



Member of the Board

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

April 3, 2017

The Honorable Bill Shuster
Chairman
Committee on Transportation
and Infrastructure
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Peter A. DeFazio
Ranking Member
Committee on Transportation
and Infrastructure
U.S. House of Representatives
2134 Rayburn House Office Building
Washington, DC 20515

The Honorable Jeff Denham
Chairman
Subcommittee for Railroads, Pipelines
and Hazardous Materials
U.S. House of Representatives
1730 Longworth House Office Building
Washington, DC 20515

The Honorable Michael E. Capuano
Ranking Member
Subcommittee for Railroads, Pipelines
and Hazardous Materials
U.S. House of Representatives
1414 Longworth House Office Building
Washington, DC 20515

Dear Chairman Shuster, Ranking Member DeFazio, Subcommittee Chairman Denham, and Subcommittee Ranking Member Capuano:

On behalf of the Surface Transportation Board (STB or Board), I am pleased to provide the Board's first quarterly 2017 reports in accordance with the Surface Transportation Board Reauthorization Act of 2015 (STB Reauthorization Act), along with an update on recent Board matters that have occurred since I was designated Acting Chairman by President Trump on January 23, 2017. I want to assure you that in carrying out my new duties, I remain committed to working with Congress, my Board Member colleagues, and Board staff to help make the agency more accountable, transparent, and timely for the benefit of our stakeholders and the public. I greatly appreciate my Member colleagues' and staff's support over the past few months as the agency transitions and prepares for two new Board Members.

First and foremost, the Board is continuing its work to ensure full implementation of the STB Reauthorization Act, which will remain a top priority. Last week, the Board issued a notice of proposed rulemaking pursuant to Section 11 of the STB Reauthorization Act, which requires the agency to consider how procedures for expediting court litigation might be applied to rate cases. These proposed rules in Expediting Rate Cases, Docket No. EP 733, were developed after seeking public comment last year on how to improve and expedite rail rate reasonableness proceedings.

The proposed rules are not the final action the Board needs to take to improve the Board's rate review processes. In addition to pursuing a new rate review methodology for grain and other shippers, the Board must continue to pursue ideas to further expedite the rate case process. This effort is essential for the Board to meet the new, shortened period for making a final determination on large rate cases.

Last fall, the Board indicated that a hearing would be held soon after its October 2016 economic roundtable discussion on the InterVISTAS rate case methodology report to provide an opportunity for public comment on the report and issues raised at the roundtable. In early January, former Chairman Elliott indicated that the hearing would occur in April. However, it is my preference that the Board proceed with a hearing when it is more likely a full complement of Members can consider these very important and challenging issues.

Similarly, you may recall that the forecasted dates for action on three regulatory proceedings were changed to "TBD" in the quarterly unfinished regulatory proceedings report provided to you in early January 2017. Because the Board remains in a period of transition, the target date for one additional major proceeding, Railroad Revenue Adequacy, Docket No. EP 722, has also been changed to "TBD" in the enclosed quarterly report. It was also necessary to adjust the projected date for action on Review of the General Purpose Costing System, Docket No. EP 431 (Sub-No. 4), due to the complexity of the issues involved. Rather than missing a target date and disclosing that fact in a later report, I want to inform all interested stakeholders now.

Postponing action on these important regulatory proceedings also creates an opportunity for the Board to focus additional attention on our large docket of cases. In fact, we are working hard to move our cases expeditiously and are establishing target deadlines, as soon as possible, for each pending case where a record has closed. Doing so creates a shared expectation among Board Members and staff about when final decisions on cases should be reached. Once we have more experience with this approach, my goal is to make the target deadlines public so our stakeholders will have a better sense of when to expect a decision from the Board.

I also want to update you on additional Board matters that may be of interest. The Board has been working with the General Services Administration (GSA) since 2013 in preparation for the February 2017 expiration of the lease of our building located in Southwest Washington, DC. GSA had informed the Board that we would either move to a new location or occupy a smaller footprint in our current location. Because a new lease for the agency has still not been announced by GSA, we are in a "hold-over" lease in our current facilities. The prolonged uncertainty has had a real impact on our staff, and it has become very challenging to prepare accurate estimates of our rental costs for the fiscal year 2018 budget submission. I have been in contact with GSA officials and hope to soon receive clear information about our future location and associated annual rental expenses.

Finally, I also want to make you aware that, later this week, the Board will appear before the House Committee on Oversight and Government Reform Subcommittee on Government Operations during its hearing on *"The Best and Worst Places to Work in the Federal Government."* You may recall that from 2009 through 2014, the STB was ranked the best small agency in the government, according to the annual Federal Employee Viewpoint Survey. Our scores have recently declined, placing the Board at 16 out of 29 small agencies last year. The Board's Managing Director has been invited to discuss our efforts to promote growth in

engagement. The Board values its employees and is firmly committed to being a great place to work and getting things done for the benefit of our stakeholders and the public.

Again, thank you for your supportive oversight and strong interest in the Board and its work. If you have any questions, I can be reached at 202-245-0204.

Sincerely,

A handwritten signature in black ink that reads "Ann Begeman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Ann Begeman
Acting Chairman

Report on Pending STB Regulatory Proceedings – April 3, 2017

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Surface Transportation Board

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| 1. Review of the General Purpose Costing System |
|--|

Popular Title: Review of the General Purpose Costing System

RIN 2140-AB14

Stage: Proposed Rule

Previous Stage: NPRM: Publication Date 02/04/2013; End of Comment Period 06/20/2013; End of Reply Comment Period 09/05/2013; SNPRM Served 08/04/2016 (published in Fed. Reg. 08/10/2016); End of Comment Period 10/11/2016; End of Reply Comment Period 11/07/2016.

Abstract: The Board proposes certain changes to its general purpose costing system—the Uniform Railroad Costing System (URCS). Specifically, the Board proposes in a Supplemental Notice of Proposed Rulemaking to modify certain inputs into Phase II of URCS and to modify certain cost calculations in Phase III of URCS in order to eliminate the “make-whole adjustment” in Phase III. The Board proposes certain other related changes to URCS, including proposals for locomotive unit-miles and train miles allocations, that would result in more appropriate rail movement costs.

Effects:

Paperwork Reduction Act

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 02/04/2013

Docket Number: EP 431 (Sub-No. 4)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|------------------|-----------------------|---------------------------|--------------------|
| Service Date | 05/2017 | 11/2017 | N/A |

Explanation for any delay: The Board will need additional time to work on this proposal given the complexity of the issues involved.

Federal Register Citation for Next Action: N/A

Surface Transportation Board

2. Rail Fuel Surcharges (Safe Harbor)

Popular Title: Rail Fuel Surcharges (Safe Harbor)

RIN 2140-AB17

Stage: Pre-Rule

Previous Stage: ANPRM: Publication Date 05/29/2014; End of Comment Period 08/04/2014; End of Reply Comment Period 10/15/2014.

Abstract: The Board is giving shippers, rail carriers, and other interested parties the opportunity to comment on the Board’s “safe harbor” standard, which allows carriers to rely on a Board-approved fuel index to measure changes in fuel prices for purposes of their fuel surcharge programs.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 05/29/2014

Docket Number: EP 661 (Sub-No. 2)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|------------------|-----------------------|---------------------------|--------------------|
| Service Date | 09/2016 | TBD | N/A |

Explanation for any delay: The new projected date was modified in the January 2017 report, explaining that the Board is in a time of transition with potential changes to the Board’s membership due to the changeover in administration. The new projected target date remains TBD.

Federal Register Citation for Next Action: N/A

Surface Transportation Board

3. Expanding Access to Rate Relief

Popular Title: N/A

RIN 2140-AB16

Stage: Pre-Rule

Previous Stage: ANPRM served 08/31/2016; Comment period closed 12/19/2016.

