

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

SURFACE TRANSPORTATION BOARD

Indexing the Annual Operating Revenues of Railroads

This Notice sets forth the annual inflation adjusting index numbers which are used to adjust gross annual operating revenues of railroads for classification purposes. This indexing methodology will insure that regulated carriers are classified based on real business expansion and not from the effects of inflation. Classification is important because it determines the extent of reporting for each carrier.

The railroad's inflation factors are based on the annual average Railroad's Freight Price Index. This index is developed by the Bureau of Labor Statistics (BLS). This index will be used to deflate revenues for comparison with established revenue thresholds.

The base year for railroads is 1991. The inflation index factors are presented as follows:

Railroad Freight Index

Year	Index	Deflator
1991	409.50	100.00 <sub>1</sub>
1992	411.80	99.45
1993	415.50	98.55
1994	418.80	97.70
1995	418.17	97.85
1996	417.46	98.02
1997	419.67	97.50

Railroad Freight Index (continued)

1998	424.54	96.38
1999	423.01	96.72
2000	428.64	95.45
2001	436.48	93.73
2002	445.03	91.92
2003	454.33	90.03
2004	473.41	86.40
2005	522.41	78.29
2006	567.34	72.09

Effective Date: January 1, 2006

For Further Information Contact: Scott Decker (202)-245-0330. [Federal Information

Relay Service (FIRS) for the hearing impaired: 1-800-877-8339]

By the Board, Leland L. Gardner, Director, Office of Economics, Environmental

Analysis, and Administration

Vernon A. Williams

Secretary

<sup>1</sup> Ex Parte No. 492, Montana Rail Link, Inc., and Wisconsin Central Ltd., Joint Petition For Rulemaking With Respect To 49 CFR 1201, 8 I.C.C. 2d 625 (1992), raised the revenue classification level for Class I railroads from \$50 million to \$250 million (1991 dollars), effective for the reporting year beginning January 1, 1992. The Class II threshold was also revised to reflect a rebasing from \$10 million (1978 dollars) to \$20 million (1991 dollars).