



Office of the Chairman

Surface Transportation Board
Washington, D.C. 20423-0001

October 11, 2016

The Honorable Bill Nelson
Ranking Member
U.S. Senate Committee on Commerce, Science and Transportation
Washington, DC 20510-6125

Dear Ranking Member Nelson,

Thank you for your letter dated September 14, 2016 regarding regulatory initiatives currently before the Surface Transportation Board (STB or Board). We appreciate knowing your views on these matters.

As noted in your letter, Congress enacted the Surface Transportation Board Reauthorization Act of 2015 (“Reauthorization Act” or “Act”) in order to enhance the efficiency and transparency of the STB. During the past year, the Board has made steady progress in fulfilling the mandates of the Act. Among other developments, the Board has issued final rules modifying its procedures for voluntary and binding arbitration (as required by Section 13 of the Act); proposed rules governing the new investigative authority for matters of regional or national significance (as required by Section 12 of the Act); and issued an advance notice of proposed rulemaking to assess procedures available to parties to streamline STB rate cases (as required by Section 11 of the Act). The Board has also conducted a number of non-public collaborative discussions pursuant to Section 5 of the Act to discuss agency business, including on several significant proceedings.

In addition to fulfilling the requirements of the Act, the Board has continued its work on the significant regulatory initiatives that were initiated prior to passage of the Reauthorization Act. The Board has received opening and reply comments from a host of stakeholders, and we will carefully consider your views as we continue to work on these matters. The status of these proceedings, including expected dates for next action, can be viewed in the quarterly reports that the Board prepares in accordance with Section 15 of the Act. Copies of these reports are also posted on the Board’s website for review by the public.

As we move forward with these proceedings, the Board will adhere to the goals and objectives of the Staggers Rail Act of 1980, the Interstate Commerce Commission Termination Act of 1985, and the Reauthorization Act. Congressional policy for the Board’s oversight of the railroad industry is set forth in the Rail Transportation Policy (49 U.S.C. § 10101), which instructs the Board to balance a number of competing and complementary factors, such as

allowing competition and demand for services to establish rates to the maximum extent possible, allowing rail carriers to earn adequate revenues, and maintaining reasonable rates where there is an absence of effective competition. The Board remains focused on maintaining and promoting the rail network for benefit of railroads, shippers and the public and as a vital engine for economic growth.

We appreciate your careful oversight of the work of this agency. If you have further questions about any of these proceedings, or STB procedures in general, please contact the STB's Office of Public Assistance, Governmental Affairs and Compliance. The telephone number for this office is (202) 245-0238.

Sincerely,



Daniel R. Elliott III
Chairman



Deb Miller
Vice Chairman

cc: The Honorable John Thune, Chairman