

## **REPORT TO CONGRESS RECOMMENDS OPTION FOR UPDATING BOARD'S KEY COSTING METHODOLOGY**

Responding to a request from Congress, the Surface Transportation Board today released a report on options for updating its Uniform Rail Costing System, which is used by the Board in rate and other cases.

The system, known as URCS, is the methodology that allows the STB to determine a railroad's variable costs of providing rail transportation service. The Board uses variable costs to determine whether it has jurisdiction in rate disputes between railroads and their customers and if rates in question are reasonable. URCS is also used in other cases such as proposed abandonments and disputes over trackage rights.

The report lays out three alternatives ranging from updating the outdated computer programs to a complete revamping of the current system that could cost \$10 million or more.

The Board has recommended a middle option that would upgrade computer software and modify the existing system to account for the many changes in the railroad industry that have occurred since URCS was first adopted in 1989. The suggested improvements would make URCS more reliable and more reflective of today's railroad industry. The middle option is estimated to cost \$625,000 over two years.

The full study, Surface Transportation Board Report to Congress Regarding the Uniform Rail Costing System, is available on the Board's website, [www.stb.dot.gov](http://www.stb.dot.gov) or at [www.stb.dot.gov/stb/docs/URCS/URCS%20Report%205.27.10.pdf](http://www.stb.dot.gov/stb/docs/URCS/URCS%20Report%205.27.10.pdf).