2140-0028
August 2026

SUPPORTING STATEMENT
FOR REQUEST OF OMB APPROVAL
UNDER THE PAPERWORK REDUCTION ACT AND 5 C.F.R. § 1320

The Surface Transportation Board (STB or Board) requests a three-year extension of approval of the regulations governing the collection of rail depreciation studies from Class I railroads.

A. Justification:

1. Need for Information in Collection. The Surface Transportation Board (Board) has broad statutory authority to provide economic regulatory oversight of railroads, addressing such matters as rates; service; the construction, acquisition, and abandonment of rail lines; carrier mergers; and interchange of traffic among carriers (49 U.S.C. §§ 10101-11908). Under 49 U.S.C. § 11143, the Board is required to identify those classes of property for which rail carriers may include depreciation charges under operating expenses, and the Board must also prescribe a rate of depreciation that may be charged to those classes of property. Pursuant to the Board's authority under § 11145 and 49 C.F.R. Part 1201, § 4-2(b), the seven Class I (large) rail carriers are required to submit depreciation studies to the Board. Using appropriate industry-wide models for determining depreciation rates, these railroads submit information about their depreciable property and propose depreciation rates for this property. The Depreciation Study includes support for all the factors (such as average service lives, salvage ratios, and average remaining lives) used to develop the depreciation rates.

2. Use of Data Collected. The Board reviews the Depreciation Studies provided by Class I railroads and uses the information in these studies to prescribe depreciation rates. These depreciation rate prescriptions state the period for which the depreciation rates apply. Class I railroads apply the prescribed depreciation rates to their investment base to determine a monthly and annual depreciation expense. This expense is included in the railroads' operating expenses, which are reported in their "R-1 reports" (OMB Control Number 2140-0009). Depreciation expenses are also used by the railroads to develop income statements and are included in the operating costs applied in various proceedings before the Board, such as rate reasonableness cases and determination of railroad "revenue adequacy." Railroads also use the depreciation rates authorized by the Board in their own budgeting and preparation of appropriate financial statements for other purposes.

3. Reduction through Improved Technology. The carriers submit this collection to the Board electronically.

4. Identification of Duplication. The Board has exclusive jurisdiction over the economic regulation of freight railroads. No other Federal agency collects the information in the rail depreciation studies, nor is this information available from any other source.

5. Minimizing Burden for Small Businesses. No small entities will be affected by the collection of this information. Only the seven largest (Class I) railroads are subject to this reporting requirement.

6. Consequences if Collection not Conducted or Conducted Less Frequently. Depreciation rates must be reviewed frequently to ensure continuing accuracy. Depreciation studies are collected every three years for equipment and every six years for other depreciable property, such as track. Less frequent studies could result in significant misstatements of operating expenses, which are critical components of Board determinations of overall railroad revenue adequacy and of the reasonableness of particular rail rates challenged by shippers.

7. Special Circumstances. No special circumstances apply to this collection.

8. Consultation with Outside Agency. The Board published a notice in the Federal Register, providing a 60-day comment period regarding this collection. See 91 Fed. Reg. 35781 (June 12, 2026). No comments were submitted. A 30-day notice was published concurrently with this submission to Office of Management and Budget (OMB). See 91 Fed. Reg. 4907 (August 25, 2026).

9. Payments or Gifts. No payments or gifts to respondents are made.

10. Confidentiality. The Class I carriers have been providing this information for many years and are aware that the information provided in their depreciation studies is considered commercially confidential and is protected from disclosure under the Freedom of Information Act. Only the depreciation rate prescriptions, which are set by the Board based on this information, are made public by posting them on the Board's website.

11. Sensitive Information. This collection contains no information of a sensitive nature.

12. Estimated Burden Hours. The following information pertains to the estimate of burden hours associated with this collection:

(1) Number of respondents. Six

(2) Frequency of response. Biennial. (Under 49 CFR Part 1201, 4-1 to 4-4, the Board requires all class 1 (large) carriers to submit depreciation studies no less frequently than every three years for equipment property and every six years for road and track property. That means that for any given six-year period the Class I railroads submit no fewer than three depreciation reports or the equivalent of 0.5 depreciation reports per year.)

(3) Annual hour burden per respondent and total for all respondents. 750 hours (250 hours X 0.5 studies/year X 6 Class I railroads). The Board estimates an hourly burden of approximately 250 hours per study (estimating that studies will require between 125 hours and 375 hours depending on the extent to which the carriers provide assistance to outside consultants performing the study for them).

13. Estimated Total Annual Cost to Respondents. Approximately $180,000 per year. Board staff estimates that each study will cost between $20,000 and $100,000, which equals a cost of approximately $10,000-$50,000 per year. Using an average cost ($30,000 per year X 6 Class I railroads), the non-hour burden cost is estimated to be approximately $180,000 per year.

14. Annualized Cost to the Federal Government. The Board estimates that, annually, it takes staff a total of 300 hours (GS 14) to review the depreciation study submissions to ensure they include all relevant information (property type, accounts impacted, supporting documentation, etc.), to perform detailed review of rates requested and rationale for changes, and to prepare a report summarizing the rates requested, for an annual cost of $23,445.

15. Explanation of Program Changes or Adjustments. In 2026, the Board's staff reviewed respondents' time and costs to provide the required rail depreciation to the Board and determined that the main inputs in accounting, programming, and information technology (used by these large companies) are estimated to hold steady for the hourly and non-hourly burdens on respondents, but, due to a major rail merger of two class I railroads, the collection applies to only six respondents, rather than seven. The total burdens is expected to be reduced correspondingly.

16. Plans for tabulation and publication. The Board does not publish the information submitted in depreciation studies because this information is considered confidential. However, the depreciation rate prescriptions, which are prepared by the Board based on information in the depreciation studies, are posted on the Board's website at Surface Transportation Board or at www.stb.gov by navigating to "Reports & Data" and clicking on "Economic Data."

17. Display of expiration date for OMB approval. No form is used for this collection. Once the collection is approved, the Board will display the control number and expiration date of the collection by publishing a special notice in the Federal Register stating the control number and expiration date of the collection as provided in 5 C.F.R. § 1320.3(f)(3).

18. Exceptions to Certification Statement. No exceptions are sought.

B. Collections of Information Employing Statistical Methods:

Not applicable.