Abstract: The Board is considering procedures that could comprise a new rate reasonableness methodology for use in very small disputes, which would be available to shippers of agricultural products and all other commodities.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 08/31/2016

Docket Number: EP 665 (Sub-No. 2)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|----------------|--------------------|-------------|
| Service Date | 06/2017 | N/A | N/A |

Explanation for any delay: N/A

Federal Register Citation for Next Action: N/A

Surface Transportation Board

4. Review of Commodity, Boxcar, and TOFC/COFC Exemptions

Popular Title: Review of Commodity, Boxcar, and TOFC/COFC Exemptions
RIN 2140-AB29

Stage: Proposed Rule

Previous Stage: NPRM served 03/23/2016; Order granting the Association of American Railroads' request for extension of time served 05/06/2016; Comment period closed 08/26/2016.

Abstract: In this proceeding, the Board proposes to revoke the existing class exemptions under 49 C.F.R. Part 1039 for (1) crushed or broken stone or rip rap; (2) hydraulic cement; and (3) coke produced from coal, primary iron or steel products, and iron or steel scrap, wastes or tailings.

Effects:

Regulatory Flexibility Act

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 03/23/2016

Docket Number: EP 704 (Sub-No. 1)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|------------------|-----------------------|---------------------------|--------------------|
| Service Date | 01/2017 | TBD | N/A |

Explanation for any delay: The new projected date was modified in the January 2017 report, explaining that the Board is in a time of transition with potential changes to the Board's membership due to the changeover in administration. The new projected target date remains TBD.

Federal Register Citation for Next Action: N/A

Surface Transportation Board

5. Reciprocal Switching

Popular Title: Competitive Switching Rules

RIN 2140-AB10

Stage: Proposed Rule

Previous Stage: NPRM served 07/27/2016.

Abstract: The Board proposes regulations which would allow a party to seek a reciprocal switching prescription that is either practicable and in the public interest or necessary to provide competitive rail service, in accordance with 49 U.S.C. § 11102(c)(1).

Effects:

None

Prompting action: Petition from the National Industrial Transportation League.

Legal Deadline: None

Rulemaking Project Initiated: 07/27/2016

Docket Number: EP 711 (Sub-No. 1)

Dates for Notice of Proposed Rulemaking:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|----------------------------|-------------------------|--------------------|-------------|
| NPRM Service Date | 06/2016 | 07/2016 | 07/27/2016 |
| Comment Period Ends | 09/26/2016 | 10/26/2016 | N/A |
| Reply Period Ends | 10/10/2016 | 01/13/2017 | N/A |
| Ex Parte Meetings | Beginning 01/30/2017 | N/A | N/A |

Explanation for any delay: N/A

Federal Register Citation for NPRM: 81 Fed. Reg. 51,149 (Aug. 3, 2016)

Surface Transportation Board

6. Railroad Revenue Adequacy

Popular Title: Revenue Adequacy

RIN 2140-AB19

Stage: Pre-Rule

Previous Stage: Notice 04/02/2014; End of Comment Period 09/05/2014; End of Reply Comment Period 11/04/2014; Hearing 07/22/2015 and 07/23/2015.

Abstract: The Board is exploring its methodology for determining railroad revenue adequacy, as well as the revenue adequacy component used in judging the reasonableness of rail freight rates.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 04/02/2014

Docket Number: EP 722

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|----------------|--------------------|-------------|
| Service Date | 10/2016 | TBD | N/A |

Explanation for any delay: The new projected target date has been changed from June 2017 to TBD, in recognition of a new Administration and expected changes to the Board's membership.

Federal Register Citation for Next Action: N/A

Surface Transportation Board

7. Offers of Financial Assistance

Popular Title: Offers of Financial Assistance

RIN 2140-AB27

Stage: Proposed Rule

Previous Stage: ANPRM issued 12/11/2015; End of Comment Period 02/12/2016; End of Reply Comment Period 03/14/2016; NPRM served 09/30/2016.

Abstract: The Board is proposing to update its rules pertaining to offers of financial assistance under 49 U.S.C. § 10904 to improve that process and protect it against abuse.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 12/11/2015

Docket Number: EP 729

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|----------------|--------------------|-------------|
| Service date | 6/2017 | N/A | N/A |

Explanation for any delay: N/A

Federal Register Citation for Next Action: N/A.

Surface Transportation Board

8. Expediting Rate Cases

Popular Title: Expediting Rate Cases

RIN # 2140-AB33

Stage: Proposed Rule

Previous Stage: ANPRM served 06/15/2016; end of comment period 08/29/2016; NPRM served 03/31/2017.

Abstract: As mandated by the Surface Transportation Board Reauthorization Act of 2015, P.L. 114-110, the Board is assessing procedures that are available to parties in litigation before courts to expedite rate litigation and consider the potential application of any such procedures to rate cases. The Board is also assessing whether there are additional changes to the SAC case process that could help the Board meet the expedited timeline for a final decision established under the STB Reauthorization Act.

Effects:

None

Prompting action: Surface Transportation Board Reauthorization Act of 2015

Legal Deadline: 06/15/2016 (Initiate Proceeding)

Rulemaking Project Initiated: 12/18/2015

Docket Number: EP 733

Dates for Notice of Proposed Rulemaking:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|---------------------|-----------------------|---------------------------|--------------------|
| NPRM Service Date | 03/2017 | N/A | 03/31/2017 |
| Comment Period Ends | 05/15/2017 | N/A | N/A |
| Reply Period Ends | 06/14/2017 | N/A | N/A |

Explanation for any delay: N/A

Federal Register Citation for NPRM: TBD

Surface Transportation Board

9. Publication Requirements for Agricultural Products

Popular Title: 2140-AB35

RIN # TBD

Stage: Proposed Rules

Previous Stage: NPRM served 12/29/2016; end of comment period 3/20/2017.

Abstract: The Board is proposing amendments to its regulations governing the publication, availability, and retention for public inspection of rail carrier rate and service terms for agricultural products and fertilizer. In this proceeding, the Board also clarifies its policies on standing and aggregation of claims as they relate to rate complaint procedures.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 12/29/2016

Docket Number: EP 528 (Sub-No. 1)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|------------------|-----------------------|---------------------------|--------------------|
| Service Date | 6/2017 | N/A | N/A |

Explanation for any delay: N/A

Federal Register Citation for Next Action: N/A

Quarterly Status Report of Rate Complaint Cases Before the STB - 1ST QUARTER 2017

| | | |
|---------------------|--|--|
| Docket No: | NOR 42121 | NOR 42142 |
| Case Name: | Total Petrochemicals & Refining USA Inc. v. CSX Transportation, Inc. | Consumers Energy Co. v. CSX Transportation, Inc. |
| Commodities: | 4 Chemical Commodities | Coal |

| Rate Review Type (SAC, SSAC, 3-Benchmark or Other): | SAC | SAC and Revenue Adequacy |
|---|-----------------|--|
| Origin(s): | 4 Origins | Interchange with BNSF in the vicinity of Chicago, IL |
| Destination(s): | 62 Destinations | Campbell Generating Station near West Olive, MI |

| Procedural Schedule: | | |
|---------------------------------------|--|--|
| Date on Which Proceeding Began | May 3, 2010 | January 13, 2015 |
| *Discovery Completed: | October 17, 2013 | July 1, 2015 |
| Opening Evidence: | February 18, 2014 / October 7, 2015 (supplemental) | November 2, 2015 / January 23, 2017 (supplemental) |
| Reply Evidence: | July 21, 2014 / November 20, 2015 (supplemental) | March 7, 2016 / March 6, 2017 (supplemental) |
| Rebuttal Evidence: | November 5, 2014 | May 20, 2016 / April 13, 2017 (supplemental) |
| Closing Briefs: | December 14, 2015 | June 24, 2016 |

