



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

August 8, 2019

The Honorable Tammy Baldwin
United States Senate
709 Hart Senate Office Building
Washington, DC 20510

The Honorable John Kennedy
United States Senate
416 Russell Senate Office Building
Washington, DC 20510

Dear Senator Baldwin and Senator Kennedy:

Thank you for your recent letter expressing support for the release of the Surface Transportation Board (STB or Board) Rate Reform Task Force report (Report) and the Board's efforts regarding railroad demurrage and accessorial charges. We appreciate knowing your views on these important matters.

As your letter noted, we have each stated that a top priority for the Board is to reform our rate review methodologies and processes. Our goal is to make them more accessible, efficient, and transparent, including for small rail customers who do not currently believe they have a sufficient rate review option available to them. Pursuant to the collaborative discussion authority established by Section 5 of the STB Reauthorization Act of 2015, we held a series of productive meetings immediately after completion of the Report to discuss its recommendations. The meeting summaries for these and other collaborative discussions can be found on the Board's website. We are actively considering the Report and determining actions to improve the Board's rate reasonableness methodologies and processes. We expect to initiate formal action this summer, including through notice and comment rulemaking.

We are also thoroughly reviewing the testimony and comments from the Board's two-day Oversight Hearing on Demurrage and Accessorial Charges held on May 22 and 23, 2019. Following the hearing, the Board kept the record open through June 6, 2019, to allow interested parties to file further comments to ensure a complete record. We are encouraged by recent changes to demurrage and accessorial tariffs made by some of the Class I carriers following the Board's oversight hearing. Please be assured that we are also working expeditiously on our next actions in response to the issues raised during the hearing and in the public comments.

In addition to the release of the Report and the oversight hearing, we continue work on other important pending matters, including both adjudicatory and regulatory proceedings. As noted in the Board's most recent quarterly Report on Pending STB Regulatory Proceedings, the Board has provided "next action dates" for several pending proceedings. We have also recently completed a series of ex parte meetings with interested members of the public to discuss the revocation of certain class exemptions in Review of Commodity, Boxcar, and TOFC/COFC Exemptions, Docket No. EP 704 (Sub-No. 1). And, we continue to hold ex parte meetings with

stakeholders to receive input on the proposed reciprocal switching rules in Petition for Rulemaking to Adopt Revised Competitive Switching Rules, Docket No. EP 711 (Sub-No. 1).

Thank you again for your continued interest in the Board's work. We will keep your offices apprised of the Board's actions and related progress. If you have any questions, please contact us or Lucille Marvin, Director of the Office of Public Assistance, Governmental Affairs, and Compliance, at 202-245-0238.

Sincerely,



Ann Begeman
Chairman



Patrick Fuchs
Vice Chairman



Martin Oberman
Board Member