

RAILROAD REVENUE ADEQUACY—2016 DETERMINATION

The Surface Transportation Board announced today that it has made its annual determination of revenue adequacy for the Nation’s Class I freight railroads for 2016. The Board found that BNSF Railway Company, Norfolk Southern Combined Railroad Subsidiaries, Soo Line Corporation, and Union Pacific Railroad Company were “revenue adequate” for 2016.

A railroad is considered to be revenue adequate if it achieves a rate of return on net investment equal to at least the current cost of capital for the railroad industry for 2016, which the Board determined to be 8.88 percent. Congress directed the Board to conduct such revenue adequacy determinations on an annual basis. The Board’s finding today is that these four Class I railroads achieved a rate of return on net investment equal to or greater than the agency’s calculation of the cost of capital for the railroad industry.

The Board’s decision in the case, [Railroad Revenue Adequacy—2016 Determination, Docket No. EP 552 \(Sub-No. 21\)](#), can be found on the Board’s website, www.stb.gov, under “E-LIBRARY” / “Decisions & Notices / 09 / 06 / 2017” .

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