the make-whole adjustment). However, it is clear that the Board's SNPR proposals are a major step backward from its NPR because, as between the two, the NPR proposals would calculate variable costs on western unit train coal traffic more accurately. The Board should abandon the proposals in its SNPR and return to those in its NPR.

### **BACKGROUND**

The Board's NPR proposed to: (a) eliminate the URCS make-whole adjustment in URCS Phase III; (b) replace the make-whole with corresponding changes in calculating system-average unit costs in URCS Phase II; and (c) make other changes in its URCS cost calculation procedures. Specifically, the Board proposed the following:

1. Eliminate the URCS "make-whole" adjustment.
2. Calculate Switch Engine Minute ("SEM") costs in URCS Phase II on a per-shipment basis for all five types of switching accounted for by URCS.
3. Adjust reporting requirements in Form STB-54 and Form QCS to require information on shipments loaded and terminated.

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<sup>2</sup> See WCTL Reply Comments (filed Sept. 5, 2013) ("WCTL 2013 Reply Comments") at 1-2.

4. Continue to calculate equipment costs for the use of railroad-owned cars during switching on a per-car basis in Phase II, but eliminate the subsequent adjustment in Phase III for switching efficiencies.
5. Calculate station clerical costs in Phase II on a per-shipment basis.
6. Calculate the empty/loaded (“E/L”) ratio for trainload movements by car type using data supplied by Class I railroads.
7. Increase the distance between inter-train & intra-train (“I&I”) switching on single-car and multi-car shipments from 200 miles to 320 miles.
8. Define a trainload as consisting of 80 cars or more.
9. Allocate an entire train’s Locomotive Unit-Mile (“LUM”) costs to the trainload shipment.
10. Allocate LUM costs for single and multi-car shipments based on the ratio of the number of cars in the shipment relative to the minimum number of cars in a trainload shipment.

The Board stated that its proposed changes were intended to “produce more accurate costs” and “more accurately reflect the current state of rail industry operations,” but “would not impose a significant [reporting] burden on the railroads.” NPR at 10.

WCTL stated that it had no theoretical objections to most of the Board’s proposals because, on balance, they would improve the accuracy of URCS as applied to western unit coal trains. 2013 Reply Comments at 2. However, WCTL strongly objected to two of the Board’s proposals that would reduce accuracy.

Specifically, WCTL objected to the Board’s proposal to eliminate the use of the 2.0 empty-loaded (“E/L”) ratio for costing dedicated unit train moves. *See Id.* at 2;

WCTL Comments at 2 (filed June 20, 2013) (“WCTL 2013 Comments”). WCTL explained that the Board’s proposal to use system-average E/L ratios based on car type was fundamentally flawed because: (i) the underlying reported car type data ignores whether the car is used in single car, multiple car or unit train service; (ii) western coal moves in dedicated unit trains that cycle between origin and destination; and (iii) retention of the 2.0 E/L ratio – reflecting how western unit coal trains actually operate – would result in greater accuracy than the Board’s proposed approach. WCTL 2013 Comments at 11-13; WCTL 2013 Reply Comments at 10-13. In other words, the Board proposed to rely on generalized data that is less representative of the E/L ratios for western unit coal train movements.

WCTL also objected to the Board’s proposed elimination of efficiency adjustments that URCS currently applies when calculating the equipment costs for the use of use railroad-owned cars during terminal switching. WCTL pointed out that switching infrequently occurs on unit coal trains; even when it does, unit train switching is more efficient than other forms of train switching; and that efficiency should be recognized. WCTL 2013 Comments at 8-9; WCTL 2013 Reply Comments at 8-9.

Other shippers and even railroad commenters agreed that the Board’s proposed changes in the calculation of the E/L ratio and railroad equipment switching costs would produce less accurate cost results for unit train coal shipments. WCTL 2013 Reply Comments at 9, 11-12 (citing comments submitted by both railroad and shipper parties).

