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*Office of Inspector General*  
*Audit Report*

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**Report on Surface Transportation Board's  
User Fees**

**Surface Transportation Board**

**Report Number: CE-1999-021  
Date Issued: November 17, 1998**





**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Office of Inspector General

# Memorandum

Subject: **ACTION:** Report on Surface Transportation Board's  
User Fees  
CE-1999-021

Date: November 17, 1998

From:   
Lawrence H. Weinrob  
Assistant Inspector General for Auditing

Reply To JA-2  
Attn Of:

To: Chairman  
Surface Transportation Board

## BACKGROUND AND OBJECTIVE

This is our report on Surface Transportation Board's (STB) user fees. The objective of our audit was to evaluate STB's use of fees to fund its operations. To accomplish this objective, we determined whether: (1) STB is assessing fees for all billable services allowed under the existing legislative authority, and (2) user fees adequately cover the cost of those services. We also assessed the feasibility of funding STB's entire operations through user fees, as proposed in the President's Fiscal Year (FY) 1997, 1998, and 1999 budget requests.

STB's mission<sup>1</sup> is to promote commerce by providing a forum for dispute resolution and facilitation of appropriate business transactions between railroads and shippers. STB also adjudicates petitions for railroad mergers, abandonments of rail lines, and exemptions from regulations. STB primarily funds the cost of providing these services through appropriations from the General Fund, with the remainder derived from user fees. STB assesses user fees on railroads and shippers to recover the costs of such services as dispute resolutions, railroad mergers, and rail acquisitions. Moreover, based on the nature of the transaction and the type of applicant, each service may comprise one or more user fees.<sup>2</sup>

<sup>1</sup> On January 1, 1996, the Interstate Commerce Commission Termination Act of 1995, Public Law 104-88, eliminated the Interstate Commerce Commission and created STB.

<sup>2</sup> For example, STB can charge six different fees for the service of reviewing an application for (i) acquiring, (ii) joint ownership, or (iii) joint use of rail lines.

STB's authority to assess user fees is derived from the Independent Offices Appropriations Act of 1952, as revised. This Act authorizes Federal agencies to prescribe and collect fees for services in order to ensure that those services are as self-sustaining as possible. It also allows agencies to reduce user fees from the cost of providing a service based on various factors, including the regulated entity's ability to pay the fee. However, the Independent Offices Appropriations Act restricts Federal agencies to assessing fees only for services that convey special benefit to recipients beyond those accruing to the general public, and does not authorize agencies to implement industry-wide assessments or charge excise taxes. To date, STB has identified 114 user fees, with charges ranging from \$.80 per page for providing copies of tariffs and reports to nearly \$1 million for processing a railroad merger application. For the period January 1, 1996, through September 30, 1998, STB collected approximately \$7.5 million<sup>3</sup> from user fees, or 15.7 percent of its operating costs (see Exhibit A for a complete listing of STB user fees and amounts collected).

Since STB's establishment in 1996, the Administration and Congress have differed as to the most appropriate means of funding the Board, with the President's FYs 1996-1999 budget requests proposing 100 percent user fee funding and Congress approving a mix of user fees and appropriations (i.e., 20/80 ratio). For the FY 1999 budget, however, Congress went a step further in approving full funding for STB through appropriations, with any user fee collections (estimated at \$2.6 million) being transferred to the General Fund. This action ensures a stable funding source for STB, while at the same time allowing for the collection of user fees as services dictate. In assigning such fees, however, STB is still subject not only to the Independent Offices Appropriations Act, but also Federal standards associated with the implementation of a cost accounting system. Yet, given STB's small size--both in positions (135) and funding--the Board will be hard pressed to meet this latter requirement, whether through its existing staff or contracted services.

## SCOPE AND METHODOLOGY

The audit focused on STB's fees and collections from January 1, 1996 through September 30, 1998. To determine whether STB was assessing fees for all billable services allowed under existing legislative authority, we compared the activities transferred to the Board under the Interstate Commerce Commission Termination

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<sup>3</sup> The \$7.5 million reflects FYs 1996-98 revenues generated by STB from January 1, 1996 through September 30, 1998 and by the Interstate Commerce Commission for STB services from October 1 through December 31, 1995.

Act with the 114 fees STB currently assesses. In addition, we reviewed 48 STB services for which no fees are being assessed. To determine the feasibility of funding STB's entire operations through user fees, we met with officials from STB, the Office of the Secretary, the Office of Management and Budget, relevant congressional committees, and the General Accounting Office. We also reviewed applicable legislation, court decisions, STB decisions, and OMB circulars and accounting standards.

The audit was conducted between May through August 1998, and was performed in accordance with Government Auditing Standards prescribed by the Comptroller General of the United States.

