

Surface Transportation Board, DOT

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to operating expenses, including that needed to attract debt and equity capital, which they require to insure financial stability and the capacity to render service. This evidence shall include data required by Appendix I, parts I and II, and Appendix II.

§1139.5 Affiliate data.

Each individual traffic and cost study carrier having transactions with affiliates, subject to the reporting requirements of schedules 9009-A and 9009-B in the annual report for class I motor carriers, shall submit appropriate data and analyses reflecting the effect on the parent carrier's profits of transactions with affiliates. Such data and analyses shall be adequately supported, and there shall be submitted such underlying data as will permit a reconciliation of these data to the data supplied in the appropriate schedules of each carrier's annual report.

[47 FR 49577, Nov. 1, 1982; 47 FR 54082, Dec. 1, 1982]

§1139.6 Official notice.

The Board will take official notice of all of the proponent carriers' annual and quarterly reports on file with the Board.

§1139.7 Service.

The detailed information called for herein shall be in writing and shall be verified by a person or persons having knowledge thereof. The original and 10 copies of each verified statement for the use of the Board shall be filed with the Secretary, Surface Transportation Board, Washington, DC 20423. One copy of each statement shall be sent by first-class mail to each of the regional offices of the Board in the area affected by the proposed increase, where it will

be open to public inspection. A copy of each statement shall be mailed by first-class mail to each party of record in the last formal proceeding concerning a general rate increase in the affected area or territory. However, one copy of each statement shall be sent by express mail to any person undertaking to bear the cost. Written request for this expedited service must be made no less than 5 days before the statement is due to be filed with the Board. Otherwise, the service requirements of 49 CFR 1104.12 should be observed. Information with respect to carrier affiliates may be served on the parties in summary form, if so desired. A copy of each statement shall be furnished to any interested person on request.

[47 FR 49577, Nov. 1, 1982, as amended at 53 FR 19302, May 27, 1988]

§1139.8 Availability of underlying data.

All underlying data used in preparation of the material outlined above shall be made available in the office of the party serving such verified matter during usual office hours for inspection by any party of record desiring to do so, and shall be made available to the Board upon request therefor. The underlying data shall be made available also at the hearing, but only if and to the extent specifically requested in writing and required by any party for the purpose of cross-examination. Since appendix I data are to be submitted on a combined carrier basis, any underlying individual carrier data used to complete appendix I should be furnished to the Board for its use as well as for the use of parties opposing the sought increases.

APPENDIX I—REVENUE NEED AND ALLOCATION TO TRAFFIC AT ISSUE

[Cost allocation—see part II, line 13, Method A, Method B; check one; provide both]

Line No.	Item	Source ¹	Base calendar year—actual ²	Present proforma year ³	Restated proforma year ⁴		
					Based on current revenues	Based on proposed revenues	Based on constructed revenue need ⁵
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Part I. Revenue Need							
1	Operating revenue	A.R. Sch. 2998, L. 3 ...	\$	\$	\$	\$	\$
2	Operating expenses	A.R. Sch. 2998, L. 10					
3	Lease of distinct operating unit (net)	A.R. Sch. 2998, Net of Ls. 12 and 13.					
4	Miscellaneous deductions less other income	A.R. Sch. 2998 (L. 27 minus L. 20).					
5	Interest included in miscellaneous deductions.	A.R. Sch. 2998, L. 23					
6	Income taxes on ordinary income ⁶	A.R. Sch. 2998, L. 29					
7	Extraordinary and prior period items	A.R. Sch. 2998, L. 34					
8	Net income or loss ⁷	A.R. Sch. 2998, L. 35					
9	Sum of money above operating expenses ..	Sum of Ls. 4, 6 and 8					
10	Percent owned and leased property to net tangible property (3 decimals).	A.R. Sch. 100, Col. (c) (L. 21+L. 23)+L. 26.	%	%	%	%	%
11	Sum of money related to transportation	(L. 9×—% in L. 10) plus L. 3.					
12	System revenue need items and projected revenue need.	L. 2 plus L. 11					