Italics indicate dates of future events, which are subject to change.

| | | |
|--|---------------------------|-------------------------|
| Merits Decision: | September 14, 2016 | <i>January 12, 2018</i> |
| Petition for Reconsideration or Reopening | October 24, 2016 (CSXT)** | NA |
| Replies to Petitions for Reconsideration or Reopening | Not filed | NA |
| Decision Making Technical Corrections | January 4, 2017*** | NA |
| Merits Decision on Reconsideration or Reopening | January 4, 2017*** | NA |

Italics indicate dates of future events, which are subject to change.

| Brief Description of the Final Decisions: | | |
|---|--|-----|
| | In the merits decision, the Board found that the rates challenged by the complaining shipper were not shown to be unreasonably high. The Board dismissed as moot the railroad's petitions for reconsideration and technical corrections. | TBD |

** Parties often set the schedule for discovery and do not necessarily inform the Board. This date is based on the information in the Board's possession, but may have changed.*

*** CSXT also filed a petition for technical corrections on October 24, 2016. TPI did not respond to the petition for reconsideration or the petition for technical corrections.*

**** Merits not reached. Petitions dismissed as moot.*

TOTAL PETROCHEMICALS & REFINING USA v. CSX TRANSPORTATION, Docket No. NOR 42121

Complete Timeline (Significant Filings and Decisions Only)

| | |
|---|--------------------|
| TPI Complaint | May 3, 2010 |
| CSXT Answer | May 24, 2010 |
| TPI 1st Amended Complaint | July 26, 2010 |
| CSXT Answer to 1st Amended Complaint | August 16, 2010 |
| CSXT Motion for Expedited Determination of Jurisdiction over Challenged Rates | October 1, 2010 |
| TPI 2nd Amended Complaint | October 4, 2010 |
| Close of First Discovery Period* | October 15, 2010 |
| TPI Motion for Expedited Determination of Jurisdiction over Challenged Rates | October 21, 2010 |
| Joint Submission of Operating Characteristics | November 29, 2010 |
| TPI Appeal of Director Decision Denying TPI's 1st Motion to Compel | November 30, 2010 |
| CSXT Reply to TPI Appeal | December 3, 2010 |
| le Gulf Railway, and South Carolina Central Railroad Answers to 2nd Amended Complaint | December 9, 2010 |
| Pioneer Valley Railroad Answer to 2nd Amended Complaint | December 10, 2010 |
| STB Decision Denying TPI's Appeal of Director Decision Denying First Motion to Compel | December 23, 2010 |
| TPI 3rd Amended Complaint | January 4, 2011 |
| Mohawk, Adirondack & Northern Railroad Corp. Answer to 3rd Amended Complaint | January 14, 2011 |
| R.J. Corman Railroad Answer to Third Amended Complaint | January 24, 2011 |
| TPI 4th Amended Complaint | February 3, 2011 |
| STB Decision Bifurcating Proceeding into Separate Market Dominance and Rate Reasonableness Phases | April 5, 2011 |
| TPI Opening Market Dominance Evidence | May 5, 2011 |
| CSXT Motion to Redesignate | May 17, 2011 |
| TPI Reply to Motion to Redesignate | May 19, 2011 |
| STB Decision Addressing CSXT Motion to Redesignate | July 15, 2011 |
| CSXT Reply Market Dominance Evidence | August 5, 2011 |
| TPI Rebuttal Market Dominance Evidence | September 6, 2011 |
| CSXT Motion to Strike Portions of TPI's Rebuttal Market Dominance Evidence | September 29, 2011 |
| TPI Reply to Motion to Strike | October 17, 2011 |
| STB Decision on Market Dominance | May 31, 2013 |
| CSXT and TPI Petitions for Reconsideration | June 20, 2013 |
| STB Decision Ordering Supplemental Discovery | July 19, 2013 |
| CSXT and TPI Replies to Petitions for Reconsideration | July 24, 2013 |
| Association of American Railroads Petition to Intervene | July 24, 2013 |
| Close of Supplemental Discovery | October 17, 2013 |
| STB Decision Denying Petitions for Reconsideration of Market Dominance Decision | December 19, 2013 |
| CSXT Petition for Judicial Review in the D.C. Circuit | December 26, 2013 |
| CSXT Petition for a Stay | December 26, 2013 |
| TPI Reply to Motion for Stay | December 30, 2013 |
| STB Decision Denying CSXT Request for Stay | January 2, 2014 |
| TPI Opening Rate Reasonableness Evidence | February 18, 2014 |
| CSXT Reply Rate Reasonableness Evidence | July 21, 2014 |
| TPI Rebuttal Rate Reasonableness Evidence | November 5, 2014 |
| TPI Petition to Supplement the Record | November 5, 2014 |
| CSXT Reply to Petition to Supplement the Record | November 25, 2014 |
| D.C. Circuit Decision Denying CSXT Petition for Judicial Review | December 16, 2014 |
| STB Decision Ordering Technical Conference | May 18, 2015 |
| Technical Conference | May 27, 2015 |
| STB Decision Addressing TPI Petition to Supplement and Ordering Supplemental Evidence | July 24, 2015 |
| STB Decision Ordering Compliance Evidence | July 24, 2015 |
| TPI Petition for Reconsideration and Clarification | July 31, 2015 |
| CSXT Reply to TPI Petition | August 12, 2015 |
| STB Decision on Petition for Reconsideration | September 4, 2015 |
| TPI and CSXT Supplemental and Compliance Evidence | October 7, 2015 |
| TPI and CSXT Supplemental and Compliance Reply Evidence | November 20, 2015 |
| TPI Motion to Strike | November 25, 2015 |
| CSXT Reply to Motion to Strike | December 7, 2015 |
| TPI and CSXT Final Briefs | December 14, 2015 |
| STB Decision on the Merits | September 14, 2016 |
| TPI Motion for Extension of Time | September 20, 2016 |
| STB Decision Granting TPI Motion for Extension of Time | September 22, 2016 |
| CSXT Petition for Technical Corrections | October 24, 2016 |
| CSXT Petition for Reconsideration | October 24, 2016 |
| CSXT Letter Addressing No Response to CSXT Petitions | November 21, 2016 |
| STB Decision Dismissing as Moot CSXT Petitions for Reconsideration and Technical Corections | January 4, 2017 |

** Parties often set the schedule for discovery and do not necessarily inform the Board. This date is based on the information in the Board's possession, but may have changed*

CONSUMERS ENERGY CO. v. CSX TRANSPORTATION, Docket No. NOR 42142

Complete Timeline (Significant Filings and Decisions Only)