### RESULTS-IN-BRIEF

STB does not have a cost accounting system through which it can identify fee-related services and track associated costs. Such a system, or its equivalent, is required by the Federal Financial Management Improvement Act of 1996 and the Statement of Federal Financial Accounting Standards Number 4. Whereas the accounting system STB's uses captures the Board's costs by function (e.g. personnel, travel, and salaries), it is unable to allocate costs to specific services. Because the current accounting system cannot be used to establish user fees, STB conducts periodic time and motion studies. While an acceptable technique for identifying fee-related costs, we found 73 of 114 (64 percent) time and motion studies to be outdated and poorly documented.<sup>4</sup> These studies are also limited to services associated with STB's 114 fees, which cover less than 25 percent of the Board's annual operating costs.<sup>5</sup> Without an effective system for identifying and tracking the costs of its services, however, we could not (nor could STB) determine the extent to which additional fees could be assessed for the remaining 75 percent of the Board's operations.

As allowed by the Independent Offices Appropriations Act, STB has reduced some of its fees below the cost of the services performed in order to ensure parties have access to regulatory relief. However, STB has not established required

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<sup>4</sup> STB officials, however, noted that 23 of the 73 fees could not be updated due to lack of activity (i.e., request for service) over the past 3 years.

<sup>5</sup> Although STB has not updated its time and motion studies relating to rail mergers (fee items 38-41), in STB Ex Parte No. 556, dated May 5, 1997, the Board began charging fees for services associated with such proceedings. This change resulted in increased collections in FYs 1997 and 1998.

criteria for these fee reductions. We identified 12 user fees that do not adequately cover the cost of their services. For 9 of the 12 fees reduced since 1996, STB did not retain required documentation justifying the reductions. OMB Circular A-25, User Charges, requires agencies to establish criteria for determining fees and to maintain records of the information used to reduce fees from full cost. As a result of STB's fee reductions, approximately \$3.1 million was foregone during FYs 1996-1998. Comprising the \$3.1 million was: (1) \$2.1 million relating to the 3 documented reductions (which included \$208,100 that was foregone when STB did not raise 2 reduced fees in accordance with one of its published decisions), and (2) \$1 million relating to the 9 undocumented reductions.

STB cannot fully fund its operations through user fees because much of the work the Board performs is beyond the scope of the Independent Offices Appropriations Act.<sup>6</sup> Some examples include: defending Board decisions on appeal in the United States Court of Appeal; providing services to persons on official business of the U.S. Government, including other Federal agencies or Congress; and conducting rulemaking proceedings that do not provide special benefits to identifiable beneficiaries. In 1996, STB provided Congress an options paper outlining four approaches to achieve the President's proposed budget request to fully fund STB through user fees. Because STB's proposed approaches are outside the scope of the Independent Offices Appropriations Act, additional statutory authority is required. However, Congress has not provided STB the authority necessary to implement these approaches. Moreover, a cost-based, full "user fee" funding approach may be difficult to implement for a number of reasons, including: (1) the need to maintain a stable cadre of skilled staff in the face of potentially varying demands for STB's services; (2) the public benefits STB provides by serving as a deterrent to anticompetitive activity regardless of the number of complaints addressed; and (3) the access to regulatory relief it provides to small shippers that might be jeopardized by a cost-based fee system.

Based on our findings, we recommended that the STB Chairman implement a cost-effective system for identifying fee-related services and tracking associated costs; require time and motion studies be performed for all revenue generating fee items within a 5-year cycle (assuming such studies are continued by STB); establish criteria for all fee reductions below full cost and ensure that documentation is retained to support all reductions; and either update fees 56i and 56iii<sup>7</sup> to reflect 10 percent increases in the cost of service each year until the fees reflect full cost, or

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<sup>6</sup> The Supreme Court has decided in cases involving the Federal Communications Commission and the Federal Power Commission, that regulatory commissions (such as STB) could not recover their entire cost solely through user fees authorized by the Independent Offices Appropriations Act.

<sup>7</sup> Fees 56i and 56iii address formal complaints alleging unlawful rates or practices of rail carriers.

initiate a new proceeding to determine whether such increases are feasible and warranted.

## FINDINGS

### *STB DOES NOT HAVE A COST ACCOUNTING SYSTEM FOR IDENTIFYING FEE-RELATED SERVICES AND TRACKING ASSOCIATED COSTS*

The Federal Financial Management Improvement Act of 1996, (Title 31, U.S.C. 3512) requires all Federal agencies to implement and maintain financial management systems that substantially comply with applicable Federal accounting standards.<sup>8</sup> One of the applicable standards is the Statement of Federal Financial Accounting Standards Number 4 (SFFAS 4). Effective October 1, 1997, SFFAS 4 states: “. . . each reporting entity should accumulate and report the cost of its activities on a regular basis for management information purposes. Costs may be accumulated either through the use of cost accounting systems or through the use of cost finding techniques. . .” The use of time and motion studies is an acceptable cost finding technique.<sup>9</sup>

The primary function of STB’s accounting system is to support the budget process. As such, the system tracks costs by function, but is unable to adequately distinguish between STB’s fee-related and non-fee related services. For instance, the accounting system tracks personnel, rent, and travel costs without regard to whether these costs relate to specific services and/or user fees. STB’s accounting data is entered, by the Federal Transit Administration (FTA), into the Department of Transportation’s accounting system. STB contracts with FTA for these services on a reimbursable basis.

