



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

June 4, 2019

The Honorable Roger Wicker  
Chairman  
Senate Committee on Commerce, Science,  
and Transportation  
555 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Deb Fischer  
Chairman  
Subcommittee on Transportation  
and Safety  
454 Russell Senate Office Building  
Washington, DC 20510

The Honorable Tammy Duckworth  
Ranking Member  
Subcommittee on Transportation and  
and Safety  
524 Hart Senate Office Building  
Washington, DC 20510

The Honorable John Thune  
United States Senate  
511 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Amy Klobuchar  
United States Senate  
425 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Wicker, Subcommittee Chairman Fischer, Ranking Member Duckworth, Senator Thune, and Senator Klobuchar:

Thank you for your recent letter regarding the Report of the Rate Reform Task Force (Report), which the Surface Transportation Board (STB or Board) made publicly available upon the Report's submission to the Board. We appreciate your recognition of this important milestone and its furtherance of key objectives of the STB Reauthorization Act of 2015.

As we have each publicly stated, a top priority is reforming the Board's rate review methodologies and processes in order 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. Consistent with its directive, the Task Force gathered wide-ranging input from the public, including through informal meetings with representatives of rail customers and carriers, as well as academics, practitioners, and other interested parties. The Task Force also reviewed previous rate cases, rulemakings, and studies of the agency's rate review methodologies and processes. The completed Report reflects the Task Force's comprehensive, analytical, and diligent efforts.

We are carefully reviewing the Report and are actively considering next steps. Pursuant to the collaborative discussion authority established by Section 5 of the STB Reauthorization Act, we held a series of productive meetings last month immediately after completion of the Report to discuss its recommendations. The collaborative discussions covered each of the recommendations contained in the Report, including:

- the potential use of “final offer” principles in rate cases, which was recommended for use in smaller disputes;
- the potential simplification of the market dominance presentations that parties make in rate cases;
- the potential modifications to the waybill sample to, among other things, increase the number of observations that can be used in certain rate review methodologies;
- the potential modifications to simplify the Stand-Alone Cost test; and
- the potential policies that could be tied to a finding of long-term revenue adequacy.


The meeting summaries for these and other collaborative discussions can be found on the Board’s website.

Although our collaborative discussions on these matters have been preliminary and exploratory, we anticipate that, this summer, we will more formally consider potential actions to improve the Board’s rate review methodologies and processes, including through notice and comment rulemaking. In the meantime, we welcome interested parties to provide their views on the Report.

Thank you again for your continued interest and support of our efforts. 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