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United States Senate

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

WASHINGTON, DC 20510-6125

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February 1, 2016

The Honorable Daniel R. Elliott III Chairman Surface Transportation Board 395 E Street, Southwest Washington, DC 20423

The Honorable Ann D. Begeman **Board Member** Surface Transportation Board 395 E Street, Southwest Washington, DC 20423

The Honorable Deb Miller Vice Chairman Surface Transportation Board 395 E Street, Southwest Washington, DC 20423

Dear Chairman Elliot, Vice Chairman Miller, and Member Begeman:

With the enactment of the Surface Transportation Board (STB) Reauthorization Act of 2015 (P.L. 114-110), we write to request information on the Board's planned activities for the upcoming year, including the implementation of reforms and the potential consideration of a major merger proposal.

As you know, our Committee and the Board have worked cooperatively to conduct outreach, increase oversight, and develop policy changes to ensure the rail service issues seen in 2013 and 2014 do not recur. As you work to implement the STB Reauthorization Act, we ask for additional information to ensure full compliance with the law. Specifically, we want to ensure improved dispute resolution processes through expedited rate reviews and reformed arbitration procedures; more proactive problem-solving through expanded investigatory authority; increased transparency through quarterly reporting; and enhanced decision-making processes through collaborative discussions and structural changes. We ask that you provide us with an update on STB's activities and plans to meet each deadline in the bill. The law is the first reauthorization of the agency since it was established, and it is critical that this bipartisan legislation is implemented fully and expeditiously.

In addition to the implementation of the STB Reauthorization Act, this year we understand the Board may also need to take action regarding a potential merger of Canadian Pacific Railway and Norfolk Southern Railway or any other potential merger. As you know, the STB has previously stated that future applicants for major mergers should "bear a heavier burden to show that a major rail combination is consistent with the public interest" and the Board's 2001 rules "take a much more cautious approach to future voting trusts." The outcome of such issues could have substantial effects on rail service, safety, and our economy. We urge careful consideration of any potential merger, voting trust, or other arrangement related to preapproval control, consistent with applicable law and the public interest. We also urge you to keep the Committee fully apprised of any actions related to potential mergers.

Thank you for your consideration of this request and for your continued partnership in promoting a competitive, efficient, and reliable national rail system.

Sincerely,

JOHN THUNE

Chairman

BILL NELSON

Ranking Member

DEB FISCHER

Chairman

Subcommittee on Surface Transportation and Merchant Marine Infrastructure,

Safety and Security

CORY A. BOOKER

Ranking Member

Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety and Security

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