

condition, would have been avoided or would be avoided by a company in the carriage of passengers by the service if, in any financial year, the company did not operate the service irrespective of when or in what manner or by whom such costs were incurred; (*frais*)

“passenger-train service” means such train or trains of a company as are capable of carrying passengers and are declared by an order of the Committee, for the purposes of sections 260 and 261 of the Act, to comprise a passenger-train service; (*service de trains de voyageurs*)

“Uniform Classification of Accounts” means the uniform classification and system of accounts prescribed by the Commission pursuant to section 328 of the Act. (*classification uniforme des comptes*)

Application

3. Subject to section 11 and to any exemption ordered by the Commission pursuant to section 46 of the *National Transportation Act*, these Regulations shall apply in respect of cost submissions filed by all companies under the jurisdiction of the Commission for the year 1979 and the following years.

Variable Costs of the Carriage of Goods

4. For the purposes of these Regulations, the variable cost of the carriage of goods referred to in section 278 of the Act shall

(a) be calculated on the basis of carloads of thirty thousand pounds in the standard railway equipment for such goods and such other weights as are required for purposes of determining a rate; and

(b) if the goods concerned may move between points in Canada by alternative routes of two or more railway companies, be computed on the basis of the costs of the lowest cost rail route.

Actual Loss Under Sections 252 to 258, 260 and 261 of the Act

5. (1) For the purposes of the calculation of actual loss under sections 252 to 258 and 260 and 261 of the Act, costs in relation to a branch line or in relation to a passenger-train service shall, subject to subsections (2) to (5), be based on expense accounts maintained under the *Uniform Classification of Accounts* and accounts reconcilable therewith or on such special studies of items and factors of costs as the Committee may order pursuant to section 46 of the *National Transportation Act*.

(2) In computing the costs of a company for the purposes of section 256, 258 or 261, there shall be included an allowance for depreciation on a periodic basis