Part II. Allocation to Traffic at Issue							
Line No.	Item	Source for columns 3 and 4	Base calendar year—actual	Present proforma year	Based on current revenues	Based on proposed revenues	Based on constructed revenue need
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
13	Constant costs and sum of money allocated to issue traffic.	See Method A (<input type="checkbox"/>) and Method B (<input type="checkbox"/>), check one; provide both.					
14	Variable expenses from traffic at issue (90% variable excluding return on investment) ⁸ .	From traffic and cost study.					
15	Operating revenues from traffic at issue ⁸ ...	From traffic study					
16	Constant costs and sum of money allocated to issue traffic plus variable expenses.	L. 13 plus L. 14	\$	\$	\$	\$	\$
17	Revenue to cost comparison (1 decimal)	L. 15+L. 16	%	%	%	%	%

See Methods A and B and footnotes on following pages.

METHOD A—CONSTANT COSTS AND SUM OF MONEY ALLOCATED TO ISSUE TRAFFIC BASED ON TON AND TON-MILE METHOD (SEE NOTE A)

Line No.	Item	Source for columns 3 and 4	Base calendar year—actual	Present proforma year	Restated proforma year		
					Based on current revenues	Based on proposed revenues	Based on constructed revenue need
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	System constant costs	L. (b)+L. (c)	\$	\$	\$	\$	\$
(b)	Not related to distance	(See Note B)					
(c)	Related to distance	(See Note B)	\$	\$	\$	\$	\$
(d)	Percent not related to distance (3 decimals).	L. (b)-L. (a)	%	%	%	%	%
(e)	Percent related to distance (3 decimals) ...	L. (c)+L. (a)	%	%	%	%	%
(f)	System sum of money	Appendix I, part I, L. 11.	\$	\$	\$	\$	\$
(g)	Not related to distance	L. (f)×L. (d)					
(h)	Related to distance	L. (f)×L. (e)					
(i)	Total system constant costs plus sum of money.	L. (a)+L. (f)					
(j)	Not related to distance	L. (b)+L. (g)	\$	\$	\$	\$	\$
(k)	Related to distance	L. (c)+L. (h)	\$	\$	\$	\$	\$

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METHOD A—CONSTANT COSTS AND SUM OF MONEY ALLOCATED TO ISSUE TRAFFIC BASED ON TON AND TON-MILE METHOD (SEE NOTE A)—Continued

Line No.	Item	Source for columns 3 and 4	Base cal-endar year—actual	Present proforma year	Restated proforma year		
					Based on cur-rent reve-nues	Based on pro-posed reve-nues	Based on con-structed revenue need
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(l)	Tons carried on issue and nonissue traffic combined.	From traffic study (see Note C).					
(m)	Ton-milesdo					
(n)	Issue traffic tons carrieddo					
(o)	Issue traffic ton-milesdo					
(p)	Percent of issue traffic tons to system tons (3 decimals).	L. (n)+L. (l)	%	%	%	%	%
(q)	Percent of issue traffic ton-miles to system ton-miles (3 decimals).	L. (o)+L. (m)	%	%	%	%	%

Constant Costs and Sum of Money Allocated To Issue Traffic

(r)	Not related to distance	L. (p)×L. (j)	\$	\$	\$	\$	\$
(s)	Related to distance	L. (q)×L. (k)					
(t)	Total (enter amount in Appendix I, part II, line 13).	L. (r)+L. (s)	\$	\$	\$	\$	\$

Note A: This procedure allocates constant costs and the sum of money based on the ton and ton-mile method and should be submitted for the information of the Board. How much of the constant and sum of money costs may or should be recovered by any specific segment of traffic rest on (1) considerations including value of service, demand, and ability to pay, and (2) considerations which involve matters relating to regulatory policy.

