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

Office of the Chairman

April 1, 2016

The Honorable John Thune
Chairman
Senate Committee on Commerce, Science, and Transportation
United States Senate
Washington, DC 20510

The Honorable Bill Nelson
Ranking Member
Senate Committee on Commerce, Science, and Transportation
United States Senate
Washington, DC 20510

The Honorable Deb Fischer
Chairman
Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security
United States Senate
Washington, DC 20510

The Honorable Cory A. Booker
Ranking Member
Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security
United States Senate
Washington, DC 20510

Dear Chairman Thune, Ranking Member Nelson, Subcommittee Chairman Fischer, and Subcommittee Ranking Member Booker:

We are writing to transmit a series of reports pertaining to the implementation of the Surface Transportation Board Reauthorization Act of 2015, Public Law 114-110 ("Reauthorization Act" or "Act"). The Board has prepared these reports with the goal of not just meeting the requirements of the law but also improving our transparency. Besides keeping Congress informed of our activities and our progress, we recognized that these reports are also important to our stakeholders.

We also appreciate receiving Chairman Thune's letter dated March 31, 2016, detailing expectations for the Board's reports, as well as other matters before the Board. We believe the enclosed reports closely comply with those expectations but are open to continued dialogue to ensure that the reports are as useful as possible.

The enclosed implementation status report for the month of March describes the progress made on the key initiatives of the Reauthorization Act. We also include the first quarterly reports on rate case review metrics, and formal and informal service complaints, which have been prepared pursuant to Section 6(b) of the Act and posted on the Board's website. Finally, enclosed is the second quarterly report on unfinished regulatory proceedings pursuant to Section 15 of the Act, reformatted to provide additional information on the status of these open matters.

Investigative Authority. The Board is working to implement its new investigative authority in accordance with the objectives of the Reauthorization Act. This ongoing work will culminate in the issuance of a notice of proposed rulemaking and subsequent final rules, which we intend to complete by the end of this year.

Rate Cases. The Board continues implementation of the Act's provisions related to improving the processing of rate reasonableness cases. The Board began this implementation with rules issued on March 9, 2016, regarding rate case procedural schedules. Pursuant to Section 11 of the Act, the Board announced on March 15, 2016, that it will hold a series of informal meetings with practitioners, consultants, and stakeholders who have significant experience in litigation matters, including stand-alone cost rate cases, to share their views and ideas for expediting rate cases. Those meetings are scheduled to be held in April, and we will initiate a proceeding by June 15, 2016, in accordance with the Act.

Board Member Communications. In March, we held another productive meeting pursuant to the Board's new collaborative discussion authority established by the Act, at which the Board and staff members discussed modifying our existing arbitration rules consistent with the requirements of the Reauthorization Act. A summary of this meeting is posted in the Reauthorization Act section of the Board's website.

Thank you for your ongoing interest in our work implementing the Reauthorization Act. We hope this information is helpful to you. Please do not hesitate to contact us with questions or concerns about this or any other matter before the Board.

Sincerely,

Daniel R. Elliott III Chairman	Deb Miller Vice Chairman	Ann D. Begeman Commissioner

STB Reauthorization Act of 2015, P.L. 114-110 / STB Action Items March 2016			
Section of Law - Action Required	**Description**	**Deadline**	**Status**
Sec. 6(a) - Annual Report	Report on each initiated investigation in Annual Report	Annually	To be included in FY2016 Annual Report and thereafter
Sec. 6(b) - Quarterly Rate Case Review Metrics Reports	Post quarterly reports of rate cases pending or completed during the previous quarter	First Qtr 2016	Quarterly report completed 4/1/2016; posted to website; next report underway
Sec. 6(b) - Formal Service Complaints	1. Establish & maintain formal complaint database	First Qtr 2016	Quarterly report completed 4/1/2016; posted to website; next report underway
	2. Create report		
	3. Post quarterly reports on website		
Sec. 6(b) - Informal Service Complaints	1. Establish & maintain informal complaint database	First Qtr 2016	Quarterly report completed 4/1/2016; posted to website; next report underway
	2. Create report		
	3. Post to website		
Sec. 11 - Rate Case Expedition Proceeding	Assess procedures to expedite litigation in courts to potentially apply to expedition of STB rate cases	6/15/2016	Announced series of informal meetings to take place in April 2016 to discuss ideas and proposals; will initiate proceeding by June 15, 2016
Sec. 11 - Maintain Simplified Rate Case Processes	Maintain one or more simplified rate case methods for when SAC is too costly given value of the case	N/A	Maintain 3B, Simplified SAC; ongoing railroad rate regulation study and EP 665 may result in additional ideas/approaches
Sec. 11 - Rate Review Timelines	Implement new rate review timelines for SAC cases	Board deadline: ASAP	Final Rules issued March 9, 2016
Sec. 12 - Investigative Authority Rulemaking	Issue rules on STB-initiated investigations after public notice and comment	12/18/2016	Team formed to develop proposals for implementing investigative authority; deliberating ideas and proposal for investigations regulations; intend to issue final rules by 12/18/2016
Sec. 13 - Arbitration Rulemaking	Promulgate regs to establish voluntary and binding arbitration process for rate and practice complaints	12/18/2016	Proposed rules to amend existing voluntary arbitration process under development; Section 5 meeting conducted to discuss ideas; intend to issue final rules within the third quarter of 2016
Sec. 15 - Rate Case Methodology Report	Report to Congress on sufficiency of STB rate case methodologies and alternatives	12/18/2016	A railroad rate regulation study is ongoing and a final report is anticipated in advance of 12/18/2016
Sec. 15 - Unfinished Regulatory Proceedings Quarterly Reports	Provide quarterly progress report to Congress on pending proceedings; first report due 60 days after enactment	First Qtr 2016	Quarterly report completed and submitted to Congress 4/1/2016; posted to website; next report underway