

factor of 3. By this time the railroad's expenditures will amount to 593 million rubles, with revenues amounting to 417 million rubles. In other words, there will be a more than six-fold increase in revenues.

This is at existing rates, which do not make allowance for the cost of transportation. You will agree that it differs in the centre of the USSR and on BAM. For some reason, the customer pays somewhat more for southern Yakut coal than he does for coal from Kuznetsk Basin, this even though railway transport costs are the same for both.

Rates must be changed. But this is a long process. What is possible though is to give BAM a higher coefficient through the distribution of revenues. Specialists have calculated that if in 1990 (from the first year of full regular operation) BAM receives a coefficient of 3, in 1995 it will be possible to reduce it to 1.59. This is a little bit more than what the Far East Railroad receives today.

BAM will cease to be subsidized once the coefficient is introduced. True, only in form. The coefficient is the same subsidy, only hidden. In order to become profitable in fact, the line needs a pulsating rhythm of traffic flow and good car utilization. Opportunities for this exist: following commencement of regular operation, BAM will immediately reach the network mean in terms of the most important indicators. And such indicators as service speed, gross trailing load and locomotive and car capacity will be even higher here than in many other places. BAM is almost 500 km shorter than the Trans-Siberian railway, which means freight will reach its point of arrival days earlier.