Proposed Revisions to Part 11 Equated Mileage Parameters

-2020-

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Section/Article

11.1 Introduction

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a. The original purpose of equated mileage parameters was to provide a means to establish comparability of track maintenance. They allowed the user to make comparisons of track maintenance for sections of track that are changing in use and/or physical composition and between existing or planned maintenance.

b. Some railroads also used equated mileage information to redistribute basic and program maintenance resources. Somewhat similar approaches were also used by some railroads for signal system resources based on counts of signal units or other parameters.

c. In addition to this purpose, equated mileage parameters were utilized by some railroads as the basis for structuring Joint Facility and Trackage Rights Agreements. Under these types of agreements the use of another railroad’s trackage was based on a per mile fee, however the mileage was based on equated mileage established under these parameters rather than actual mileage defined by distance.

d. Prior to 1980 and the Staggers Rail Act that deregulated the American railroad industry to a significant extent on October 24, 1980 and culminating with the January 26, 1983 decision by the Interstate Commerce Commission to change from railroad Retirement-Replacement-Betterment accounting, to a more theoretically sound depreciation accounting for matching revenues and expenses, all railroads were governed by the same accounting principles and limitations on profit. After 1983 individual railroads were able to determine units of property for the purposes of capital or operating expenditures and hence depreciation. Because of these changes, the economics of railroad construction and maintenance then varied by railroad. Each railroad performed their own in depth economic analysis for changes in use or physical composition of their track segments. At that point equated mileage parameters became less relevant.

e. The 1994 revision dates for this Part reflect the integration of Committee 22 into Committee 16, not an actual revision to the information included under this Part.

f. The most recent revision to the information under this Part was in January 1990 when the Examples under Section 11.3 were revised to improve the usefulness and understanding of equated mileage parameters.
g. The last revision of this Part prior to 1990 was 1980. As a result it does not reflect the use of modern technologies such as elastic fasteners, rail profile grinding, ballast cleaning, etc. Historically, all turnouts were treated the same regardless of the turnout geometry. There were no provisions in the equated mileage factors for signal systems, grade crossing warning systems, rail size, rail metallurgy, axle loading, tie types, grade of the track, the nature of subgrade, prevailing weather, traffic mix or structures such as bridges, tunnels and culverts that are part of a track segment. Finally, the factors utilized topped out at the level of the materials and equipment common at that time with a simply a factor for anything over that level without consideration for how far over the base it might be other than the note that the factors for traffic loading including the number of unit trains and annual gross tonnage are “intended to be used with reason and not for the extreme”.

h. Due to the above considerations, the information in this Part is no longer considered reliable for the intended purpose and since each railroad has its own accounting and economics, it cannot be revised to provide a reasonable standard.

i. Therefore, the sole purpose of this Part is to provide the historical basis regarding how equated mileage was developed for any agreements that may reference it.