

# MEMORANDUM OF UNDERSTANDING

between the  
United States Department of Agriculture  
and the  
Surface Transportation Board

The U.S. Department of Agriculture (USDA) and the Surface Transportation Board (STB), also referred to herein as "Party" or "Parties," jointly agree to establish this memorandum of understanding (MOU) to address shipper and railroad information needs related to the recurring seasonal problems that affect the transportation of grain and grain products. USDA and STB share a mutual interest in addressing grain transportation problems and agree to combine and coordinate resources to support activities aimed at that goal. Based on this MOU, both Parties will work together to establish, to the extent possible, a system to help identify changes in the market conditions that drive demand and supply for grain transportation by rail. This joint effort will eliminate duplicate activities and result in mutually beneficial assistance to each Party's constituencies.

## ARTICLE I

### Objectives and Authorities

The 1997 western rail service emergency illustrated the need for a mechanism to better monitor the transportation needs of grain shippers and receivers, and the capacity of the rail network to meet those needs. It is the intent of USDA and STB to identify what information about demand and supply conditions in the grain and rail transportation markets would be useful to grain shippers, receivers, and producers. In identifying this information, USDA and STB also intend to support the needs of the nation's railroads by providing information that will help them better position equipment and adjust their operations to address near term shifts in demand for their service. As the result of this MOU, USDA and STB will determine how best to collect and report this information so that it can be used by the rail and grain industries to help them better adjust to sudden changes in the demand for grain and the availability of rail transportation capacity.

This MOU is entered into by authority of the ICC Termination Act of 1995 (49 U.S.C. 10101 *et seq.* and 49 U.S.C. 721); and the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291), the Agricultural Marketing Act of 1946 (7 U.S.C. 1622 (j)), and USDA Departmental Regulation 1314-1, 6-23-82, Memorandum of Understanding.

## ARTICLE II

### Scope of Collaborative Activities

Collaboration under this MOU may include, but is not limited to, the following areas:

1. Identifying the types of information about changes in demand and supply conditions that would help the market place adjust to capacity constraints that affect the ability of grain to move to market, including data and information about the capacity of the grain handling and rail transportation systems to collect, store, position, and move grain, and about grain supplies and use.
2. Assessing the current availability and need for specific rail and grain market data that would help shippers, receivers, producers, and railroads adjust to changing market conditions for grain, grain products, and rail transportation capacity.
3. Determining areas where additional data collection, analysis, and reporting could provide more timely and useful information to shippers, receivers, producers, and railroads, e.g., port conditions and export sales.
4. Establishing appropriate mechanisms for the collection, analysis, and reporting of data that would provide market participants with better information about the grain and rail transportation markets.

## ARTICLE III

### Management

Management of this MOU will be accomplished jointly by USDA and STB subject to the following guidelines:

1. USDA and STB will establish a joint-agency Grain Logistics Task Force (GLTF). The GLTF will be made up of an eight-member working group with four members appointed by USDA and four members appointed by STB. Each party will designate one of its members as coordinator and may replace any member at any time. The GLTF will meet as necessary on a rotating venue basis at the respective agency's location, and the coordinator at the host location will chair that meeting. GLTF shall not be an advisory committee for purposes of the Federal Advisory Committee Act, 5 U.S.C. App. 1-15 (1994).
2. The GLTF may take actions and make recommendations upon the determination of the majority of its members.

3. The GLTF will administer this MOU and be responsible for conducting the activities outlined in Article II.
4. As appropriate, the GLTF will consult, or will recommend consultation, with representatives of the grain and rail industries on issues within the scope of activities set out under this MOU.

#### ARTICLE IV General Provisions

Activities under this MOU will be subject to the following general provisions:

1. Collaboration under this MOU will be in accordance with the applicable statutes and regulations governing USDA and STB, respectively.
2. This MOU in no way restricts the statutory authority of USDA, under 7 U.S.C. 1291 and 7 U.S.C. 1622 (j), to participate in cases and proceedings before STB.
3. Nothing in this MOU is intended to affect any other agreements or arrangements of USDA or STB in existence on the effective date of this MOU.
4. Subject to the Freedom of Information Act (5 U.S.C. 552) (FOIA), decisions on disclosure of information to the public based on information and data collected as a result of this MOU will be made following consultation between USDA and STB. Recommendations by the GLTF to the respective agencies shall be deemed to be predecisional recommendations by the staff of each agency for FOIA purposes.
5. The release of information and data gained as the result of this MOU will be by mutual agreement between USDA and STB.

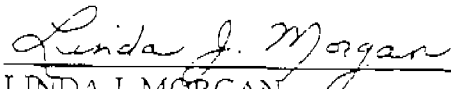
#### ARTICLE V Funding

To the extent permitted by law, all costs resulting from cooperation under this MOU will be borne by the party that incurs them. It is expressly understood that the ability of USDA and STB to carry out their obligations under this MOU is subject to the availability of appropriated funds.

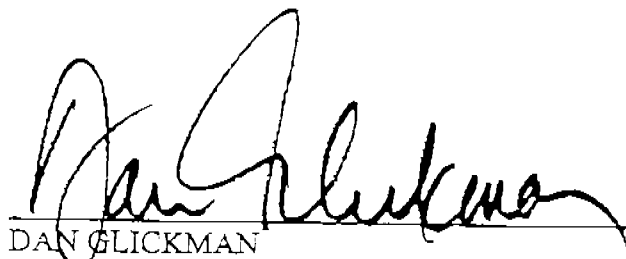
**ARTICLE VI**  
**Effective Date and Termination**

This MOU will become effective upon the signature of both USDA and STB. This MOU may be terminated at any time by either Party upon written notice to the other Party.

Executed in duplicate on the dates indicated below:

  
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LINDA J. MORGAN  
Chairman, Surface Transportation Board

5/21/98  
Date

  
\_\_\_\_\_  
DAN GLICKMAN  
Secretary, U.S. Department of Agriculture

5/21/98  
Date