| | |
|---|------------------|
| Consumers Complaint | January 13, 2015 |
| CSXT Answer | February 2, 2015 |
| CSXT Motion to Dismiss Revenue Adequacy Claim | March 24, 2015 |
| Consumers Reply to CSXT Motion to Dismiss | April 13, 2015 |
| Discovery Conference | April 21, 2015 |
| STB Decision Denying CSXT Motion to Dismiss Rev. Adeq. Claim | June 15, 2015 |
| Technical Conference | June 23, 2015 |
| Close of Discovery* | July 1, 2015 |
| STB Decision Adopting Procedures for Formatting of Evidence | July 15, 2015 |
| Discovery Conference | July 20, 2015 |
| Consumers Opening Evidence | November 2, 2015 |
| CSXT Reply Evidence | March 7, 2016 |
| CSXT Reply | March 7, 2016 |
| CSXT Workpapers | March 7, 2016 |
| CSXT Errata Sheet | March 8, 2016 |
| CSXT Errata Sheet | March 8, 2016 |
| Consumers Petition for Technical Conference | March 14, 2016 |
| STB Decision directing CSXT to file Response to Technical Conference | March 16, 2016 |
| CSXT Reply to Consumers Technical Conference | March 21, 2016 |
| STB Decision denying request for Technical Conference | April 6, 2016 |
| CSXT Reply and Submission of Workpapers in response to STB Decision | April 8, 2016 |
| Consumers Motion to Modify Procedule Schedule | April 13, 2016 |
| CSXT Reply to Consumers Motion to Modify the Procedule Schedule | April 15, 2016 |
| STB Decision Granting in Part Consumers Motion to Modify Procedurale Schedule | April 20, 2016 |
| Consumers Workpapers | May 20, 2016 |
| Consumers Rebuttal | May 20, 2016 |
| Consumers Rebuttal | May 20, 2016 |
| CSXT Confidential Errata to Reply Evidence | May 26, 2016 |
| CSXT Errata Sheet | May 26, 2016 |
| Consumers Reply to CSXT Errata Evidence | May 27, 2016 |
| CSXT Letter requesting the Board to accept its Errata Sheet | June 1, 2016 |
| STB Decision Directing Parties to Prepare Closing Briefs | June 3, 2016 |
| Consumers Errata Sheet | June 3, 2016 |
| Consumers Errata Sheet | June 3, 2016 |
| CSXT Motion to Strike | June 24, 2016 |
| CSXT Motion to Strike | June 24, 2016 |
| CSXT Final Brief | June 24, 2016 |
| CSXT Final Brief | June 24, 2016 |
| Consumers Final Brief | June 24, 2016 |
| Consumers Final Brief | June 24, 2016 |
| Consumers Motion to Remove CSXT Motion to Strike | June 27, 2016 |
| Consumers Reply to CSXT Motion to Strike | July 14, 2016 |
| Consumers Petition for Leave to Supplement Record | July 14, 2016 |
| CSXT Reply to Consumers Petition for Leave to Supplement Record | July 26, 2016 |
| STB Decision Ruling on Consumers Petition for Leave to Supplement Record and CSXT Motion to Strike, and Directing Parties to File Supplemental Evidence | December 9, 2016 |
| Consumers Supplemental Opening Evidence | January 23, 2017 |
| CSXT Supplemental Reply Evidence | March 6, 2017 |

** Parties often set the schedule for discovery and do not necessarily inform the Board. This date is based on the information in the Board's possession, but may have changed*

Rail Rate Cases at the STB

(1996 to Present) - Last Updated 03/21/2017

| Docket No | Case Name | Commodity | Guidelines Used | Date of Decision | Decision |
|------------|---------------------------|-----------|-----------------|------------------|--------------------|
| 41191 | West Texas v. BNSF | Coal | SAC | 5/3/1996 | Rates Unreasonable |
| 37809 | McCarty Farms v. BN | Grain | SAC | 8/20/1997 | Rates Reasonable |
| 41185 | APS v. ATSF | Coal | SAC | 4/17/1998 | Rates Unreasonable |
| 41989 | Pepco v. CSX | Coal | SAC | 6/18/1998 | Settlement |
| 42012 | Sierra Pacific v. UP | Coal | SAC | 7/17/1998 | Settlement |
| 41670 | Shell Chemical v. NS | Chemical | Simplified | 3/12/1999 | Settlement |
| 41295 | PPL v. Conrail | Coal | SAC | 5/13/1999 | Settlement |
| 42034 | PSI Energy v. Soo | Coal | SAC | 5/13/1999 | Settlement |
| 42022 | FMC v. UP | Minerals | SAC | 5/12/2000 | Rates Unreasonable |
| 42038 | MN Power v. DMIR | Coal | Stipulated R/VC | 1/5/2001 | Settlement |
| 42051 | WPL v. UP | Coal | SAC | 5/14/2002 | Rates Unreasonable |
| 42054 | PPL v. BNSF | Coal | SAC | 8/20/2002 | Rates Reasonable |
| 42059 | Northern States v. UP | Coal | Stipulated R/VC | 8/7/2003 | Settlement |
| 42077 | APS v. BNSF | Coal | SAC | 12/31/2003 | Withdrawn |
| 42056 | TMPA v. BNSF | Coal | SAC | 9/27/2004 | Rates Unreasonable |
| 42069 | Duke v. NS | Coal | SAC | 10/20/2004 | Rates Reasonable |
| 42070 | Duke v. CSXT | Coal | SAC | 10/20/2004 | Rates Reasonable |
| 42072 | Carolina Power v. NS | Coal | SAC | 10/20/2004 | Rates Reasonable |
| 42057 | Xcel v. BNSF | Coal | SAC | 12/14/2004 | Rates Unreasonable |
| 42058 | AEP v. BNSF | Coal | SAC | 3/15/2005 | Rates Reasonable |
| 42093 | BP Amoco v. NS | Chemical | Simplified | 6/28/2005 | Settlement |
| 42071 | Otter Tail v. BNSF | Coal | SAC | 1/27/2006 | Rates Reasonable |
| 42091 | APS v. BNSF | Coal | SAC | 2/10/2006 | Settlement |
| 42097 | Albemarle v. LNW | Chemical | SAC | 11/14/2006 | Settlement |
| 42098 | Williams Olefins v. GTC | Chemical | Simplified | 2/15/2007 | Settlement |
| 42095 | KCPL v. UP | Coal | Stipulated R/VC | 5/19/2008 | Rates Unreasonable |
| 42088 | Western Fuels v. BNSF | Coal | SAC | 2/18/2009 | Rates Unreasonable |
| 42112 | E.I. Dupont v. CSX | Chemical | SAC | 5/11/2009 | Settlement |
| 41191 (S1) | AEP Texas v. BNSF | Coal | SAC | 5/15/2009 | Rates Reasonable |
| 42111 | Oklahoma Gas v. UP | Coal | Stipulated R/VC | 7/24/2009 | Rates Unreasonable |
| 42099 | DuPont v. CSXT | Chemical | Three-Benchmark | 9/1/2009 | Settlement |
| 42100 | DuPont v. CSXT | Chemical | Three-Benchmark | 9/1/2009 | Settlement |
| 42101 | DuPont v. CSXT | Chemical | Three-Benchmark | 9/1/2009 | Settlement |
| 42114 | U.S. Magnesium v. UP | Chemical | Three-Benchmark | 1/28/2010 | Rates Unreasonable |
| 42115 | U.S. Magnesium v. UP | Chemical | Simplified Sac | 4/2/2010 | Settlement |
| 42116 | U.S. Magnesium v. UP | Chemical | Simplified Sac | 4/2/2010 | Settlement |
| 42122 | NRG v. CSXT | Coal | SAC | 7/8/2010 | Settlement |
| 42110 | Seminole Electric v. CSXT | Coal | SAC | 9/27/2010 | Settlement |
| 42113 (S1) | AEP v. UP | Coal | SAC | 4/15/2011 | Settlement |
| 42128 | SMEPA v. NS | Coal | SAC | 8/31/2011 | Settlement |
| 41191 (S1) | AEP Texas v. BNSF | Coal | SAC-Remand | 10/26/2011 | Settlement |
| 42113 | AEP v. BNSF & UP | Coal | SAC | 11/22/2011 | Rates Unreasonable |
| 42132 | Canexus v. BNSF | Chemical | Three-Benchmark | 7/20/2012 | Settlement |
| 42127 | IPA v. UP | Coal | SAC | 11/2/2012 | Withdrawn |
| 42123 | M&G Polymers v. CSXT | Chemicals | SAC | 1/7/2013 | Settlement |
| 42125 | DuPont v. NS | Chemicals | SAC | 3/24/2014 | Rates Reasonable |
| 42130 | SunBelt v. NS | Chemical | SAC | 6/20/2014 | Rates Reasonable |
| 42136 | IPA v. UP | Coal | SAC | 10/8/2014 | Settlement |
| 42088 | Western Fuels v. BNSF | Coal | SAC | 6/15/2015 | Settlement |
| 42121 | TPI v. CSXT | Chemicals | SAC | 9/14/2016 | Rates Reasonable |

