



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

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Meeting under Section 5, STB Reauthorization Act

May 10, 2019

Present: Members Begeman, Fuchs, and Oberman  
Staff William Brennan, Michael Boyles, Rachel Campbell, Allison Davis,  
Christopher Diamond, Ellen Erichsen, Amanda Gorski, Kim Hillenbrand,  
Craig Keats, Lisa Novins, Valerie Quinn, Andrew Read, Janie Sheng

Topic: Rate Reform Task Force Recommendations

Summary of the Matters Discussed, Prepared by General Counsel Craig Keats:

At this meeting, staff briefed Board Members on certain recommendations made in the Rate Reform Task Force Report issued on April 29, 2019. The Report recommended improvements to the existing rate review processes and proposed new rate review methodologies that the Board could consider. This meeting focused on three recommendations in the Report: a way to determine whether a rail carrier is long-term revenue adequate; a potential new constraint on certain rate increases for revenue adequate carriers; and reversal of the Board's "bottleneck" precedent for revenue adequate carriers.

Staff and Board Members discussed the following matters:

1. How the Board currently calculates revenue adequacy under 49 U.S.C. § 10704(a)(3); how long-term revenue adequacy could best be calculated; and the role long-term revenue adequacy might play as a trigger for certain potential new remedies for shippers.
2. How the "rate increase constraint" would work; whether it would preclude use of other rate review procedures; and the effects of the constraint across different groups of shippers.
3. Evolution of the Board's bottleneck precedent; how it relates to other remedies such as mandated reciprocal switching; potential justifications for considering a reversal of that precedent.