RAILROAD REVENUE ADEQUACY – 2020 DETERMINATION

The Surface Transportation Board today announced that it has made its annual determination of revenue adequacy for the Nation’s Class I freight railroads for 2020. The Board found that five Class I railroads (BNSF Railway Company, CSX Transportation, Inc., The Kansas City Southern Railway Company, Soo Line Corporation, and Union Pacific Railroad Company) are revenue adequate for the year 2020.

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 2020, which the Board determined to be 7.89%. Congress directed the Board to conduct such revenue adequacy determinations on an annual basis. The Board’s finding today is that these five 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 Railroad Revenue Adequacy—2020 Determination, Docket No. EP 552 (Sub-No. 25), may be viewed and downloaded here.

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