



Office of the Chairman

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

June 1, 2016

The Honorable John Thune
Chairman
Senate Committee on Science,
Commerce, and Transportation
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bill Nelson
Ranking Member
Senate Committee on Science,
Commerce, and Transportation
716 Hart Senate Office Building
Washington, DC 20510

The Honorable Deb Fischer
Chairman
Subcommittee on Surface Transportation
and Merchant Marine Infrastructure,
Safety, and Security
United States Senate
Washington, DC 20510

The Honorable Cory A. Booker
Ranking Member
Subcommittee on Surface Transportation
and Merchant Marine Infrastructure,
Safety, and Security
United States Senate
Washington, DC 20510

Dear Chairman Thune, Ranking Member Nelson, Subcommittee Chairman Fischer, and Subcommittee Ranking Member Booker:

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.

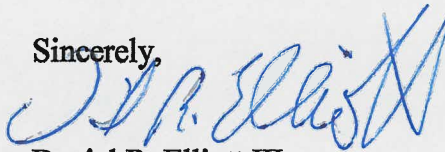
Arbitration. I am pleased to report that on May 12, 2016, the Board issued a notice of proposed rulemaking amending our existing procedures for the arbitration of disputes before the Board, to make those procedures conform to the statutory requirements in Section 13 of the Reauthorization Act. Comments on the proposed rulemaking are due by June 13, 2016, and replies are due by July 1, 2016.

Investigative Authority. On May 16, 2016, the Board issued a notice of proposed rulemaking to establish procedures for Board-initiated investigations pursuant to Section 12 of the Reauthorization Act. Comments on the proposed rulemaking are due by June 15, 2016, and replies are due by July 15, 2016.

Rate Cases. I previously reported that the Board held a series of informal meetings with practitioners, consultants, and stakeholders to share their views and ideas for expediting large rate cases. Those meetings were productive and led to a number of promising ideas to help the Board process large rate cases more quickly. My intention is to initiate a proceeding by June 15, 2016, in accordance with Section 11 of the Act, and report further on that in my next update.

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
May 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	First 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 was 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; NPRM issued 5/16/16; 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; NPRM issued 5/12/2016; intend to issue final rules within the third quarter of 2016

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

Section of Law - Action Required	Description	Deadline	Status
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	First quarterly report completed and submitted to Congress 4/1/2016; posted to website; next report underway