

Minutes
Surface Transportation Board
Rail Energy Transportation Advisory Committee
September 20, 2012

The Surface Transportation Board's (STB) Rail Energy Transportation Advisory Committee (RETAC) convened at the STB headquarters in Washington, D.C., on Thursday, September 20, 2012. Co-Chairs, Susan Arigoni and Henry Rupert called the meeting to order at 9:15 a.m. The meeting agenda and copies of referenced documents presented during the meeting are attached to the e-mail distributing these minutes. This information is also available on the STB website.

Attendance:

Surface Transportation Board:

Daniel R. Elliott III, Chairman
Francis P. Mulvey, Vice Chairman
Ann D. Begeman, Board Member

Scott Zimmerman, Designated Federal Officer

RETAC Members:

Susan Arigoni, Co-Chair
Henry Rupert, Co-Chair

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| Bruce Blanton | Robert Hulick | Darin Selby |
| Stevan Bobb | Mark Huston | Jeff Wallace |
| Robert Gabbard | Ed McKechnie | Laura Vendetta |
| John Gray | Betsy Monseu | John Risch (representing James Stem) |
| Mark Hamilton | Anthony Reck | |
| Paul Hammes | Daniel Sabin | |

Chairman Elliott welcomed the committee and offered thanks to outgoing members Sameer Gaur and Betsy Monseu for their service to RETAC. Guest speakers Randolph Resor – DOT, Mindy Farber-De Anda – EIA and Diane Kearney – EIA were recognized.

Vice Chairman Mulvey and Board member Begeman also welcomed the committee and offered thanks for their service.

Co-Chairs, Arigoni and Rupert, provided opening comments and remarks regarding the meeting format referencing the Industry Segment Updates in addition to presentations. The Co-Chairs encouraged discussion at the completion of each agenda item.

Minutes of the March 1, 2012 meeting were approved.

Secretary / Treasurer Hulick reported current available funds to be \$1,191.30.

Randolph Resor – DOT presented a review of Summary of MAP-21 Freight Provision (attachment). Mr. Resor remarked that MAP-21 represents a multimodal approach titled Moving Ahead for Progress in the 21st Century (MAP-21). Topics 1-11 were specifically addressed as well as topics 12 and 13 related to trucks. Mr. Resor stated that the purpose of MAP-21 is to target shaping of the future of our freight transportation system. To that end, a Freight Policy Council will oversee and coordinate the development and implementation of MAP-21 freight policy provisions. A copy of the Freight Policy Council Charter was provided (attached). Mr. Resor commented on the need for research and technology requirements and noted that the MAP-21 implementation date is October 1, 2012.

RETAC is to evaluate forming a subcommittee to provide thoughts to the full committee for consideration as input to the DOT, MAP-21 process. A scope and proposed charter for this type of subcommittee will be prepared for review at the next RETAC meeting.

Ms. Mindy Farber-De Anda presented an EIA U.S. Petroleum and Biofuels outlook (attached). In addition to reports, current information can also be viewed via the “Today in Energy” link on the EIA website. An additional Biofuels issues and trends report will be issued in October. Ms. Farber-De Anda noted that more complete rail shipment information would be of benefit and asked for support from RETAC members.

Ms. Diane Kearney presented EIA’s Final Release Annual Energy Outlook 2012: Focus on U. S. Coal Distribution Changes through 2035 (attached).

RETAC member, Robert Hulick addressed current and future tank car demand and tank car design development requirements (slides 1-9 of attached Rail Fleet Update).

RETAC member, Betsy Monseu presented a Performance Measures Review (attached).

Industry segment reports were presented as follows:

Railroads – RETAC member, Mark Hamilton provided a verbal report on four factors that can impact railroad performance:

- 1) Regulatory requirements for PTC
- 2) Volumes due to cost of various energy sources, electricity consumption, weather and EPA regulations
- 3) Capital investments and hiring plans
- 4) Pending STB cases (merits of specific cases were not discussed).

Utilities – RETAC member, Jeff Wallace (Attached)

Mines - RETAC member, Betsy Monseu (Attached)

Ethanol – RETAC member, Mark Huston (Attached)

Railcars – RETAC member, Robert Hulick (Attached, slides 10-16)

Closing comments were provided by Co-Chairs, Arigoni and Rupert. RETAC consensus is that the current meeting format is effective. Co-Chairs will continue to seek pertinent topics for presentation and discussion by RETAC. As was the case in today's meeting, RETAC will continue to focus on regulatory impact in all energy markets, track changes impacting cost and continue focus on ethanol and crude oil transportation markets. Changes in the supply chain prompted by competition between fuel sources will direct future agenda items. The Co-Chairs thanked the committee members and expressed their appreciation for the quality of the presentations made.

Next meeting date was set for March 14, 2013.

Meeting adjourned at 12:25 p.m.

Respectfully submitted - Robert Hulick, Secretary / Treasurer