



**ASSOCIATION OF  
AMERICAN RAILROADS**

**Law Department  
Louis P. Warchot  
Senior Vice President-Law  
and General Counsel**

221819

March 13, 2008

**Honorable Anne Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E St., S.W.  
Washington, DC 20423**

**Re: STB Ex Parte No 290 (Sub. No. 4) – Rail Cost Recovery Procedures-  
Productivity Adjustment**

**Dear Acting Secretary Quinlan:**

**Pursuant to the order of the Board, attached are the Comments of the Association of American Railroads for filing in the above proceeding.**

**Respectfully submitted,**

**Louis P. Warchot  
Counsel for the Association of  
American Railroads**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**STB EX PARTE NO. 290 (Sub. No. 4)**

**RAIL COST RECOVERY PROCEDURES - PRODUCTIVITY ADJUSTMENT**

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**COMMENTS OF THE ASSOCIATION OF AMERICAN RAILROADS**

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**Louis P. Warchot  
Association of American Railroads  
50 F Street, N.W.  
Washington, DC 20001  
(202) 639-2502**

***Counsel for Association of  
American Railroads***

**Dated: March 13, 2008**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**STB EX PARTE NO. 290 (Sub. No. 4)**

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**COMMENTS OF THE ASSOCIATION OF AMERICAN RAILROADS**

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By decision served February 22, 2008 in the above captioned proceeding, the Surface Transportation Board set forth its proposed calculations of the measure of the average change in railroad productivity for 2002 – 2006 (“Productivity Adjustment”). The Association of American Railroads (“AAR”) uses the Productivity Adjustment in its development of the Rail Cost Adjustment Factor (“RCAF”) calculations which the AAR quarterly files with the Board. Accordingly, the AAR hereby submits the following comments on the Board’s proposed Productivity Adjustment calculations.

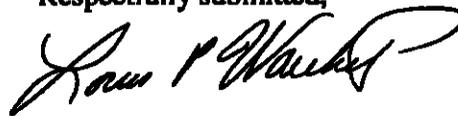
First, the AAR requests that the Board review and confirm its calculations of the output index for 2006 set forth in Table B of the Appendix to the Board’s decision, including a review and confirmation of the source data for the output index calculations. The output index relies upon Carload Waybill Sample data. To the extent that the 2006 source data would need to be revised, any such revisions could have an effect on the output index for 2006 as well as an effect on RCAF calculations submitted by the AAR to the Board, including the most recent RCAF

calculations filed by the AAR on March 5, 2008 in Ex Parte 290 (Sub. No. 5) (2008-2),

Quarterly Rail Adjustment Factor.

Secondly, in the first paragraph of the Board's decision and the last paragraph of the Appendix, the proposed Productivity Adjustment is 1.008. However, in the third paragraph of the decision and in Table B of the Appendix, the proposed Productivity Adjustment is shown at 1.007. For purposes of the AAR's RCAF submission on March 5, 2008 in Ex Parte 290 (Sub. No. 5) (2008-2), the AAR used 1.007 as consistent with the Board's guidance in the decision to use the geometric average for the Productivity Adjustment. The Board should clarify that 1.007 is the appropriate Productivity Adjustment subject to confirmation of the output index calculations and source data as requested above.

Respectfully submitted,



Louis P. Warchot  
Association of American Railroads  
50 F Street, N.W.  
Washington, DC 20001  
(202) 639-2502

Counsel for Association of  
American Railroads

**CERTIFICATE OF SERVICE**

I hereby certify that on this 13<sup>th</sup> day of March 2008, I caused a copy of the foregoing Comments of the Association of American Railroads in Ex Parte No. 290 (Sub. No. 4), Rail Cost Recovery Procedures – Productivity Adjustment to be served on all parties of record on this proceeding by first class mail, postage prepaid or more expeditious method of delivery.

Rosita N. Dikwe