Instead of using an accounting system, STB implements the following six-step process for developing and updating its fees, with time and motion studies serving as the Board’s “cost finding technique.” These steps include: (1) identifying services for which STB can charge a fee; (2) conducting time and motion studies to determine the cost of providing the services; (3) publishing a Notice of Proposed Rulemaking in the Federal Register setting forth proposed fees that cover the full cost of providing the service and requesting public comment; (4) reviewing comments and making any appropriate adjustments to the fees;

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<sup>8</sup> The Federal Financial Management Improvement Act also requires auditors to report whether an entity's financial management system substantially complies with Federal accounting standards.

<sup>9</sup> According to SFFAS 4, “. . . cost finding techniques [can] produce cost data by analytical or sampling methods . . . .”

(5) publishing in the Federal Register final rules adopting fees; and (6) updating fees annually to reflect changes in inflation, overhead, and salaries.

Although time and motion studies are an acceptable “cost finding technique,” STB’s use of such studies does not comply with SFFAS 4 since they address less than 25 percent of the Board’s overall operations. Currently, STB’s time and motion studies are used to estimate costs for 114 fees, encompassing approximately \$3 million of the Board’s \$16 million annual budget.<sup>10</sup> To determine how much additional revenue could be generated through fees, STB provided a representative list of 48 items for which it does not charge fees. These items range from processing petitions for service orders to motions for extension of filing deadlines. STB performed a subsequent analysis of the list and determined that 30 of the 48 were outside of the scope of the Independent Offices Appropriations Act. STB plans to further review the remaining 18 for possible inclusion in future rulemakings. In addition, the accounting system STB uses does not accumulate costs for these services. Because of these deficiencies, we could not determine how much of STB’s overall operations were associated with the 18 items or the extent to which additional revenue via user fees could be generated.<sup>11</sup>

*MANY OF STB’S TIME AND MOTION STUDIES ARE OUTDATED  
AND INADEQUATELY DOCUMENTED*

OMB issued Circular A-25 on July 8, 1993, to establish policy for implementing the provisions of the Independent Offices Appropriations Act. This circular provides guidance to ensure Federal agencies assess each identifiable recipient for special benefits derived from Federal activities beyond those received by the general public. Under Circular A-25, “. . . Agencies should maintain readily accessible records of the information used to establish charges and the specific methods to determine them.” STB’s records, therefore, should document the process the Board uses in setting its fees and in reducing them below full cost.

STB's time and motion studies are designed to accumulate the current costs of services provided and to summarize direct labor hours by employee and salary. Yet, we found these studies were frequently outdated and inadequately documented. Specifically, STB has not performed time and motion studies in the

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<sup>10</sup> However, the \$3 million is only a projection of the total amount that could be collected based on the 114 fees. As noted on page 6, the actual amount collected is frequently less than the \$3 million estimate.

<sup>11</sup> However, according to STB's Director of the Office of Economics, Environmental Analysis, and Administration, the potential revenue from the 18 services would not be significant—as compared to existing user fees.

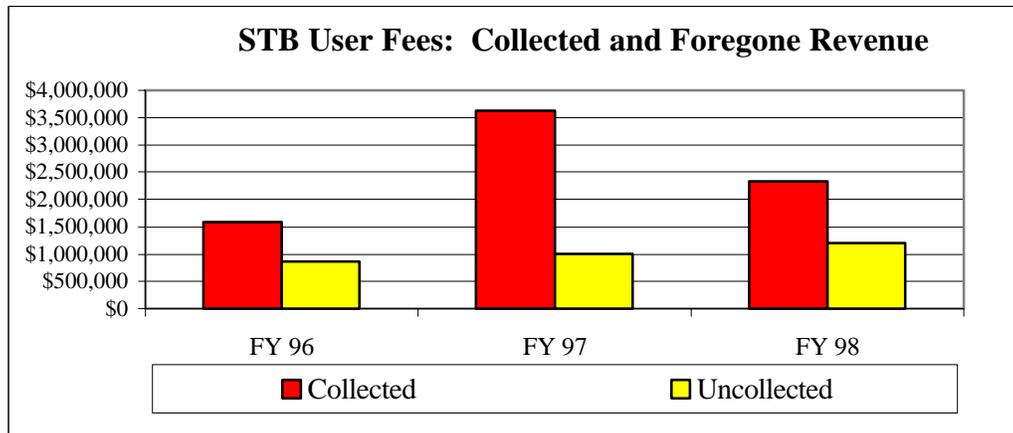
past 5 years to support 73 of their 114 fees (64 percent). For 23 of the 73 outdated studies, STB noted that it was unable to conduct new studies due to the lack of activity (request for service) over the last 3 years. Nevertheless, approximately \$1.8 million of \$2.3 million collected by STB in FY 1998 was based on studies completed in 1993 or before.

