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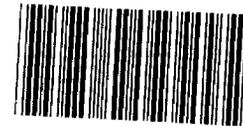
RAILROAD ACCOUNTING PRINCIPLES BOARD

WASHINGTON, D.C.

FOR RELEASE ON DELIVERY

THURSDAY, JUNE 26, 1986

STATEMENT OF  
CHARLES A. BOWSER, CHAIRMAN  
BEFORE THE  
LEGISLATIVE BRANCH SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE  
UNITED STATES SENATE  
ON  
BUDGET ESTIMATES FOR FISCAL YEAR 1987



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Mr. Chairman and Members of the Committee:

I am appearing before you today in my capacity as chairman of the Railroad Accounting Principles Board to discuss the budget estimate of \$750,000 for Board operations during fiscal year 1987. Before describing the details of our budget estimate, I would like first to review briefly for you the Board's activities since we last appeared before this subcommittee.

As you recall in our last appearance, I had just appointed six Board members and the executive director who would work with me. Since that time, Mr. Yager, the executive director, has organized the office and has increased the full-time staff from one person in February 1985, to 12 people today.

The Board has held 13 meetings to date. In these meetings, we have heard presentations of position from the Interstate Commerce Commission, the Association of American Railroads, and shippers. We also requested comments from the public through a Federal Register notice on issues which the Board should take up. Based on the comments received and the Board's discussions, the staff developed a work plan centered around the six major issues which the Board has agreed to consider:

- the appropriate entity to be covered in collecting cost and investment information;
- how annual expenses should be used for costing purposes;

- how capital costs should be measured;
- what principles should underlie a general-purpose costing system;
- what departures from general-purpose costs are required; and
- what level of detail is necessary for reporting costs, operating statistics, and revenue.

As a part of the Board's work plan, the staff prepared a discussion memorandum for public comment raising those six major issues, 25 related issues, and 21 additional questions. The discussion memorandum was issued on January 31 with comments received on March 31 and April 30.

Currently, the staff is conducting research and preparing papers on each major issue. The Board has established a schedule for considering each of the issues which takes us through fiscal year 1986 and into fiscal year 1987. We have taken up three issues at our last three Board meetings and so far have kept to our schedule.

During fiscal year 1987, the Board will:

- complete its consideration of the major issues, establishing principles to resolve these issues and developing recommendations for implementing the principles;

- prepare an exposure draft of the principles and recommendations so that the public has an opportunity to comment in writing;
- conduct public hearings on the exposure draft;
- complete and submit a report to Congress which takes into consideration the comments received;
- prepare for Congressional hearings on the principles and their implementation if Congress wishes to hold such hearings;
- meet with ICC representatives and others regarding implementation of the principles; and
- complete and wind up operations of the Board and its staff.

The Board expects to complete these activities by September 30, 1987.

The fiscal year 1987 budget request of \$750,000 is less than the \$1 million originally authorized by the Staggers Rail Act for the third year of operation of the RAPB. This is, we believe, the minimum amount necessary to complete the task of developing accounting and cost principles for regulatory purposes under Title 49.

The fiscal year 1987 budget estimate was developed as follows:

- \$575,000 Salaries and Related Benefits of the members of the Board, permanent professional staff, part-time consulting assistance, and administrative support.
  
- \$ 63,000 Travel of the Board's staff to gather data from shippers, rail carriers, and others to facilitate development of the "principles," and to permit the Board and staff to hold hearings on the exposure draft at locations outside of Washington, DC. It will also cover Board members' travel to RAPB Board meetings.
  
- \$ 61,000 Contractual services, computer services, and reimbursement to other government agencies for administrative and personnel services.
  
- \$ 51,000 Costs of space and services, communications, utilities, printing and reproduction, and supplies and materials.

This statement covers, in general, a summary of the Board's activities.

I will be glad to answer any of your questions.