



Surface Transportation Board
Washington, D.C. 20423-0001

November 26, 2024

Mr. Ian Jefferies
President and CEO
Association of American Railroads
425 Third Street, SW
Suite 1000
Washington, DC 20024

Dear Mr. Jefferies,

I am writing with great concern about the quality of data submitted by the Association of American Railroad (AAR) to the STB. Specifically, I am referring to a recent troubling trend of the substandard data associated with AAR's rail cost adjustment factor (RCAF) that has called into question its accuracy and dependability.

From September 2022 to September 2024, the Association of American Railroads (AAR) has refiled four quarterly RCAF filings due to error corrections or necessary modifications. In some cases, STB staff has reviewed and needed to go through multiple rounds of resubmissions due to missing data or supporting documentation. These reports are integral to STB business processes and are also relied on by multiple external stakeholders. RCAF users depend on accurately reported data from the AAR. Submitting files that consistently need revisions does not give users confidence that the data is correct. In addition to the RCAF filings, we have also brought to AAR's attention issues with the railroad cost recovery indexes that required corrections, furthering our concerns with the reliability of AAR provided data.

The STB finds the frequency of errors in the submitted materials to be wholly unacceptable. It is vital to the STB and the intent of the RCAF that submissions are accurate and reliable. Accordingly, we are requesting the AAR submit a detailed description of the quality controls used in calculating and reviewing the quarterly RCAF. Based on the response we receive from AAR, the STB will explore additional options to improve the RCAF submissions. As the AAR is aware, the RCAF is reviewed biennially by an Independent Public Accounting Firm and STB auditors. In light of the inaccuracies of the recent submissions, we are now considering an annual review to address the quality concerns.

Should you have any questions, please contact me at (202) 997-7519.

Sincerely,

Robert E. Primus
Chairman