While STB updates its rates based on cost of living increases, these adjustments do not account for changes over time in the Board's operations or direct labor hours (e.g., number of hours spent on processing requests). Furthermore, STB did not retain documentation for the 52 studies performed prior to 1993. Of the studies performed since 1993, all 62 were based on estimated labor charges instead of actual time sheets or records. As a result of these deficiencies, we could not determine whether the time and motion studies accurately reflected the true cost of the services associated with the 114 fees.

*STB REDUCED 9 OF 12 FEES WITHOUT REQUIRED  
CRITERIA OR DOCUMENTATION*

STB reduces its fees in accordance with an unwritten policy of establishing fees that encourage parties to seek regulatory relief. According to the STB Director of the Office of Economics, Environmental Analysis, and Administration, it is STB's view that many parties could not afford to file proceedings, such as complaints or petitions, were it not for reductions in some of the Board's cost-based fees. The director also noted that STB is under constant political pressure from Congress, small shippers, and special interest groups to keep its fees well below the cost-of-service. For example, in a 1996 proceeding initiated to update its fees, STB received 180 comments concerning the proposed fees. Based on its assessment of those comments, STB reduced 12 fees below cost (see Exhibit B for a complete listing of the 12 reduced fees).

As a result of reducing 12 fees, STB estimated its foregone revenue for FYs 1996-1998 at \$3.1 million. This total does not include potential revenue from other services STB performs, such as the 18 previously mentioned. The following chart compares the amount of foregone revenue for FYs 1996-1998 with the amount collected by STB.



OMB Circular A-25 requires agencies to establish criteria for determining fees and to maintain records of the information used to reduce fees from full cost. Yet, we found no established criteria (e.g., permitted levels of reduction, cases or situations where reductions were applicable, etc.) for determining fee reductions, nor did STB have the required records and/or documentation justifying 9 of the 12 reductions since 1996. Overall, the 9 undocumented fee reductions accounted for \$1 million of the \$3.1 million (32 percent) of STB’s foregone revenue between FYs 1996-1998, with the 3 documented reductions accounting for the remaining \$2.1 million (68 percent).

**STB DID NOT IMPLEMENT AUTHORIZED INCREASES  
FOR TWO USER FEES**

On August 14, 1996, STB set its 1996 user fees in a final decision in Ex Parte No. 542. In the decision, the Board documented its rationale for reducing fees 56i “Formal Complaints Filed Under The Coal Rate Guidelines” and 56ii “All Other Formal Complaints”. In Ex Parte No. 542, STB noted they were sympathetic to the concerns expressed by the shipping industry that the increase in fees would impede the filing of complaints. In an effort intended to lessen the burden of these proposed fee increases, STB tentatively set the formal complaint fees for fees 56i and 56ii at 10 percent of the fully allocated cost (\$233,300 reduced to \$23,300 and \$23,300 reduced to \$2,300 respectively) and proposed increasing the fees annually by 10 percent of the fully allocated cost until the fully allocated cost level was achieved.<sup>12</sup>

Furthermore, to address additional concerns raised by small shippers in response to the tentative rates, Congress, in Section 1219 of Public Law 104-264, directed

<sup>12</sup> By increasing the fees an additional 10 percent each year it would take 9 years to reach the full recovery level.

STB to reduce fee 56ii from \$23,300 to \$1,000. On December 17, 1996, STB complied with Section 1219 by issuing a revised Ex Parte No. 542 decision that adopted the \$23,300 filing fee for fee 56i, established a \$1,000 fee for small shippers under fee 56ii, and renumbered the \$2,300 filing fee for all other formal complaints from fee 56ii to 56iii. In subsequent user fee updates, Ex Parte No. 542 Sub 1 (dated January 23, 1997) and Ex Parte No. 542 Sub 2 (dated February 18, 1998), STB did not raise the rates for fees 56i and 56iii by the established 10 percent. Because STB has not implemented its agreed upon cost increases for 1997 and 1998, they are not in compliance with the decision in Ex Parte No. 542 and have foregone revenues of \$208,100 since 1997.

