

§ 1242.00

- XX-63-91, XX-63-92, XX-63-94, 63-63-00, 64-63-00, 65-63-00, and XX-63-99).
- 1242.84 Marketing, sales, and public relations and advertising (accounts XX-63-88, XX-63-89, and XX-63-93).
- 1242.85 Fringe benefits (account 12-63-00).
- 1242.86 Industrial development (account XX-61-90).
- 1242.87 Joint facility—debit and credit and casualties and insurance (accounts 37-63-00, 38-63-00, and 50-63-00).

AUTHORITY: 49 U.S.C. 721, 11142.

SOURCE: 43 FR 7637, Feb. 24, 1978, unless otherwise noted.

NOTE: The report forms prescribed by part 1242 are available upon request from the Office of the Secretary, Surface Transportation Board, Washington, DC 20423.

LIST OF INSTRUCTIONS

§ 1242.00 Separation of common operating expenses.

(a) Commencing with annual reports for the year 1978 or for any portion thereof until further order, all class I railroad companies including class I switching and terminal companies subject to section 20 of the Interstate Commerce Act as amended shall separate operating expenses common to both freight service and passenger service in accordance with the regulation in this part.

(b) The carrier shall maintain records supporting its common operating expense apportionments to freight and passenger services. The carrier shall report common expense apportionments to the Board as required.

43 FR 7637, Feb. 24, 1978, as amended at 67 FR 57534, Sept. 11, 2002]

GENERAL

§ 1242.01 Expenses solely related to freight service and passenger service.

The Uniform System of Accounts for Railroad Companies (49 CFR part 1201) requires that carriers assign directly to freight service or to passenger service, including allied services, the expenses, taxes, and purchased services incurred solely for the benefit of either freight or passenger service.

§ 1242.02 Common expenses.

The Uniform System of Accounts also requires that carriers assign to

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common expense accounts the remaining expenses, taxes and purchased services which are not solely related to either freight or passenger service. The following instructions govern the separation of common expense accounts between freight and passenger services.

§ 1242.03 Made by accounting divisions.

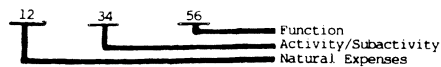
The separation shall be made by accounting divisions, where such divisions are maintained, and the aggregate of the accounting divisions reported for the quarter and for the year.

§ 1242.04 Special tests.

When the separation of common expense accounts between freight and passenger services is based upon special tests or service unit factors, such tests shall be made at sufficiently frequent intervals to represent actual operating conditions. The service unit factors used are those of the reporting period.

§ 1242.05 Operating expense account number notation.

(a) The operating expense account numbers consist of a six-digit coding structure divided into three two-digit groups. The first two-digit group denotes natural expenses; the second group denotes activities/subactivities for freight, passenger or common service; and the third group signifies applicable function assignment.



(b) For reporting purposes, four natural expense categories are utilized. The categories are: salaries and wages (account 11-XX-XX); material, tools, supplies, fuels and lubricants (account 21-XX-XX); purchased services (accounts 31-XX-XX to 41-XX-XX, inclusive); and general (accounts 61-XX-XX to 65-XX-XX, inclusive, 51-XX-XX, 52-XX-XX, 53-XX-XX and 12-XX-XX).

(c) The symbol "XX" in the first two-digit group is used throughout the separation instructions to denote more than one natural expense associated with the same activity/subactivity-function account structure. For reporting purposes, the natural expense account numbers represented by "XX" include:

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11—Salaries and wages;  
21—Materials, tools, supplies, fuels, and lubricants;  
30 or 41—Purchased services;  
30—Summation of certain purchased service accounts;  
41—Other purchased services;  
61—General.

(d) The “30” natural expense designation indicates a summation of specific purchased service accounts that are reported in total rather than individually. The specific accounts under the way and structures activity except for administration functions include 39-1X-XX, repairs billed by others, Dr.; 40-1X-XX, repairs billed to others, cr.; and 41-1X-XX, other purchased services. For the equipment activity excluding administration functions, the “30” designation denotes the summation of 39-2X-XX and 41-2X-XX.

(e) The “41” natural expense designation (other purchased services) is the purchased service category of the “XX” code for the following:

(1) Way and structures activity administration—function accounts,

(2) Equipment activity administration—function accounts,

(3) Transportation activity expense accounts, and

(4) General and administration activity expense accounts.

(f) The “61” general natural expense designation is applicable to all accounts with the “XX” symbol except transportation, train and yards accounts (XX-(33/43/53)-XX).

(g) The natural expense account number “50” is used throughout the separation instructions to indicate the summation of accounts 52-XX-XX, Other casualties, and 53-XX-XX, Insurance, that are reported as one item, “Casualties and Insurance,” (50-XX-XX).

(h) The number “98” in the function account group (last two digits) is used in the separation rules to designate the summation of a natural expense consisting of more than one functional assignment that is reported as one item. This includes Repairs Billed to Others, Cr.—Equipment (40-2X-XX). For example, the locomotive subactivity contains accounts 40-(21/24/26)-40, 40-(21/24/26)-41, and 40-(21/24/26)-48 which are treated as 40-(21/24/26)-98.

### § 1242.06 Instructions for separation.

(a) Certain instructions for separating common expense accounts (dependent accounts) between freight and passenger services base the allocation on the proportional freight/passenger separation of other common expense accounts (independent accounts). The dependent account is frequently identified by an “XX” symbol in the natural expense position (first two digits) with corresponding independent accounts also identified by the “XX” natural expense symbol. Unless otherwise stated, the applicable natural expense associated with “XX” symbol shall be the same for both the dependent and independent accounts.

(b) To illustrate, § 1242.10 provides instructions for separating common Way and Structures, Administration—Track accounts (dependent accounts) designated by XX-19-02. The separation is based on certain other common Way and Structures accounts including Roadway—Running, XX-17-10, and Roadway—Switching, XX-18-10.

(c) As § 1242.05 states, the “XX” symbol denotes the following natural expenses for Way and Structures administration functions:

11—Salaries and wages,  
21—Materials, tools, supplies, fuels, and lubricants,  
41—Other purchased services, and  
61—General.

These natural expenses shall be individually applied to the separation rules in § 1242.10. In each case, the independent accounts providing the basis for freight/passenger separation of the dependent account shall have the same natural expense designation. For example, the basis of separating account 11-19-02, Salaries and Wages, Way and Structures, Administration—Track, would be based on certain independent accounts including 11-17/18-10, Salaries and Wages, Way and Structures, Running/Switching, Repair and Maintenance, Roadway.