



Office of the Chairman

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

May 2, 2016

The Honorable Susan Collins  
Chairman  
Senate Subcommittee on Appropriations –  
Transportation, Housing and Urban  
Development, and Related Agencies  
413 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Jack Reed  
Ranking Member  
Senate Subcommittee on Appropriations –  
Transportation, Housing and Urban  
Development, and Related Agencies  
728 Hart Senate Office Building  
Washington, DC 20510

Dear Chairman Collins and Honorable Senator Reed,

I am writing to provide information pertaining to the Surface Transportation Board's implementation of Public Law 114-110, *Surface Transportation Board Reauthorization Act of 2015* ("Reauthorization Act" or "Act"). With this letter, please find a status chart of the major actions that the Board is undertaking to execute these requirements. I will continue to send you monthly updates until all relevant provisions of the Reauthorization Act are completed.

**Investigative Authority.** The Board Members continue to have productive meetings pursuant to the Board's new collaborative discussion authority established by the Reauthorization Act. In April, the Board and staff members discussed various issues in preparing a draft rulemaking regarding the provisions of Section 12 of the Reauthorization Act, which gives the Board new authority to investigate potential violations of the rail provisions of the Interstate Commerce Act that are of national or regional significance, subject to certain limitations. As I have previously reported to you, this ongoing work will culminate in the issuance of a notice of proposed rulemaking in May 2016, and subsequent final rules by the end of this year.

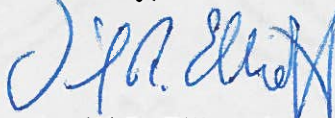
**Rate Cases.** Pursuant to Section 11 of the Act, the Board announced on March 15, 2016, that it will hold a series of informal meetings with practitioners, consultants, and stakeholders to share their views and ideas for expediting rate cases. That series of meetings is almost complete, and was very productive. In those meetings, Board staff was able both to hear and share ideas about how best to expedite large rate cases to comport with the new deadlines in the Reauthorization Act. My intention is to initiate a proceeding by June 15, 2016, in accordance with the Act.

Performance Data Reporting. Outside of the Reauthorization Act, I know that the Board's rulemaking on performance data reporting, *EP 724 (Sub-No. 4), United States Rail Service Issues – Performance Data Reporting*, is of great interest to you. It is with pleasure that I report to you that on April 29, 2016, the Board issued a notice of proposed rulemaking for a permanent set of performance data reporting from all Class I railroads.

By way of further update, the Board has modified the targeted service date *for Review of the General Purpose Costing System, EP 431 (Sub-No. 4)*. In that proceeding, the Board proposed certain changes to its general purpose costing system—the Uniform Railroad Costing System. Due to the complexity of the issues, we have targeted August 2016 for our next proposed action.

Thank you for your thoughtful oversight and ongoing interest in the Board. Please do not hesitate to contact me with any questions about this or any other matter before the Board.

Sincerely,



Daniel R. Elliott III  
Chairman

**STB Reauthorization Act of 2015, P.L. 114-110 / STB Action Items  
April 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	Second 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	Second Qtr 2016	Database established, report format created, first 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	Second Qtr 2016	Database established, report format created, first 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	A series of informal meetings with stakeholders and practitioners is being held to discuss ideas and proposals; proposals being considered; proceeding will be initiated 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 EP665 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	Section 5 meeting conducted to discuss proposals; draft rulemaking for investigation regulations is being considered; NPRM will be issued in 5/2016; intend to issue final rules by 12/18/2016
Sec. 13 - Arbitration Rulemaking	Promulgate regulations to establish voluntary and binding arbitration process for rate and practice complaints	12/18/2016	Section 5 meeting conducted to discuss proposals; draft rulemaking for arbitration regulations is being considered; NPRM will be issued in 5/2016; intend to issue final rules within the third quarter of 2016

**STB Reauthorization Act of 2015, P.L. 114-110 / STB Action Items  
April 2016**

<b>Section of Law - Action Required</b>	<b>Description</b>	<b>Deadline</b>	<b>Status</b>
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	Second Qtr 2016	Quarterly report completed and submitted to Congress 4/1/2016; posted to website; next report underway