FULL FUNDING OF STB IS NOT FEASIBLE UNDER EXISTING AUTHORITY

Although the President's FY 1999 Budget proposes that STB fully fund its operations through user fees, the Independent Offices Appropriations Act does not provide sufficient authority for STB to fund itself fully from user fees. Specifically, the Supreme Court has ruled in cases involving the Federal Communications Commission (FCC) and the Federal Power Commission, that regulatory commissions (such as STB) could not recover the entire cost of operations through Independent Offices Appropriations Act user fees. Moreover, in National Cable Television Association v. United States, 415 U.S. 336(1974) the Supreme Court stated the FCC could charge fees under the Independent Offices Appropriations Act only if the fees were directly related to services that benefited the regulated parties. Finally, in Federal Power Commission v. New England Power Company, 415 U.S. 345(1974), the Supreme Court held that the Independent Offices Appropriations Act authorized only specific charges for specific services to identifiable recipients, not general assessments on entire industries.

To implement the full funding aspects of the President's FY 1997 budget, STB submitted an options paper to Congress detailing four alternative plans to recover the full cost of administering its programs. The options were to: (1) initiate direct annual assessments on railroads; (2) institute a use-specific fee system based on either value or cost-of-service; (3) levy direct assessments on shippers; and (4) implement some combination of the above. Because STB believed that the use-specific fees would not generate full funding, they recommended a plan combining user fees with annual assessments.

Congress had concerns about implementing any of the four options STB proposed. In considering STB's FY 1997 budget proposal, several members of Congress commented in letters to the House Committee on Appropriations and to the STB that the Board did not have the authority to levy assessments or institute a user fee system that would provide full funding. Congress concluded that full funding was

not a realistic option, and has not approved the statutory authority STB needs to implement any of the four options. As a result, Congress decided to continue to fund STB primarily through appropriations from the General Fund. In subsequent hearings on the Department of Transportation FY 1997 appropriation, and the Federal Aviation Administration Reauthorization Act, members of Congress noted that raising fees on coal rate complaints would have a negative impact on the industry.

The proposal to fully fund STB from user fees may, on its face, appear to be reasonable, in line with the concept of making those who benefit from Federal activity pay for it. However, the “user pays” approach may be difficult to implement at an economic regulatory body such as STB for a number of reasons. First, because STB’s workload is determined by shippers and carriers, it potentially could have periods of varying revenue associated with its services in the future.<sup>13</sup> However, it cannot readily add and shed staff as its workload changes because it must maintain a staff that is expert in the particular areas of industry economics that it regulates.

Second, if charges were high relative to the relief sought in proceedings, small shippers may feel that they would be precluded from having access to regulatory relief. Even if fees were paid by the losing party, small shippers might perceive the risks to be too high in bringing valid rate relief cases. Third, Board decisions create precedents and send signals to the carrier and shipper community concerning what is and is not considered appropriate competitive behavior. As a result, those not party to a particular proceeding may benefit from it without paying for this benefit.<sup>14</sup>

Finally, STB serves as a deterrent to anticompetitive activity by its very existence and the opportunity it represents for regulatory relief. Therefore, it can provide significant public benefits even if it were to address few or no proceedings over the course of the year. However, with few proceedings on which to assess fees, the Board would either incur losses or cease to exist in spite of the large benefits it may provide. Devising a full user fee funding system that is both cost-based and overcomes these problems is likely to be extremely difficult.

#### RECOMMENDATIONS:

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<sup>13</sup> In recent years, STB processed a large string of large railroad mergers that have significantly contributed to user fees collected by the Board. Revenue from this fee item, however, will cease in future years due to the diminishing number of large railroad companies available for potential merger.

<sup>14</sup> Any rate relief granted in a proceeding is limited to the specific complainant; however, the nature of the relief granted may serve to influence future carrier behavior.

We recommend the Chairman, STB:

1. Implement a cost-effective system for identifying fee-related services and tracking associated costs. Such an approach may take the form of a full cost accounting system or expansion of existing time and motion studies. Since the costs of developing and maintaining this system may be substantial, we suggest STB work with OMB and the Congress to ensure that these costs do not outweigh the anticipated benefits to user fee financing.
2. Require time and motion studies be performed for all revenue generating fee items within a 5-year cycle and ensure that adequate documentation is retained to support all such studies.<sup>15</sup>
3. Establish criteria, in compliance with OMB Circular A-25, for all fee reductions below full cost and ensure that documentation is retained to support all reductions.
4. Either update fees 56i and 56iii to reflect 10 percent increases in the cost of service each year until the fees reflect full cost as required in Ex Parte No. 542, or initiate a new proceeding to determine whether such increases are feasible and warranted.