Pending before the STB

| Docket No | Case Name | Commodity | Guidelines Used | Date of Decision | Decision |
|-----------|-------------------|-----------|-----------------|------------------|----------|
| 42142 | Consumers v. CSXT | Coal | SAC | TBD | TBD |

Notes to Table:

1. SAC = Stand-Alone Cost Methodology Applied for a Hypothetical Railroad.
2. Simplified = Using a Simplified, Rather than SAC, Methodology for Determining the Reasonableness of Rates as Set Forth in Coal Rate Guidelines, Nationwide, 1 I.C.C.2d 520 (1985) (Guidelines).
3. Stipulated R/VC = Parties Agreed to Use Revenue to Variable Cost (R/VC) Ratios @ 180% Level, in Lieu of Using SAC.
4. Three-Benchmark Methodology = Methodology of Seeking Relief Pursuant to the Revised Simplified Procedures as Set Forth in Simplified Standards for Rail Rate Cases, STB Ex Parte No. 646 (Sub-No. 1) (STB served Sept. 5, 2007) and any additional Sub-No. decisions.

SURFACE TRANSPORTATION BOARD
QUARTERLY REPORT OF FORMAL SERVICE COMPLAINTS

Date: April 3, 2017

The Surface Transportation Board Reauthorization Act of 2015 mandated that the Surface Transportation Board (STB) publish a quarterly report of formal service complaints received by the agency. See STB Reauthorization Act of 2015, sec. 6(b), Pub. L. No. 114-110 (2015). During the period January 1, 2017 – March 31, 2017, the following formal service-related complaints were pending:

Formal Service-Related Complaints:

| Date Complaint Received | Type of Complaint | Title | Docket No. | Geographic Region | Complainant | Carrier(s) Involved | Resolution/Status |
|--------------------------------|---|--|-------------------|--------------------------|--|---|--|
| 1/19/2012 | Failure to prioritize Amtrak trains over freight trains | National Railroad Passenger Corporation— Section 213 Investigation of Substandard Performance on Rail Lines of Canadian National Railway Company | NOR 42134 | Midwest | National Railroad Passenger Corporation (Amtrak) | Canadian National Railway Company, Grand Trunk Western Railway, Illinois Central Railroad | Final rules regarding on-time performance standard issued 7/28/2016, in Docket No. EP 726. Petitions for judicial review of those rules were filed by multiple parties and ultimately consolidated in the U.S. Court of Appeals for the Eighth Circuit. This proceeding removed from abeyance by decision served 9/15/2016. Amtrak revised on-time performance data filed 10/17/2016. Decision denying a petition for reconsideration of an earlier |

| Date Complaint Received | Type of Complaint | Title | Docket No. | Geographic Region | Complainant | Carrier(s) Involved | Resolution/Status |
|-------------------------|---|--|-----------------------|-----------------------|--|--|--|
| | | | | | | | <p>motion to dismiss issued 10/21/2016.</p> <p>Requests to hold the proceeding in abeyance and responses to Amtrak's on-time performance data received 10/25/2016; reply to the motion to hold in abeyance received 11/10/2016.</p> <p>Eighth Circuit held oral argument on the petitions for review on 2/08/2017.</p> |
| 2/27/2013 | Application for terminal trackage rights | BNSF Railway—Terminal Trackage Rights—Kansas City Southern Railway | FD 32760 (Sub-No. 46) | Louisiana | BNSF Railway Company | BNSF Railway Company, Union Pacific Railroad Company, Kansas City Southern Railway | <p>Decision granting BNSF's application for terminal trackage rights served 7/5/2016.</p> <p>Appeal filed with the U.S. Court of Appeals for the District of Columbia on 9/1/2016. The Court of Appeals ordered the appeal to be held in abeyance 1/03/2017.</p> |
| 11/17/2014 | Failure to prioritize Amtrak trains over freight trains | National Railroad Passenger Corporation—Investigation of Substandard | NOR 42141 | Midwest, Mid-Atlantic | National Railroad Passenger Corporation (Amtrak) | CSX Transportation, Inc.; Norfolk Southern Railway Company | Final rules regarding on-time performance standard issued 7/28/2016, in Docket No. EP 726. Petitions for judicial review of those rules were filed by multiple parties and |

| Date Complaint Received | Type of Complaint | Title | Docket No. | Geographic Region | Complainant | Carrier(s) Involved | Resolution/Status |
|-------------------------|-----------------------------------|--|------------|-------------------|--|--------------------------------|---|
| | | Performance of the Capital Limited | | | | | <p>ultimately consolidated in the U.S. Court of Appeals for the Eighth Circuit.</p> <p>Amtrak submitted revised on-time performance data in this proceeding 10/17/2016. Requests to hold the proceeding in abeyance and responses to Amtrak's on-time performance data received 10/25/2016; reply to the motion to hold in abeyance received 11/10/2016.</p> <p>Eighth Circuit held oral argument on the petitions for review on 2/08/2017.</p> |
| 3/31/2015 | Unreasonable tariff and practices | North American Freight Car Association v. Union Pacific Railroad | NOR 42144 | Nationwide | North American Freight Car Association; American Fuel & Petrochemicals Manufacturers; The Chlorine Institute; The Fertilizer Institute; American Chemistry Council; Ethanol Products, LLC d/b/a Poet | Union Pacific Railroad Company | Motion to consolidate this proceeding with NOR 42150 and NOR 42152 received 1/26/2017. Decision consolidating Docket Numbers NOR 42150, NOR 42152, and NOR 42144 served on 3/31/2017. |

| Date Complaint Received | Type of Complaint | Title | Docket No. | Geographic Region | Complainant | Carrier(s) Involved | Resolution/Status |
|-------------------------|---|--|------------|-------------------|--|---|--|
| | | | | | Ethanol Products; Poet Nutrition, Inc.; and Cargill Incorporated | | |
| 12/07/2015 | Demurrage and service frequency issues | Finch Paper LLC—Petition for Declaratory Order | FD 35981 | Mid-Atlantic | Finch Paper LLC | Canadian Pacific Railway, Delaware and Hudson Railway Company | Evidentiary record being developed. Procedural schedule held in abeyance 10/06/2016, pending appeal of an administrative law judge (ALJ) decision. On 1/11/2017, the Board remanded the matter to the ALJ. In response, the ALJ issued a decision on 1/18/2017. That decision was appealed on 1/25/2017. By decision served 3/24/2017, the Board affirmed the ALJ's 1/18/2017 decision. |
| 4/25/2016 | Common carrier violation and unreasonable practices | American Fuel & Petrochemicals Manufacturers v. BNSF Railway Company | NOR 42146 | Nationwide | American Fuel & Petrochemicals Manufacturers | BNSF Railway Company | Decision dismissing complaint served 2/8/2017. |
| 6/10/2016 | Demurrage | C.L. Consulting & Management Corp.—Petition for Declaratory Order Reasonableness | FD 36042 | New Jersey | C.L. Consulting & Management Corp. | Norfolk Southern Railway Company | Merits decision served 1/25/2017 denying the petition for declaratory order. |