NOTE B: Separate the amount of constant costs, including unrelated, by using Statement No. 6-68, Highway Form B, Schedule A, Line III. Assign the dollars in columns (6), (7), (8), and (9) times 10 percent to line (b), and the dollars in columns (4) and (5) times 10 percent to line (c).

NOTE C: Show tons and ton-miles on issue and nonissue traffic based on an expansion of the sample to a full year.

METHOD B—CONSTANT COSTS AND SUM OF MONEY ALLOCATED TO ISSUE TRAFFIC BASED ON DOLLAR (EXPENSE) METHOD (SEE NOTE A)

Line No.	Item	Source for columns 3 and 4	Base cal-endar year—actual	Present proforma year	Restated proforma year		
					Based on cur-rent reve-nues	Based on pro-posed reve-nues	Based on con-structed revenue need
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	System constant cost (excluding	Note B	\$	\$	\$	\$	\$
(b)	System sum of money	Appendix I, part I, line II.					
(c)	Total system constant costs plus sum of money.	Line (a) plus line (b) ..					
(d)	Variable expenses on issue traffic	From traffic and cost study; Note C-.					
(e)	Variable expenses on issue and nonissue traffic combined.	From traffic and cost study; Note D-.					
(f)	Percent relationship (3 decimals)	Line (d) ÷ line (e)	%	%	%	%	%
(g)	Constant costs and sum of money allocated to issue traffic (enter amount in Appendix I, part II, line 13).	Line (c) × line (f)	\$	\$	\$	\$	\$

Note A: This procedure allocates constant costs and the sum of money based on the dollar (expense) method and should be submitted for the information of the Board. How much of the constant and sum of money costs may or should be recovered by any specific segment of traffic rests on (1) considerations including value of service, demand, and ability to pay, and (2) consideration which involve matters relating to regulatory policy.

NOTE B: Determine the amount of constant costs, including unrelated, by using Statement No. 6-68, Highway Form B, Schedule A, Line 111, column (3) multiplied by 10 percent; insert this amount on line (a).

NOTE C: Determine the amount of variable costs, including unrelated, by using Statement No. 6-68, Highway Form B, Schedule A, line 111, column (3) multiplied by 90 percent to obtain the variable portion.

NOTE D: Show variable expenses allocated to the issue traffic based on an expansion of a sample to a full year.

Footnotes to Appendix I:

Explanatory: The Purpose of Appendix I is twofold, namely: (1) to obtain, through part I, *Revenue Need*, an indication of the past actual, present, and restated system revenue needs of the traffic and cost study carriers, which, along with the financial data required in appendix B, will facilitate an analysis of the financial stability of these carriers, and (2) to allocate a part of these system revenue needs to the traffic at issue, as provided for in part II, line 13. It is that portion of constant and sum of money costs resulting from this allocation plus the related variable expenses (line 14) which produces the total costs assigned to the issue traffic (line 16) which is then compared to the issue traffic revenues in the revenue-to-cost comparison shown on line 17. This comparison provides some indication of how much the total issue traffic is contributing to the carriers' overall revenue needs; and serves as a reference point for the consideration of ratemaking factors, other than costs, which may influence the appropriateness of the issue traffic's contribution.

Appendix I data should be completed and submitted for all traffic and cost study carriers combined. However, data for the "base calendar year—actual," column (3), should be developed and completed for each traffic and cost study carrier and the results combined for all such carriers. The data in part I, columns (4) through (7), which reflect an updating of revenue need data for the "base calendar year—actual" to present and restated levels, should be developed on either an individual carrier basis, or on a composite carrier basis comprised of all traffic and cost study carriers. Data in part II, line 14 columns (4) through (7), which reflect an updating of the cost and traffic study data for the "base calendar year—actual" to present and restated levels, should be developed by the use of either individual carrier data for each of the study carriers, or the composite carrier data for those study carriers whose revenues from the issue traffic amount to 50 percent or more of their total system revenues for the "base calendar year—actual." However, for line 14, the method selected should be the same as that used to update the operating ratios to present and restated levels as required in .3 *Cost study*. As indicated above, appendix I data should be completed and submitted only for all traffic and cost study carriers combined. Since appendix I are to be submitted on a combined carrier basis, any underlying individual carrier data used to complete this appendix should be furnished to the Board for its use as well as for the use of parties opposing the sought increases. Data in columns (4) through (7) must be appropriately explained and supported. Each of the dollar figures called for in these columns shall be accompanied by an explanation of the bases or methods of restatement, including explicit identification of all projected or assumed changes in revenues, in wage rates, in price levels of other expenses and property items, and in productivity, as compared with the preceding (actual) year results. Note that the time periods referred to in appendix I, that is, "Base calendar year—actual," "Present proforma year" and "Restated proforma year" are the same time periods indicated in §1139.3, *Cost study*.

