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SERVICE DATE – OCTOBER 26, 2022

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. EP 771

REPORT: ALTERNATIVES TO URCS

Decided: October 21, 2022

AGENCY: Surface Transportation Board.

ACTION: Notice and request for comments.

SUMMARY: The Surface Transportation Board (Board) seeks written public comments on the independent report prepared by Laurits R. Christensen Associates, Inc. (Christensen Associates), entitled, *Alternatives to URCS*. The report may be accessed via the Board's website at www.stb.gov.

DATES: Comments are due by February 23, 2023. Replies to comments are due by May 24, 2023.

ADDRESSES: Comments and replies may be filed with the Board either via e-filing on the Board's website at www.stb.gov, or in writing addressed to: Surface Transportation Board, Attn: Docket No. EP 771, 395 E Street, S.W., Washington, DC 20423-0001. Filings will be posted to the Board's website.

FOR FURTHER INFORMATION CONTACT: Michael Boyles at (202) 245-0336. Assistance for the hearing impaired is available through the Federal Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION: The Board is authorized, under 49 U.S.C. § 11161, to maintain cost accounting rules for rail carriers. In 1989, the Board's predecessor, the Interstate Commerce Commission, adopted the Uniform Railroad Costing System (URCS) as its general purpose costing system. Adoption of the Unif. R.R. Costing Sys. as a Gen. Purpose Costing Sys. for All Regul. Costing Purposes, 5 I.C.C.2d 894 (1989). The Board uses URCS for a variety of regulatory functions. URCS is used in rate reasonableness proceedings as part of the initial market dominance determination, and at later stages is used in parts of the Board's determination as to whether the challenged rate is reasonable, and, when warranted, the maximum rate prescription. URCS is also used to, among other things, develop variable costs for making cost determinations in abandonment proceedings, to provide the railroad industry and shippers with a standardized costing model, to cost the Board's Carload Waybill Sample to develop industry cost information, and to provide interested parties with basic cost information regarding railroad industry operations.

In 2020 the Board commissioned Christensen Associates to perform a study and write a report to identify and evaluate alternatives to URCS that could be used as a replacement general purpose costing methodology to generate railroad-specific variable costs for regulatory purposes. That report has been completed and is posted on the Board's website at <https://www.stb.gov/reports-data/reports-studies/> and in this docket. The Board now seeks public comments and replies from all interested persons on the report's recommendations. The Board has not made any determinations on whether it will propose changes to its general purpose costing system. Given the preliminary and exploratory nature of this request for comments, the Board will not release supporting materials, such as the Confidential Carload Waybill Sample data or underlying workpapers developed by Christensen Associates, at this time. Should the Board move forward with a proposal to modify its general purpose costing system, a further opportunity for comment will be provided.

It is ordered:

1. Comments are due by February 23, 2023; reply comments are due by May 24, 2023.
2. Notice of this decision will be published in the Federal Register.
3. This decision is effective on its service date.

By the Board, Mai T. Dinh, Director, Office of Proceedings.