

FD 30400

## INTERSTATE COMMERCE COMMISSION

SERVICE DATE

JUL 3 1984

DECISION NO. 8

Finance Docket No. 30400

SANTA FE SOUTHERN PACIFIC CORPORATION-CONTROL-SOUTHERN  
PACIFIC TRANSPORTATION COMPANY

Decided: June 27, 1984

The Missouri-Kansas-Texas Railroad Company (MKT) has filed a petition seeking waiver or clarification of certain provisions of Railroad Acquisition, Control, Merger, Consolidation Project, Trackage Rights and Lease Procedures, 49 C.F.R. 1180 (Consolidation Procedures) and Decision No. 7, served April 20, 1984.

In Decision No. 5, served March 20, 1984, we permitted applicants to use 1982 as the study year for the initial application and to use retirement-replacement-betterment (RRB) accounting. We also directed protestants to use RRB accounting for their opposition evidence but to use depreciation accounting, and 1983 as a base year, for their responsive applications. In Decision No. 7, in addition to reiterating these instructions, we required that any traffic studies and data submitted in opposition to the primary application use calendar year 1982 data.

MKT requests that it be permitted to use 1983 as the basis for its opposition studies. It argues that use of 1982 as the base year would present a distorted and unrealistic picture of its system. In November 1982, MKT resumed operation of the Oklahoma-Kansas-Texas Railroad Company (OKT), after that line's operations had ceased in 1981. OKT is wholly owned by MKT and operated with it as a single system. In 1983, OKT contributed \$22.6 million of the MKT system's total of \$235.2 million gross revenues. In addition, in January 1983, MKT began operating over trackage rights required in Union Pacific-Control-Missouri Pacific; Western Pacific, 366 I.C.C. 459 (1982). Gross revenues for 1983 over this trackage amounted to \$9.8 million. MKT emphasizes that its opposition studies will test for and adjust as necessary for costing and revenue differences that flow from use of 1983 instead of 1982 as the study year.

We will grant this request. We recognize that the scope of MKT's operations in 1983 was considerably greater than in 1982. The addition of OKT and the trackage rights operations effectively extended the MKT system from Dallas, TX, through Ft. Worth, TX, Enid, OK, and Wichita, KS, to Salinas, KS; from Kansas City, MO, to Omaha, NE, and Topeka; and elsewhere in Oklahoma and Nebraska. Use of 1983 data will more accurately reflect the changed nature of the MKT system. However, as it has offered, MKT shall adjust for costing and revenue differences resulting from using 1983 as the study year in order for the data to be comparable with applicants'.<sup>1/</sup>

<sup>1/</sup> We have recognized a similar situation with respect to the Milwaukee Road, where that carrier's scope of operations had been greatly reduced to its present configuration as a "core" system. Finance Docket No. 30000, Union Pacific Corp. - Control - Missouri Pacific Corp. (not printed), served December 23, 1980.