| Date Complaint Received | Type of Complaint | Title | Docket No. | Geographic Region | Complainant | Carrier(s) Involved | Resolution/Status |
|-------------------------|--|--|------------|-------------------|--|--|--|
| | | of Demurrage Charges | | | | | |
| 6/30/2016 | Common carrier violation and unreasonable practices | Dyno Nobel Louisiana Ammonia, LLC v. NuStar Pipeline Operating Partnership, L.P. | NOR 42147 | Louisiana | Dyno Nobel Louisiana Ammonia, LLC | NuStar Pipeline Operating Partnership, L.P. | Decision holding the proceeding in abeyance pending resolution of the parties' state law issues served 3/24/2017. |
| 10/04/2016 | Unlawful suspension of service | North Coast Railroad Authority & Northwestern Pacific Railroad Company— Petition for Declaratory Order | FD 36077 | California | North Coast Railroad Authority & Northwestern Pacific Railroad Company | North Coast Railroad Authority & Northwestern Pacific Railroad Company (Petitioners); Sonoma-Marin Area Rail Transit District (Respondent) | The parties settled and the proceeding was closed by decision served on 2/28/2017. |
| 11/03/2016 | Unlawful practice and unreasonable tariffs | Richard Best Transfer Inc. v. Union Pacific Railroad Company | NOR 42149 | California | Richard Best Transfer Inc. | Union Pacific Railroad Company | Decision granting a joint petition to dismiss served 3/24/2017. |
| 12/19/2016 | Unreasonable practice and violation of statutory obligation to compensate car owners | Valero Marketing & Supply Company v. Union Pacific Railroad Company | NOR 42150 | Unspecified | Valero Marketing & Supply Company; and Valero Rail Partners, LLC | Union Pacific Railroad Company | Complaint filed 12/19/2016. Motion for abeyance received 1/6/2017; reply and motion to consolidate received 1/26/2017; motion to compel received 2/24/2017. Decision |

| Date Complaint Received | Type of Complaint | Title | Docket No. | Geographic Region | Complainant | Carrier(s) Involved | Resolution/Status |
|-------------------------|---|---|------------|-------------------|--|--|--|
| | | | | | | | consolidating Docket Numbers NOR 42150, NOR 42152, and NOR 42144 served on 3/31/2017. |
| 12/30/2016 | Unreasonable practice and violation of statutory obligation to compensate car owners | Tesoro Refining & Marketing Company LLC v. Union Pacific Railroad Company | NOR 42152 | Unspecified | Tesoro Refining & Marketing Company LLC; Tesoro Great Plains Gathering & Marketing LLC; and Dakota Prairie Refining, LLC | Union Pacific Railroad Company | Complaint filed 12/30/2016. Motion for abeyance received 1/6/2017; reply and motion to consolidate received 1/26/2017; motion to compel received 2/24/2017. Decision consolidating Docket Numbers NOR 42150, NOR 42152, and NOR 42144 served on 3/31/2017. |
| 1/04/2017 | Unreasonable practice and petition for injunctive relief | CF Industries Sales, LLC v. Canadian National Railway Company | NOR 42151 | Unspecified | CF Industries Sales, LLC | Canadian National Railway Company | Complaint filed 1/4/17. Answer filed 1/24/17. Joint motion requesting Board-sponsored mediation granted 2/6/17. Joint procedural schedule adopted 2/27/17. |
| 2/01/2017 | Petition for enforcement of merger condition to permit a railroad access to another railroad's line | Union Pacific Corporation, Union Pacific Railroad Company & Missouri Pacific Railroad Company— Control and Merger— Southern | FD 32760 | Texas | BNSF Railway Company & Mission Rail Industrial Park, LLC | Union Pacific Railroad Company, BNSF Railway Company | Joint petition for enforcement filed 2/01/2017. Motion to dismiss or hold proceeding in abeyance to allow for arbitration filed 2/21/2017; replies filed 3/07/2017. |

| Date Complaint Received | Type of Complaint | Title | Docket No. | Geographic Region | Complainant | Carrier(s) Involved | Resolution/Status |
|-------------------------|-------------------|---|------------|-------------------|-------------|---------------------|-------------------|
| | | Pacific Rail Corporation, Southern Pacific Transportation Company, St. Louis Southwestern Railway Company, SPCSL Corp. and The Denver and Rio Grande Western Railroad Company | | | | | |

SURFACE TRANSPORTATION BOARD
QUARTERLY REPORT OF INFORMAL SERVICE COMPLAINTS RECEIVED
FIRST QUARTER 2017

Date: April 3, 2017

The Surface Transportation Board Reauthorization Act of 2015 mandated that the Surface Transportation Board (STB) publish a quarterly report of informal service complaints received by the agency. See STB Reauthorization Act of 2015, sec. 6(b), Pub. L. No: 114-110 (2015). During the period from January 1, 2017 through March 31, 2017, the STB received the following informal complaints¹:

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|---|--------------------------------|--|---|
| 08/12/2016 | Railroad operating issues; stopped trains; idling locomotives | South | Local officials expressed concern over noise and emissions related to stopped trains and locomotive idling; RCPA provided informal guidance to locality related to railroad operating practices; discussed potential options to mitigate noise and nuisance issues; facilitated discussions between parties to mitigate disturbances [Closed] | |

¹ A table showing the quarterly inquiries received by the STB’s Rail Customer and Public Assistance (RCPA) office is attached as an Appendix to this report.

² Matters reported as “Pending” on the previous quarterly report are carried forward to the next quarterly report.

³ **Northeast:** Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey, New York, and Pennsylvania; **South:** Maryland, Delaware, West Virginia, Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas; **Midwest:** North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, Illinois, Michigan, Indiana, and Ohio; **West:** Washington, Idaho, Montana, Wyoming, Oregon, California, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska, and Hawaii.

⁴ This Quarterly Report may identify the complainant that submitted an informal complaint only upon the written consent of the complainant. Surface Transportation Board Reauthorization Act of 2015, sec. 6(b).