In its SNPR, the Board now proposes to make the following changes in its current URCS procedures:

1. Eliminate the URCS “make-whole” adjustment.
2. Calculate Switch Engine Minute (“SEM”) costs in URCS Phase III using a newly devised Carload Weighted Block (“CWB”) Adjustment while supposedly maintaining the current efficiency adjustments.
3. Modify the calculation of equipment costs for the use of railroad-owned cars during switching on a per-car basis in Phase II by modifying the car-days and car-miles to “reflect the current efficiency adjusted values for the predominant shipment size of each particular car type.”<sup>3</sup>
4. Modify station clerical costs to reflect economies of scale for carload traffic while maintaining the efficiency adjustments for unit train shipments.
5. Calculate the E/L ratio for trainload movements by car type using data supplied by Class I railroads.
6. Increase the distance between inter-train & intra-train (“I&I”) switching on single-car and multi-car shipments from 200 miles to 268 miles.
7. Define a unit train as consisting of 75 cars or more.
8. Cap LUMs for multi-car shipments to “be less than or equal to the LUMs allocated to the definition of a unit train shipment.”<sup>4</sup>
9. Cap the “train miles allocated to multi-car shipments to be less than or equal to those allocated to a 75-car shipment.”<sup>5</sup>

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<sup>3</sup> SNPR at 15.

<sup>4</sup> *Id.* at 25.

<sup>5</sup> *Id.* at 28.

The Board claims its “revised proposal” would “eliminate the need for the make-whole adjustment and address additional step functions in URCS relating to LUMs and train miles,” and “result in more appropriate rail movement costs.” SNPR at 7, 31.

## **COMMENTS**

WCTL continues to support costing procedures that accurately reflect the efficiencies of western unit train coal service. Unfortunately, the Board’s SNPR proposals do not further this objective and actually undermine it in most instances.

The SNPR proposes to depart from the 2.0 E/L Ratio for unit train coal moves and to eliminate railroad car switching efficiency adjustments, both without any empirical support. The SNPR also proposes to make other changes that would dilute the recognition of unit train efficiencies, again without any empirical support. Adoption of the SNPR would thus arbitrarily increase the variable costs for most unit train coal shippers compared to either current procedures or the earlier NPR proposals. WCTL urges the Board to revisit its SNPR proposals, and to return to the NPR proposals as modified in the manner proposed by WCTL in 2013.

WCTL comments on each of the SNPR’s proposals as follows.

### **1. The Proposed Replacement for the Make-Whole Adjustment Causes Distortions**

The make-whole adjustment seeks to offset “efficiency savings” associated with high volume shipments:

The make-whole adjustment is applied by URCS to correct the fact that, when disaggregating data and calculating system-average unit costs in Phase II, URCS currently does not

take into account the economies of scale realized from larger shipment sizes. The purpose of the make-whole adjustment, which is calculated and applied in Phase III, is to recognize the efficiency savings that a carrier obtains in its higher-volume shipments and thus render more accurate unit costs.

NPR at 3.

The NPR proposed to eliminate the current make-whole adjustment procedure because the current “step functions” that result from its application to single and multiple car moves “does not adequately account for economies of scale.” NPR at 3-4. “Rather than attempting to refine the make-whole adjustment as it is currently applied, we believe the best course of action is to more accurately calculate system-average unit costs in Phase II.” NPR at 4. As stated in its 2013 Comments, WCTL does not object to elimination of the make-whole adjustment *per se*, provided the replacement costing procedures properly account for unit train cost efficiencies.<sup>6</sup>