#### MANAGEMENT COMMENTS

On October 26, 1998, STB's Director of the Office of Economics, Environmental Analysis, and Administration and relevant staff provided us with verbal comments on the draft report. On several issues, they also submitted written information to help clarify associated statements and statistics in the draft report. Where appropriate, we have changed the report to reflect their comments. Overall, the Director agreed with our recommendations, noting they would improve the timeliness and documentation of STB's time and motion studies, establish criteria for all reductions below full cost, and reassess fee items 56i and 56iii. At the meeting, the Director did not know whether STB would expand time and motion studies as their system for identifying fee-related services and tracking associated costs or implement a formal cost accounting system. He noted, however, that the Board had limited resources to develop such a system.

#### ACTION REQUIRED

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<sup>15</sup> This recommendation is only applicable if STB elects to continue and/or expand time and motion studies as their system for identifying fee-related services and tracking associated costs.

Please provide written comments within 30 days on specific actions taken or planned. We appreciate the courtesies and assistance of STB representatives. If you have any questions, please call me at (202) 366-1992, or Mark Dayton at 366-2001.

**EXHIBIT A: SCHEDULE OF ALL STB USER FEES**

<b>NO.</b>	<b>STB No.</b>	<b>USER FEE 1998</b>	<b>Revenues 1996-98</b>	<b>FEE DESCRIPTION</b>	<b>NO.</b>	<b>STB No.</b>	<b>USER FEE 1998</b>	<b>Revenues 1996-98</b>	<b>FEE DESCRIPTION</b>
1	1	\$2,800	\$28,000	Application for the pooling or division of traffic (non-rail)	16	14iii	\$4,300	\$12,300	Petition for exemption to acquire or extend line
2	2	\$1,300	\$24,400	Application involving the purchase, lease, consolidation, merger, or acquisition of control of a motor carrier	17	15	\$1,100	\$5,200	Notice of a modified certificate of public convenience and necessity
3	3	\$17,900	\$0	Application for approval of a non-rail rate association agreement	18	21i	\$14,300	\$298,600	Application to abandon or discontinue service
4	4i	\$3,000	\$2,500	Approval of significant amendment to non-rail rate	19	21ii	\$2,400	\$429,300	Notice of an exempt abandonment or discontinuance
5	4ii	\$60	\$50	Approval of minor amendment to non-rail rate	20	21iii	\$4,100	\$517,900	Petition for exemption to abandon or discontinue a line
6	5	\$300	\$2,250	Application for temporary authority to operate motor carrier of passengers	21	22	\$300	\$0	Application for authority to abandon a line
7	11i	\$4,700	\$3,800	Authorizing extension, acquisition, or operation of line	22	23	\$1,200	\$3,200	Abandonments filed by bankrupt railroads
8	11ii	\$1,200	\$143,150	Notice of exemption for extension, acquisition, or operation of a line	23	24	\$1,100	\$2,000	Request for waiver of filing requirements for abandonment application proceedings
9	11iii	\$8,100	\$12,000	Petition for exemption (except construction)	24	25	\$1,000	\$8,500	Offer of financial assistance relating to purchase of or subsidy for a rail line proposed for abandonment
10	12i	\$48,300	\$137,300	Application involving construction of a rail line	25	26	\$14,600	\$97,000	Request to set terms and conditions for sale of or subsidy for rail line proposed to be abandoned
11	12ii	\$1,200	\$11,000	Notice of exemption involving construction of a rail line	26	27	\$150	\$7,200	Request for a trails use condition
12	12iii	\$48,300	\$630,600	Petition for exemption involving construction of rail line	27	36	\$12,300	\$54,200	Application for use of terminal facilities
13	13	\$2,600	\$0	Feeder line development program application	28	37	\$6,600	\$0	Application for pooling or division of traffic
14	14i	\$4,000	\$0	Application of class II or class III carrier to acquire extended or additional rail line	29	38i	\$966,700	\$966,700	Application to merge or consolidate-major transaction
15	14ii	\$1,200	\$84,900	Notice of exemption to acquire or extend line	30	38ii	\$193,300	\$0	Application to merge or consolidate-significant transaction