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|---|--------------------------------|---|---|
| 10/03/2016 | Railroad demurrage issue | West | Shipper expressed concern over demurrage charges related to inconsistent rail service; RCPA provided informal guidance on commercial and operational circumstances giving rise to demurrage and facilitated ongoing dialogue between parties for purposes of dispute resolution [Closed] | |
| 10/17/2016 | Railroad operations; noise and emissions | Midwest | Local officials expressed concern over railroad construction activity; RCPA provided informal guidance concerning construction of side/staging tracks next to existing line, and associated increased rail operations; explained STB jurisdiction over railroad operations and potential preemption issues related to local regulations; liaised with railroad personnel on behalf of community to discuss expansion plans and related concerns [Closed] | |
| 10/27/2016 | Railroad service issue; railroad track lease | Midwest | Shipper expressed concern over terms and conditions of track lease agreement; RCPA provided informal guidance to shipper about options regarding renewing track lease as well as a railroad's common carrier obligation to serve facility [Closed] | |
| 11/04/2016 | Railroad service issue; infrastructure requirements for service at facility | West | Shipper expressed concern over railroad's infrastructure requirements to support service to facility; RCPA conferred with shipper about switch and rail infrastructure required; liaised with railroad on behalf of shipper to provide shipper with more insight into the need for the specific infrastructure requirements [Closed] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|---|--------------------------------|--|---|
| 11/22/2016 | Railroad demurrage issue | West | Shipper expressed concern over demurrage charges related to inconsistent rail service; RCPA provided informal guidance to shipper pertaining to demurrage charges assessed by shortline serving carrier; discussed operational and commercial issues giving rise to demurrage; assisted shipper in reviewing and recalculating demurrage; liaised with shortline serving carrier to seek informal resolution; engaging with both parties to pursue mediation of dispute [Pending] | |
| 11/28/2016 | Railroad side track agreement | West | Shipper expressed concern over terms of side track agreement; RCPA provided informal guidance to shipper regarding railroad policy on billing for maintenance of track and siding; offered to liaise with railroad regarding proposed terms and conditions for siding agreement and billing; shipper declined to pursue [Closed] | |
| 11/29/2016 | Railroad billing dispute; administrative charges associated with rate | Northeast | Provided informal guidance to shipper regarding error made by consignor which caused railroad to apply incorrect freight rate; after railroad refused to rectify mistake, contacted railroad on behalf of freight payor and secured correction of billings [Closed] | |
| 12/07/2016 | Railroad demurrage issue | Midwest | Shipper raised concern over demurrage charges; RCPA provided informal guidance to freight receiver regarding high demurrage charges for equipment delays as a result of car bunching; assisted shipper in settlement discussions with railroad [Closed] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|--|--------------------------------|---|---|
| 12/20/2016 | Railroad service issue; dispute between line haul railroad and handling railroad | West | Shipper expressed concern over possible disruption or loss of service resulting from dispute between railroads; RCPA provided informal guidance to shipper; conferred with handling line to express concern related to potential disruption of rail service and existing commercial practices and importance of maintaining fluid service regardless of dispute [Closed] | |
| 12/21/2016 | Railroad service issue; dispute between line haul railroad and handling railroad | West | Shipper expressed concern over possible disruption or loss of service resulting from dispute between railroads; RCPA provided informal guidance to shipper; conferred with handling line to express concern related to potential disruption of rail service and existing commercial practices and importance of maintaining fluid service regardless of dispute [Closed] | |
| 12/21/2016 | Railroad service issue | Midwest | Shipper expressed concern related to terms of railroad rate quote; RCPA provided informal guidance to shipper regarding railroad's duty to quote rates for shipper's traffic; discussed commercial issues related to traffic tendered to railroad and possible implications for rate quote [Closed] | |
| 12/22/2016 | Railroad service issue; dispute between line haul railroad and handling railroad | West | Shipper expressed concern over possible disruption or loss of service resulting from dispute between railroads; RCPA provided informal guidance to shipper; conferred with handling line to express concern related to potential disruption of rail service and existing commercial practices and importance of maintaining fluid service regardless of dispute [Closed] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|--|--------------------------------|---|---|
| 12/22/2016 | Railroad service issue; delayed delivery of railcars | West | Conferred with shipper on delayed delivery of several railcars; liaised with railroad to understand cause of delay and to explore options to expedite delivery and restore reliable service to shipper's facility [Closed] | |
| 12/29/2016 | Railroad service issue; dispute between line haul railroad and handling railroad | South | Shipper expressed concern over possible disruption or loss of service resulting from dispute between railroads; RCPA provided informal guidance to shipper; conferred with handling line to express concern related to potential disruption of rail service and existing commercial practices and importance of maintaining fluid service regardless of dispute [Closed] | |
| 01/03/2017 | Railroad service issue | Midwest | Shipper presented problem with delayed delivery of inbound railcar; RCPA conferred with serving railroad about car status; facilitated delivery of railcar to shipper's facility [Closed] | |
| 01/05/2017 | Railroad rate levels | South | Shipper expressed concern over railroad's proposed rate increases, which would prevent shipper from making sales to certain customers; RCPA discussed commercial issues with shipper; conferred with railroad about rate increases and suggested delaying or phasing rate increase to allow shipper to make commercial adjustments; railroad agreed to delay and phase-in rate increase [Closed] | |
| 01/06/2017 | Railroad rate levels | South | Shipper expressed concern over terms of proposed contract, which limited shipper's logistics options; RCPA discussed railroad's pricing and commercial approach and the distinction between contract and tariff service; offered to liaise with railroad; shipper declined to pursue [Closed] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|-------------------------------|--------------------------------|--|---|
| 01/09/2017 | Railroad reciprocal switching | South | Representative of shipper expressed concern over lack of reciprocal switching, as available to other nearby shippers; RCPA provided informal guidance as to likely commercial and legal circumstances leading to different treatment; offered to liaise directly with railroad; shipper declined to pursue [Closed] | |
| 01/10/2017 | Railroad demurrage issue | West | Shipper presented concern over rail operations causing demurrage; RCPA discussed shipper's traffic flow and service plan; liaised with serving railroad to discuss problems and explore settlement; facilitated discussions leading to resolution [Closed] | |
| 01/17/2017 | Railroad tariff issue | South | Shipper presented concern with railroad's proposed modification of unit train tariff, which would impose additional costs on shipper; RCPA discussed commercial issues and provided informal guidance to shipper; offered to liaise with railroad; shipper declined to pursue [Closed] | |
| 01/17/2017 | Railroad service issue | South | Shipper described challenges in reactivating rail service to new industrial facility, including terms of railroad's proposed side track agreement; RCPA discussed commercial issues and norms for side track agreements and offered to liaise with railroad; shipper declined to pursue [Closed] | |
| 01/18/2017 | Railroad rate levels | Midwest | Railcar lessor expressed concern over private empty car moves being subject certain minimum charges, which negatively impact lessor's ability to engage potential customers; provided informal guidance to shipper on legal and commercial issues [Closed] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|------------------------------------|--------------------------------|--|---|
| 01/23/2017 | Railroad service issues | Midwest | Shipper presented problem with railroad concerning side track agreement and potential for loss of rail service due to impasse; RCPA liaised with railroad to facilitate communication between the parties [Closed] | |
| 02/01/2017 | Railroad common carrier obligation | South | Shipper expressed concern over railroad's refusal to accept tendered shipment due to perceived regulatory compliance issues; RCPA provided informal guidance and perspective on commercial issues; explained potential formal remedies before the STB; facilitated further discussion between parties to work towards resolution [Closed] | |
| 02/03/2017 | Railroad demurrage issue | West | Shipper explained that it began to incur increased demurrage charges after railroad changed its operating plan; RCPA liaised with railroad to discuss operational issues and impact on demurrage; convened a call with both parties to discuss issues, which resulted in waiver of pending charges and development of process to reconcile demurrage on a weekly basis, going forward [Closed] | |
| 02/15/2017 | Railroad service issue | West | Shipper presented concern with decline in rail service to transload facility, which has negatively impacted shipper's ability to sell product to customers; RCPA liaised with transloading facility and railroad to understand operational issues; facilitated conversation between parties and commitment to improve coordination [Closed] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|----------------------------|--------------------------------|--|---|
| 02/17/2017 | Railroad rate levels | Midwest | Shipper complained that railroad increased rates but did not do so for competitors; RCPA provided informal guidance to shipper on commercial issues; explained potential remedies before the STB; offered to liaise with serving railroad; shipper declined to pursue [Closed] | |
| 02/17/2017 | Railroad service issue | Midwest | Shipper expressed concern over deteriorating service and delays in receiving empty cars for loading; RCPA provided overview of current issues affecting certain railroads' operations and magnitude of service disruption; offered to liaise with affected railroads to facilitate communication of service expectations and outlook [Closed] | |
| 02/21/2017 | Railroad demurrage issue | South | Shipper presented problem with disputed demurrage charges and railroad's notice of suspension of rail service; RCPA provided informal guidance to shipper on legal and commercial issues; offered to confer with serving railroad; shipper declined to pursue until further communications take place [Closed] | |
| 02/27/2017 | Railroad rate levels | West | Shipper presented concern with railroad's rate to interchange location; RCPA provided informal guidance to shipper on railroad rate structure and pricing practices; offered to confer with railroad; shipper declined to pursue [Closed] | |
| 02/27/2017 | Railroad demurrage issue | Midwest | Shipper expressed concern over demurrage, resulting from railroad changing its local service plan; RCPA explained potential formal remedies before the STB; offered to liaise with serving railroad; shipper requested additional guidance [Pending] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|----------------------------|--------------------------------|---|---|
| 02/28/2017 | Railroad demurrage issue | West | Shipper's representative expressed concern over demurrage charges arising from inconsistent service and bunching; RCPA discussed commercial issues and formal and informal remedies before STB; representative will follow up with RCPA, if needed [Closed] | |
| 02/28/2017 | Railroad demurrage issue | East | Shipper presented concern over demurrage charges related to missed switches and bunching; RCPA discussed operational and commercial issues and offered to liaise with railroad; discussed dispute with railroad and its outside counsel; attempting to achieve mediated settlement [Pending] | |
| 03/03/2017 | Railroad service issue | West | Shipper expressed concern over deterioration in rail service and potential shut down of operations; RCPA discussed current operational challenges affecting railroad and liaised with railroad on shipper's behalf; railroad restored operations resulting in service improvement [Closed] | |
| 03/03/2017 | Railroad service issue | Midwest | Shipper's representative presented issue relating to potential loss of rail service at shipper's facility; RCPA provided informal guidance and explained potential formal remedies before the STB [Closed] | |
| 03/08/2017 | Railroad service issue | Northeast | Shipper expressed concern over decline in rail service and inbound cars stuck at serving yard; RCPA discussed operational issues and offered to liaise with railroad; in the meantime, stranded cars were delivered to shipper, which resolved dispute [Closed] | |