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<sup>6</sup> WCTL also emphasized, as it has in past proceedings, that the Board’s current URCS procedures capture only a small fraction of the total cost efficiencies associated with unit train coal transportation, and that the best way to capture unit train efficiencies is to make movement-specific adjustments to variable costs in addition to, or as a substitute for, the efficiencies offset by the make-whole adjustment. *See Major Issues*, slip op. at 55 (“URCS does not, by design, reflect the actual costs and efficiencies associated with each specific unit-train coal movement . . . .”); Joint Opening Comments of WCTL, *et al.*, *Major Issues*, filed May 1, 2006, at 89 (“Over the years, the ICC and now the Board repeatedly have held that adjustments are called for to reflect the economies and efficiencies of unit train service, and are preferable to system-average costs.”) (citing *Tex. Mun. Power Agency v. Burlington N. & Santa Fe Ry.*, 6 S.T.B. 579, 617 (2003) (“Because a carrier’s system-wide average costs are not necessarily representative of the cost of providing a particular service, movement-specific adjustments are sometimes introduced into evidence to better reflect the variable costs attributable to providing that service.”); *Carolina Power & Light Co. v. Norfolk S. Ry.*, 7 S.T.B. 235, 315 (2003) (same); *Wis. Power & Light Co. v. Union Pac. R.R.*, 5 S.T.B. 955, 989 (2001) (same); *FMC Wyo. Corp. v. Union Pac. R.R.*, 4

The Board's SNPR again proposes to eliminate the make-whole adjustment, but in a different way than proposed in the NPR. While the NPR limited the replacement mechanism to the URCS Phase II costs, the SNPR proposes to make changes to both the Phase II and Phase III procedures.

WCTL continues to have no objection to the Board's elimination of the current make-whole adjustment procedures, provided the replacement procedures properly account for unit train efficiencies. However, WCTL's review of the Board's SNPR proposals and associated workpapers indicates that the new proposed procedures will reduce the URCS efficiency adjustment-driven cost savings that apply to such movements under the current URCS make-whole adjustment process.

In particular, the Board's SNPR substitutes, in certain areas, the unit train efficiency step-functions identified through empirical analysis in prior regulatory proceedings with asymptotic curves that have never been empirically tested by the Board. While the asymptotic curves smooth out the available economies of scale compared to the current step functions used in the make-whole adjustment, the Board has not developed any empirical data that shows that the asymptotic curves reflect the true economies of scale in the railroad industry. Nor has the Board shown that the step functions derived from the Board's earlier studies are actually flawed.

The Board's attempt to eliminate the make-whole adjustment, while well-intentioned, is now muddled across Phase II and Phase III and appears to WCTL likely to

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S.T.B. 699, 747 (2001) (same); *W. Tex. Utils. Co. v Burlington N. R.R.*, 1 S.T.B. 638, 717 (1996).

produce higher variable costs on western coal traffic, even though the current URCS procedures already grossly understate unit train cost efficiencies.<sup>7</sup> The proposed curves, while smoother, result in increased distortion and reduced accuracy.

## **2. The Board's Proposal to Calculate SEM Costs Using the CWB Adjustment (Asymptotic Curve) Also Causes Distortion**

The SNPR discusses at length its proposal to change the URCS Phase III calculation of SEMs to use a new methodology, the Carload Weighted Block ("CWB") Adjustment. SNPR at 9. The Board staff explained in its public meeting of September 7, 2016, that the CWB Adjustment "applies a weight to a block of cars based on the number of cars in the block." The staff's chart showed rapid exhaustion of economies of scale as the number of carloads grows. However, the Board tweaks the classic economies of scale line graph to, in theory, reflect current URCS efficiency adjustments, thereby producing an asymptotic line (shown on page 15 of the Board staff presentation). The SNPR proposes to apply the CWB Adjustment to all of the switching categories.