¹ Sources in this column apply to column (3) "Base calendar year—actual." Data for columns (4) through (7) should rely on column (3) as a base in order to reflect data for the "Present proforma year" and the "Restated proforma year." Annual report sources apply to class I motor carriers for class II carriers use comparable sources.

² The data in column (3) should reflect the revenue need data (part I), and the traffic and cost study data (part II), for the traffic study year. That is, the "Base calendar year—actual," which should coincide with the "Base calendar year—actual" referred to in the *Cost study* (§1139.3), Parts I and II should be completed for each individual study carrier—the purpose being to allocate a portion of each carrier's system revenue need to the traffic at issue as provided for in part II. The results for all study carriers should then be aggregated and submitted on a combined carrier basis.

³ The data in column (4) should be based on present wage, price and productivity levels and reflect conditions prevailing on a date no later than the 45 days prior to the date of the tariff filing.

⁴ The data in columns (5), (6), and (7) should be based on wage, price, and productivity levels anticipated on the effective date of the proposed rates.

⁵ The purpose of this column is to obtain data on what system revenue needs of the study carriers *should* be at a given time. Part I should consider the sum of money in addition to operating expenses (including that needed to attract debt and equity capital) which the carriers feel they require to insure financial stability and the capacity to render service.

⁶ In columns (4) through (7), show income taxes based on estimated taxable income reduced by the taxes applicable to other income such as, for example, capital gains transactions.

⁷ In columns (4) through (7), determine the net income based on data shown for lines 1 through 7. In column (7), the estimate of the net income needed should be supported by evidence that it is a just and reasonable amount.

⁸ Show expenses and revenues allocated to the total issue traffic based on an expansion of the sample to a full year. The amount shown on line 14 for variable expenses should agree with that shown in Method B, line (d).

[47 FR 49579, Nov. 1, 1982; 47 FR 54081, Dec. 1, 1982]

APPENDIX II—FINANCIAL RATIOS (TRAFFIC AND COST STUDY CARRIER _____)

[Complete appendix II for each traffic and cost study carrier and for all such carriers combined]

Line No.	Item	Source ¹	Third preceding calendar year (actual)	Second preceding calendar year (actual)	First preceding calendar year (actual or estimated)
	(1)	(2)	(3)	(4)	(5)
1	Current assets ²	A.R. Sch. 100, L. 18	\$	\$	\$
2	Net carrier operating property (owned) ²	A.R. Sch. 100, L. 21			
3	Net carrier operating property (owned plus leased to others) ²	A.R. Sch. 100, L. 21+L. 23.			
4	Net tangible property ²	A.R. Sch. 100, L. 26			
5	Intangibles ²	A.R. Sch. 100, L. 32			
6	Current liabilities ²	A.R. Sch. 101, L. 13			
7	Long-term debt ²	A.R. Sch. 101, L. 15+L. 25.			
8	Shareholders' equity ²	A.R. Sch. 101, L. 55			
9	Operating revenues	A.R. Sch. 2998, L. 3			
10	Depreciation plus or minus depreciation adjustment.	A.R. Sch. 2998, L. 6+ or -L. 7.			
11	Operating expenses	A.R. Sch. 2998, L. 10			
12	Net carrier operating income	A.R. Sch. 2998, L. 14			
13	Ordinary income before income taxes	A.R. Sch. 2998, L. 28			
14	Net income or loss	A.R. Sch. 2998, L. 35			
15	Net income or loss plus or minus depreciation ³	L. 10 Plus L. 14	\$	\$	\$