**EXHIBIT A: SCHEDULE OF ALL STB USER FEES (CONTINUED)**

NO.	STB No.	USER FEE 1998	Revenues 1996-98	FEE DESCRIPTION	NO.	STB No.	USER FEE 1998	Revenues 1996-98	FEE DESCRIPTION
31	38iii	\$5,000	\$0	Application to merge or consolidate-minor transaction	45	40v	\$5,000	\$0	Responsive application to acquire track rights
32	38iv	\$1,100	\$25,900	Notice of exemption to merge or consolidate	46	40vi	\$6,100	\$23,075	Petition for exemption to acquire track rights
33	38v	\$5,000	\$23,100	Responsive application to merge or consolidate	47	41i	\$966,700	\$1,779,000	Application of carrier to purchase, lease, or contract to operate property of another-major transaction
34	38vi	\$6,100	\$21,225	Petition for exemption to merge or consolidate	48	41ii	\$193,300	\$0	Application of carrier to purchase, lease, or contract to operate property of another-significant transaction
35	39i	\$966,700	\$196,900	Application of non-carrier to acquire control of two or more carriers-major transaction	49	41iii	\$5,000	\$27,300	Application of carrier to purchase, lease, or contract to operate property of another-minor transaction
36	39ii	\$193,300	\$0	Application of non-carrier to acquire control of two or more carriers-significant transaction	50	41iv	\$950	\$19,550	Notice of exemption for carrier to purchase property
37	39iii	\$5,000	\$10,000	Application of non-carrier to acquire control of two or more carriers-minor transaction	51	41v	\$5,000	\$5,000	Responsive application for carrier to purchase property
38	39iv	\$900	\$48,500	Notice of exemption for non carrier to acquire control of two or more carriers	52	41vi	\$4,300	\$107,875	Petition for exemption for carrier to purchase property
39	39v	\$5,000	\$0	Responsive application for non carrier to acquire control of two or more carriers	53	42	\$1,600	\$4,600	Notice of a joint project involving relocation of rail line
40	39vi	\$6,100	\$56,050	Petition for exemption for non carrier to acquire control of two or more carriers	54	43	\$45,200	\$0	Application for approval of rail rate association agreement
41	40i	\$966,700	\$0	Application to acquire track rights, joint ownership, or joint use of lines-major transaction	55	44i	\$8,400	\$0	Application for approval of amendment to rail rate association agreement-significant
42	40ii	\$193,300	\$0	Application to acquire track rights, joint ownership, or joint use of lines-significant transaction	56	44ii	\$60	\$0	Application for approval of amendment to rail rate association agreement-minor
43	40iii	\$5,000	\$80,800	Application to acquire track rights, joint ownership, or joint use of lines-minor transaction	57	45	\$500	\$0	Application for authority to hold position as officer or director.
44	40iv	\$800	\$101,700	Notice of exemption to acquire track rights	58	46	\$5,200	\$73,425	Petition for exemption by rail carrier not otherwise covered

**EXHIBIT A: SCHEDULE OF ALL STB USER FEES (CONTINUED)**

NO.	STB No.	USER FEE 1998	Revenues 1996-98	FEE DESCRIPTION	NO.	STB No.	USER FEE 1998	Revenues 1996-98	FEE DESCRIPTION
59	47	\$150	\$0	Amtrak conveyance proceeding	75	78ii	\$1	\$115,595	Tariffs submitted by fax
60	48	\$150	\$300	Amtrak compensation proceeding	76	79i	\$50	\$0	Special docket applications-\$25,000 or less
61	56i	\$27,000	\$77,600	Formal complaint filed under coal rate guidelines alleging unlawful rates	77	79ii	\$100	\$8,960	Special docket applications-over \$25,000
62	56ii	\$1,000	\$0	Formal complaint filed by small shipper	78	80	\$350	\$0	Informal complaint about rail rate applications
63	56iii	\$2,600	\$32,600	All other formal complaints except competitive access	79	81i	\$50	\$19,709	Tariff reconciliation petitions from motor common carriers-\$25,000 or less
64	56iv	\$150	\$450	Competitive access complaint	80	81ii	\$100	\$0	Tariff reconciliation petitions from motor common carriers- over \$25,000
65	57	\$5,700	\$0	Complaint or petition requesting an investigation seeking prescription or division of joint rates or charges	81	82	\$150	\$0	Request for determination of applicability or reasonableness of motor carrier rates
66	58i	\$1,000	\$11,000	Petition for declaratory order involving existing rate	82	83	\$26	\$165,313	Filing of documents for recordation
67	58ii	\$1,400	\$30,800	All other petitions for declaratory order	83	84	\$150	\$50	Informal opinions about rate applications
68	59	\$4,500	\$3,700	Application for shipper's antitrust immunity	84	85	\$700	\$0	A railroad accounting interpretation
69	60	\$150	\$600	Labor arbitration proceedings	85	86	\$950	\$7,300	An operational interpretation
70	61	\$150	\$16,800	Appeals to STB decision and petitions to revoke an exemption	86	87i	\$75	\$0	Arbitration complaint
71	62	\$150	\$3,900	Motor carrier undercharge proceeding	87	87ii	\$75	\$0	Arbitration complaint answer
72	76	\$800	\$650	Application for authority to establish released value rates or ratings for motor carriers and freight forwarders	88	87iii	\$75	\$0	Arbitration of third party complaint
73	77	\$80	\$1,160	Application for special permission for short notice or the waiver of other tariff publishing requirements	89	87iv	\$75	\$0	Answer to arbitration to third party complaint
74	78i	\$16	\$486,674	Filing of tariffs, including supplements, or contract summaries	90	87v	\$150	\$0	Appeals of arbitration decisions or petitions to modify or vacate an arbitration award