The Board's proposal is a step backward for unit train shipments, particularly with respect to Industry Switching. In particular, the change in distance between I&I switches (noted *infra*) shifts certain switching costs from I&I switching and places those costs in Industry Switching during the Phase II analysis. These costs are

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<sup>7</sup> WCTL notes that the Board's workpapers for the SNPR did not include an updated URCS Phase III program for interested commenters to examine and test. WCTL urges the Board to make such an update available immediately as the net result of the Board's proposed changes to Phase II and III are not verifiable without a final version of the program. Likewise, the Board should include an updated 2013 and/or 2014 XML data file to use with the proposed URCS Phase III program.

then allocated on a CWB Adjustment-basis, in Phase III, to unit trains, despite the absence of any empirical evidence to support any additional costs for industry switching for unit train shipments. There is also no empirical evidence that the asymptotic approach for the CWB Adjustment is superior to the current step function.

The Board's proposal also represents a step backward for unit train shipments when compared to the Board's earlier NPR. The NPR proposed to "more accurately calculate system average costs in Phase II"<sup>8</sup> by calculating SEM costs on a per-shipment basis and not a per-car basis so as to "better reflect actual operating costs" and "properly reflect[] economies of scale." NPR at 4.

WCTL's filings in 2013 agreed that there are economies of scale associated with rail switching, and that, absent a make-whole adjustment, these economies of scale could be directly captured, in part, on a per-shipment basis in Phase II. While the Board's proposal did not provide sufficient detail to definitively comment on its efficacy, the Board's rationale for moving to a per-shipment basis was sound. Moreover, WCTL noted that western unit coal train movements involve very little actual "switching."

WCTL also notes that while some commenters contended that such switching has a time and event component that would not be adequately captured on a per-shipment basis, the Board declined to consider requiring a new empirical study to look at this question.<sup>9</sup> Instead, the Board simply accepted the railroads' assertion and

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<sup>8</sup> NPR at 4.

<sup>9</sup> SNPR at 12.

developed an URCS Phase III adjustment to take account of time and event-related components of SEMs.

The Board's blind acceptance the railroads' URCS Phase III SEM adjustment is not warranted and should not be adopted. Carload costs and shipment costs are easily quantified, and the economic theories behind using one or the other do not require a new empirical analysis. Thus, to the extent that carload-based costing is no longer adequate for SEM URCS costs, the Board's NPR proposal to use per-shipment costing provided the superior approach to eliminating the make-whole adjustment for SEMs. WCTL encourages the Board to revive that approach, provide further detail and empirical evidence, and then permit interested stakeholders to comment accordingly. At the very least, the Board must provide meaningful support for its proposed changes.

**3. The Proposal for Calculating Equipment Costs for the Use of Railroad-Owned Cars During Switching Reduces Accuracy**

The NPR proposed to continue to calculate railroad-owned equipment switching costs in Phase II on a per-car basis, but eliminate the current efficiency adjustments to these costs currently made in Phase III. WCTL urged the Board to retain the efficiency adjustments, which the Board has done in the SNPR. However, the Board is now proposing to adopt a so-called correction to the efficiency adjustments, as raised by the AAR and BNSF in the earlier phase of this proceeding. Specifically, the Board proposes to limit the make-whole allocation of car costs from one shipment type to

another if the car types are not the same.<sup>10</sup> The effect is to require an upward adjustment in URCS Phase II unit costs for those car types used primarily in unit train service.

The Board's proposal is fundamentally flawed. URCS is designed to calculate variable costs, not the recovery of total costs for cars, such as all ownership and lease costs. To the extent a unit train shipment incurs lower car costs on an incremental basis than a single car shipment, the make-whole dollars must, by definition, flow to the single car shipment. The car type has no bearing on the make-whole adjustment. All variable car costs are included in URCS and must be recovered, and there is no evidence in the record that variable costs differ significantly by car type so as to preclude a make-whole adjustment between car types. Again, the Board has not conducted any empirical study to back up its bald assertion that variable costs differ significantly by car type, beyond the efficiencies associated with the type of movement. Simply put, the AAR and BNSF have introduced a red herring for the purpose of disadvantaging unit train shippers without *any* empirical evidence to back it up.<sup>11</sup>

The Board's proposal harms unit train shippers by arbitrarily increasing the Board's calculation of variable costs on unit train coal movements in railroad-owned cars. Major changes of this kind should not be implemented based on purely theoretical concerns. Such changes require rigorous examination. WCTL urges the Board to drop this modification to URCS from its SNPR and simply maintain the status quo. If the

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<sup>10</sup> See SNPR at 15.