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[Complete appendix II for each traffic and cost study carrier and for all such carriers combined]

Line No.	Item	Source ¹	Third preceding calendar year (actual)	Second preceding calendar year (actual)	First preceding calendar year (actual or estimated)
	(1)	(2)	(3)	(4)	(5)
16	Percent owned and leased property to net tangible property (3 decimals).	L. 3+L. 4	%	%	%
17	Investment in owned and leased property plus working capital ⁴	\$	\$	\$
18	Shareholders' equity less intangibles	L. 8-L. 5	\$	\$	\$
19	Long-term debt plus shareholders' equity less intangibles.	L. 7+L. 18	\$	\$	\$
20	Operating ratio (2 decimals)	L. 11+L. 9	%	%	%
21	Current ratio (2 decimals)	L. 1+L. 6			
22	Ratio net income or loss to operating revenue (2 decimals).	L. 14+L. 9	%	%	%
23	Rate of return on owned and leased operating property plus working capital (2 decimals).	L. 12+L. 17	%	%	%
24	Rate of return on shareholders' equity less intangibles (2 decimals).	L. 14+L. 18	%	%	%
25	Capital structure ratio (2 decimals)	L. 7+L. 19	%	%	%
26	Throwoff to debt ratio (2 decimals)	L. 15+L. 7	%	%	%
27	Ratio long-term debt to shareholders' equity less intangibles (2 decimals).	L. 7+L. 18	%	%	%

¹ Annual report sources refer to 1970 Motor Carrier Annual Report Form A for Class I Motor Carriers of Property. For class II carriers use the comparable sources. For years prior to 1970 use the comparable annual report sources.

² Show average of beginning and end of year figures.

³ If carrier shows a net income, the amount shown for depreciation should be added to it; if a net loss, then the net loss and the amount for depreciation should be netted and the appropriate figure shown.

⁴ Multiply the percent on line 16 by the difference between line 1 and line 6. Add the resulting amount to line 3.

[47 FR 49580, Nov. 1, 1982; 47 FR 54081, Dec. 1, 1982]

Subpart B—Intercity Bus Industry

SOURCE: 42 FR 32541, June 27, 1977, unless otherwise noted. Redesignated at 47 FR 49571, Nov. 1, 1982.

§1139.20 Application.

(a) Upon the filing by the National Bus Traffic Association, Inc., (NBTA) on behalf of its carrier members, or by such other agencies as the Board may by order otherwise designate, of agency tariff schedules which contain proposed general increases in fares or charges where such proposal would result in an increase of \$1 million or more in the annual operating revenues on the traffic affected by the proposal, the motor common carriers of passengers on whose behalf such schedules are filed shall, concurrently with the filing of those schedules, file and serve, as provided hereinafter, a verified statement presenting and comprising the entire evidential case which is relied upon to support the proposed general increase. Carriers thus required to submit their

evidence when they file their schedules are hereby notified that special permission to file those schedules shall be conditioned upon the publishing of an effective date at least 30 days later than the date of filing, to enable proper evaluation of the evidence presented. Data to be submitted in accordance with §§1139.21 through 1139.23 represent the minimum data required to be filed and served, and in no way shall be considered as limiting the type of evidence that may be presented at the time of filing of the schedules. If a formal proceeding is instituted, the carriers are not precluded from updating the evidence submitted at the time of filing of the schedules to reflect the current situation.

(b) When filing tariff schedules other than those described hereinabove, the carriers or their tariff publishing agencies shall be required to comply with such procedures as the Board may direct in the event an investigation is instituted. Nothing stated in this part