**EXHIBIT A: SCHEDULE OF ALL STB USER FEES (CONTINUED)**

NO.	STB No.	USER FEE 1998	Revenues 1996-98	FEE DESCRIPTION	NO.	STB No.	USER FEE 1998	Revenues 1996-98	FEE DESCRIPTION
91	96	\$20	*	Messenger delivery of decision to a railroad carrier's Washington, DC, agent	103	100vii	\$1,500	**	Public requests for source codes to PC version of Uniform Railroad Costing System phase II
92	97	\$15	*	Request for service or pleading list for proceedings	104	101i	\$450	**	Requests for public use file on recordable compact disk-first year-carload waybill data
93	98i	\$200	**	Request for Carload Waybill Sample for STB or State proceeding that does not require Federal register notice	105	101ii	\$150	**	Requests for public use file on recordable compact disk-each additional year-carload waybill data
94	98ii	\$400	**	Request for carload waybill sample for reasons other than STB or state proceeding that requires Federal register notice	106	101iii	\$650	**	Requests for Waybill- STB or state proceedings on recordable compact disk-first year
95	99i	\$100	\$100	Application for STB practitioner's exam	107	101iv	\$450	**	Requests for Waybill- STB or state proceedings-second year on same recordable compact disk
96	99ii	\$25	\$0	Practitioners exam information package	108	101v	\$500	**	Requests for Waybill- STB or state proceedings-second year on different recordable compact disk
97	100i	\$50	**	Uniform railroad costing system-initial PC version- phase III software program and manual	109	101vi	\$50	**	User guide for latest available carload waybill sample
98	100ii	\$10	**	Uniform railroad costing system-updated PC version- phase III cost file if disk provided by requestor	110	102	\$11	*	Certificate of the secretary
99	100iii	\$20	**	Uniform railroad costing system-updated PC version- phase III cost file if disk provided by the Board	111	103	\$25	*	Examination of tariffs or schedules
100	100iv	\$500	**	Public requests for source codes to PC version	112	104	\$17	*	Checking records to verify authenticity
101	100v	\$400	**	PC version or mainframe version URCS phase II	113	105	\$0.80	*	Electrostatic copies- tariffs, reports, etc...
102	100vi	\$50	**	PC version or mainframe version updated phase II	114	106	\$45	*	Search and copy services-ADP process

\* Miscellaneous total for seven fees filed with STB's Office of Secretary, \$66,235.

\*\* Miscellaneous total for 15 fees filed with STB's Office of Economics, \$37,705.

**EXHIBIT B: SCHEDULE OF REDUCED USER FEES**

<b>No.</b>	<b>Fee</b>	<b>Fee Description</b>	<b>Proposed Fee</b>	<b>Final Fee</b>	<b>Number of Comments</b>	<b>Foregone Revenue FY 96-98</b>
1	13	A Feeder Line Development Program application filed under 49 U.S.C. 10907 (b) (1)(A)(I) or 10907 (b)(1)(A) (ii)	\$12,820	\$2,600	1	\$0
2	27	A request for a trail use condition in an abandonment proceeding	\$650	\$150	39	\$26,200
3	47	Amtrak proceeding under 45 U.S.C. 562	\$84,200	\$150	1	\$0
4	48	Amtrak proceeding under Section 402 (a) of the Rail Passenger Service Act	\$102,100	\$150	1	\$226,800
5	56(i)	A formal complaint filed under the coal rate guidelines alleging unlawful rates and/or practices of rail carriers	\$233,200	\$23,300	22	\$1,659,200
6	56(ii)	A formal complaint involving maximum rates filed by a small shipper	\$23,100	\$1,000	***	\$0
7	56(iii)	All other formal complaints	\$23,100	\$2,300	26	\$416,600
8	58(i)	A petition for declaratory order involving a dispute over an existing rate or practice which is comparable to a complaint proceeding	\$5,000	\$1,000	8	\$46,800
9	58(ii)	All other petitions for declaratory order	\$3,700	\$1,400	8	\$59,200
10	60	Labor arbitration proceedings	\$7,600	\$150	2	\$33,200
11	61	Appeals to a STB decision and petitions to revoke an exemption	\$3,700	\$150	5	\$443,100
12	62	Motor carrier undercharge proceedings	\$5,800	\$150	43	\$162,100
		<b>Total</b>			156	\$3,073,000

\*\*\* Reduced by act of Congress

## **EXHIBIT C: MAJOR CONTRIBUTORS TO THIS REPORT**

The following staff members contributed to this report.

Darren L. Murphy	Program Director
Michael S. Ralph	Project Manager
Marlin B. Rife	Auditor
Bill J. McMahan	Auditor
Duane A. Callender	Evaluator