<sup>11</sup> See AAR Reply Comments at 7 (filed Sept. 5, 2013); BNSF Reply Comments at 4-5 (filed Sept. 5, 2013).

Board insists on pursuing this further, WCTL urges the Board to conduct an empirical study of the flaw it claims exists.

**4. The Proposal to Calculate Station Clerical Costs for Certain Single Car Shipments Using the CWB Adjustment Reduces Accuracy**

The Board proposes to add an adjustment to single car shipments to reflect economies of scale within that shipment type, but without making any corresponding adjustments to station clerical cost calculations to reflect economies of scale within the unit train shipment type.<sup>12</sup> The Board's proposal here mistakenly departs from its NPR and reduces accuracy.

In the NPR, the Board proposed to calculate Phase II station clerical costs on a per-shipment basis, not the current per-car basis. The NPR explained that calculating station clerical costs on a per-shipment basis "properly reflect[s] actual railroad operations or economies of scale" and the fact that "there is little difference in the administrative costs between shipments of different sizes." NPR at 7.

WCTL agreed with the Board that the economies of scale associated with station clerical costs are not properly captured using current URCS procedures.<sup>13</sup> For example, most unit train shipments of western coal are invoiced on a single invoice, not separate invoices for 135 cars. WCTL further explained that station clerical costs on unit

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<sup>12</sup> See SNPR at 16-17.

<sup>13</sup> See WCTL 2013 Reply Comments at 10; WCTL 2013 Comments at 10-11.

train coal moves should be very low compared to the station clerical incurred on other moves given the highly efficient nature of unit coal train service.<sup>14</sup>

The Board's proposal not to calculate station clerical costs for unit trains on a per shipment basis is another step backward. WCTL urges the Board to adopt the per shipment approach set forth in the NPR.

**5. The Board's Proposal to Calculate E/L Ratios for Unit Train Moves by Car Type Increases Distortion**

The NPR proposed to change the URCS Phase III calculation on unit train shipments to calculate E/L ratios by car type, using carrier-provided data that specifies the total system loaded and empty miles by car type. Currently, URCS Phase III sets the E/L ratio for unit train moves at 2.0. The Board retains this proposal in the SNPR.<sup>15</sup>

WCTL continues to oppose the change. Carriers report empty and loaded car miles by car type, not by type of service. In a western coal unit train coal service, the E/L Ratio is likely to be 2.0 regardless of car type. More importantly, E/L Ratio in a western coal unit train move will not vary from year-to-year and certainly will not change based on the E/L Ratio for that carrier's car type generally.

As WCTL previously explained, the car data reported by the carriers for any car type can include data for single car, multiple car and unit train shipments. The mix is unknown because the carriers do not report this information. If the Board truly wishes to specify the E/L Ratio for unit trains by car type, it should create a new

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<sup>14</sup> See WCTL 2013 Reply Comments at 9-10.

<sup>15</sup> SNPR at 18.

shipment entry type in Phase III and related reports submitted by the railroads for large dedicated unit train movements. As WCTL previously explained, virtually all western coal trains would be dedicated unit trains for Phase III purposes. Simply put, the 2.0 E/L ratio will produce far more accurate cost results when applied to true unit train service than the system-average approach proposed by the Board.

**6. The Board's Proposal to Increase the Distance Between I&I Switches May Also Increase Distortion**

URCS Phase III correctly excludes I&I switching when computing costs on unit train moves. WCTL takes no position on the Board's proposal to assume the distance between I&I switches is 268 miles rather than the current 200 miles. However, the Board's treatment appears to have the net effect of transferring certain switching costs that previously were accounted for in the I&I category (based on 200 miles versus 268 miles) to the industry switching category of costs. As explained *supra*, the effect is to increase the URCS costs for unit train shipments without any justification.