| Date ² | Type of Informal Complaint | Geographic Region ³ | Resolution / Status | Complainant ⁴ CONFIDENTIAL |
|-------------------|----------------------------|--------------------------------|---|---|
| 03/10/2017 | Railroad demurrage issue | West | Shipper expressed concern over demurrage charges related to cars in transit for extended time; RCPA provided informal guidance to shipper; liaised with railroad on operational issues, resulting in service changes that should reduce instances of demurrage going forward [Pending] | |
| 03/21/2017 | Railroad service issue | West | Shipper raised concern over delayed movement of outbound loaded railcars, arising from congestion at interchange location and inability to reroute cars to avoid delays; RCPA conferred with shipper about operational issues and liaised with shortline to ascertain the cause and magnitude of congestion issues [Pending] | |
| 03/22/2017 | Railroad service issue | Midwest | Shipper expressed concern over dispute between railroad and rail line owner, and recent degradation in service, including potential loss of rail service; RCPA discussed formal and informal pathways for seeking assistance or relief from the Board; shipper will consider options and confer with RCPA [Pending] | |

Note: A table showing the quarterly inquiries received by the STB’s Rail Customer and Public Assistance (RCPA) office is attached below as an appendix to the foregoing report.

Appendix to Quarterly Report of Informal Service Complaints

1st Quarter 2017 Cases by Category/Region

| Issue Category | All Regions | Northeast | South | Midwest | West | Not Specified |
|---------------------------------------|-------------|-----------|-------|---------|------|---------------|
| Abandonment Records | 57 | 12 | 10 | 12 | 10 | 12 |
| Acquisition and Operation Exemption | 1 | 0 | 0 | 0 | 0 | 1 |
| Arrange Meeting | 7 | 1 | 1 | 0 | 1 | 4 |
| Bus Issue | 1 | 0 | 1 | 0 | 0 | 0 |
| Household Movers | 12 | 2 | 2 | 1 | 0 | 7 |
| Information-Economic Data | 8 | 3 | 1 | 1 | 0 | 2 |
| Information-Non Economic Request | 5 | 0 | 0 | 0 | 2 | 3 |
| Motor Carriers (trucks) | 5 | 1 | 1 | 2 | 0 | 1 |
| Railroad Abandonment/Loss of Service | 3 | 1 | 1 | 0 | 0 | 1 |
| Railroad Amtrak/Passenger Issue | 2 | 0 | 0 | 0 | 0 | 2 |
| Railroad Blocked Crossings | 2 | 0 | 0 | 0 | 1 | 1 |
| Railroad Common Carrier Obligation | 2 | 0 | 1 | 0 | 0 | 1 |
| Railroad Demurrage Charges | 7 | 1 | 1 | 1 | 4 | 0 |
| Railroad Denial of Rail Service | 3 | 1 | 0 | 0 | 0 | 2 |
| Railroad Embargo | 1 | 0 | 0 | 0 | 0 | 1 |
| Railroad Environmental Issues | 3 | 0 | 0 | 1 | 0 | 2 |
| Railroad Hazardous Material Rules | 1 | 0 | 0 | 0 | 0 | 1 |
| Railroad Idling Engines/Parked Trains | 1 | 0 | 0 | 0 | 0 | 1 |
| Railroad Interchange Issue | 1 | 0 | 0 | 0 | 0 | 1 |
| Railroad Labor Issues | 1 | 0 | 0 | 0 | 0 | 1 |
| Railroad Lease of track or equipment | 1 | 0 | 0 | 0 | 0 | 1 |
| Railroad Noise - Airhorn, Safety, etc | 2 | 0 | 0 | 0 | 0 | 2 |
| Railroad Operating Authority Issue | 2 | 0 | 0 | 1 | 1 | 0 |
| Railroad Preemption | 2 | 0 | 2 | 0 | 0 | 0 |
| Railroad Rate Levels/Increases | 6 | 0 | 1 | 2 | 1 | 2 |
| Railroad Reciprocal Switching | 1 | 0 | 1 | 0 | 0 | 0 |

| Issue Category | All Regions | Northeast | South | Midwest | West | Not Specified |
|---|-------------|-----------|-----------|-----------|-----------|---------------|
| Railroad Service Issue | 10 | 1 | 1 | 4 | 4 | 0 |
| Railroad Stored Freight Cars | 2 | 1 | 0 | 1 | 0 | 0 |
| Railroad Tariff Issue | 1 | 0 | 0 | 0 | 0 | 1 |
| Rails to Trails | 11 | 2 | 3 | 1 | 0 | 4 |
| Real Estate Matter | 1 | 0 | 0 | 0 | 1 | 0 |
| STB Authority Question | 3 | 0 | 1 | 2 | 0 | 0 |
| STB Information | 50 | 5 | 7 | 5 | 3 | 28 |
| STB Jurisdictional Question | 9 | 1 | 4 | 1 | 0 | 3 |
| STB Procedural Assistance | 38 | 5 | 8 | 6 | 5 | 14 |
| STB Recordations or Security Interests on Rail Cars | 8 | 2 | 3 | 2 | 0 | 1 |
| STB Records Assistance | 17 | 4 | 3 | 1 | 3 | 6 |
| STB Webpage/Downloading Assistance | 5 | 3 | 0 | 0 | 0 | 2 |
| Water Carrier | 5 | 0 | 0 | 0 | 4 | 1 |
| Wrong Agency Calls | 6 | 0 | 1 | 1 | 0 | 4 |
| Other | 2 | 1 | 0 | 0 | 0 | 1 |
| Total | 300 | 47 | 54 | 45 | 40 | 114 |

U.S. Census Regions:

| | |
|------------------|--|
| Northeast Region | Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New Jersey, New York, and Pennsylvania |
| South Region | Maryland, Delaware, West Virginia, Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas |
| Midwest Region | North Dakota, South Dakota, Nebraska, Kansas, Missouri, Iowa, Minnesota, Wisconsin, Illinois, Michigan, Indiana, and Ohio |
| West Region | Washington, Idaho, Montana, Wyoming, Oregon, California, Nevada, Utah, Colorado, Arizona, New Mexico, Alaska, and Hawaii |

Appendix to Quarterly Report of Informal Service Complaints

1st Quarter 2017 Cases per Commodity Group*

| Commodity Group | Number |
|-----------------------------------|------------|
| Agricultural Products | 9 |
| Chemicals | 6 |
| Forest Products | 2 |
| Hazardous Waste/Radioactive Waste | 1 |
| Household Goods | 10 |
| Industrial Products | 6 |
| Metals and Minerals | 1 |
| Not Specified by Shipper | 5 |
| N/A | 258 |
| Passenger | 6 |
| TIH | 1 |
| Total | 305 |

*In many cases, the commodity is not specified or material to the case, therefore the total number for this data may not equal the total number for the quarter.