**7. The Board's Proposal to Change the Definition of Unit Train Lacks Empirical Support**

The Board's SNPR proposes to define a unit train shipment for URCS costing purposes as a shipment containing 75 or more cars, whereas URCS currently defines a unit train as containing 50 or more cars.<sup>16</sup> WCTL has no objection to the Board's change in the definition of unit train for costing purposes as a practical matter. However, WCTL is concerned that this change, as with all of the changes proposed in the

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<sup>16</sup> SNPR at 24.

SNPR, was not based on any updated empirical analysis of unit train shipment sizes other than, in this case, a review of R-1 and waybill data wherein the Board considered the frequency of shipment size.

**8. The Board Should Restore its NPR Proposal to Adjust LUM Cost Allocations for Unit Trains on a Shipment Basis**

In its NPR, the Board proposed to allocate LUM costs for unit trains on a shipment basis because a unit train “shipment has no other shipments that should share the LUM costs of that train.”<sup>17</sup>

In its 2013 filings, WCTL agreed that the Board’s NPR proposal was superior to the current URCS LUM cost allocation methodology,<sup>18</sup> which reflects a weight ratio.<sup>19</sup> The superiority of the shipment method was plain in WCTL’s view because unit trains usually operate in dedicated service and the LUMs therefore attach to the shipment.

As the Board notes in the SNPR, railroad commenters objected that bigger trains require more locomotives and consume more fuel, which would, in their opinion, go unrecognized under a per-shipment calculation. Given the system average nature of URCS, slight variations may arise in locomotive requirements and fuel consumption

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<sup>17</sup> SNPR at 27.

<sup>18</sup> See WCTL 2013 Reply Comments at 14-16; WCTL 2013 Comments at 14.

<sup>19</sup> Under the current method, the URCS program: (a) multiplies the distance of a particular movement by the average number of locomotives for that train type; and then (b) allocates the LUMs to the “movement by multiplying total LUMs by a ratio of gross tons of the shipment to average gross tons of the train, such that the allocation of LUMs is based on the weight of the shipment.” SNPR at 25.

between the average number of locomotives for a particular train type and any specific train being costed in URCS. However, in the experience of WCTL, most unit coal trains operating from the PRB use very similar locomotive consists, and most trains have similar total horsepower requirements regardless of whether there are 120 or 135 cars in the train. The terrain traversed will likely have a greater influence on fuel consumption than the minor differences in gross tons between a particular unit train and the system-average unit train.

The Board has dropped its shipment-based LUM cost proposal in the SNPR, choosing instead to focus on eliminating the negative step function for LUM costs between multi-car and unit train shipments by limiting the “LUMs allocated to multi-car shipments to be less than or equal to those allocated to a 75-car shipment.”<sup>20</sup> WCTL has no objection to such a cap, but WCTL urges the Board to restore its NPR proposal to allocate LUM costs on a shipment basis rather than retain the current calculation that exalts gross weight over the realities of most unit trains shipments, especially unit coal trains. Likewise, if the Board concludes that an empirical study would be necessary before making such a change, it should undertake such a study.

**9. WCTL Takes No Position at This Time on the Board’s Proposal to Adjust Train Mile Cost Allocations**

Similar to its multi-car LUM cost cap, the Board proposes to “cap the train miles allocated to multi-car shipments to be less than or equal to those allocated to a 75-

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<sup>20</sup> SNPR at 27.

car shipment.” SNPR at 28. WCTL takes no position at this time on the Board’s proposal.

### CONCLUSION

WCTL requests that the Board take actions in this proceeding in a manner consistent with the Comments set forth above.

Respectfully submitted,

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