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**Contact: Janie Sheng (202) 245-0221**  
**Janie Sheng**

FedRelay 1 (800) 877-8339  
[www.stb.gov](http://www.stb.gov)

**SURFACE TRANSPORTATION BOARD ANNOUNCES HEARINGS TO REVIEW  
CURRENT REGULATIONS IN GRAIN TRANSPORTATION AND REVENUE ADEQUACY**

As part of the Surface Transportation Board's ongoing review of its current regulations and practices, the agency announced today two public hearings to take place this summer. A hearing in [Rail Transportation of Grain, Rate Regulation Review, Docket No. EP 665 \(Sub-No. 1\)](#) will take place on June 10, 2015; and a hearing in [Railroad Revenue Adequacy, Docket No. EP 722, and in Petition of the Western Coal Traffic League to Institute a Rulemaking Proceeding to Abolish the Use of the Multi-Stage Discounted Cash Flow Model in Determining the Railroad Industry's Cost of Equity Capital, Docket No. EP 664 \(Sub-No. 2\)](#) will take place on July 22-23, 2015. Both hearings will be at STB headquarters in Washington, DC, and will provide an opportunity for the Board to engage with its stakeholders on comments the Board received in these dockets late last year.

The hearing on grain rates will explore the issue of making the Board's rate case process more accessible to grain shippers. Currently, shippers that believe they are being charged excessively high rates by their railroad can challenge those rates at the Board. Yet despite concerns about high rates from shippers of grain over the years, no such shipper has filed a rate complaint with the agency since 1981. Accordingly, in December 2013, the Board invited public comment on grain shippers' ability to effectively seek relief for unreasonable rates, including proposals for modifying existing procedures, or new alternative rate relief methodologies, should they be necessary.

The hearing on revenue adequacy will explore how the Board should regulate rail carriers that are revenue adequate. The Board determines annually whether Class I carriers are revenue adequate, a concept that describes whether a carrier is earning sufficient revenue to cover its costs and earn a reasonable return sufficient to attract capital. The Board's predecessor, the Interstate Commerce Commission, declared that once a railroad has become revenue adequate over a period of time, shippers should be able to challenge the railroad's rates on the ground that the railroad is financially healthy and thus does not need to charge such high rates. However, the ICC and the Board have never fully defined the process for challenging a rate on this basis. Last April, the Board invited public comment on what it means for a railroad to be revenue adequate and how such a finding should impact regulation of the railroads' rates; among other issues.

In announcing these hearings, Acting Chairman Deb Miller said, "I am pleased that the Board is taking the next step toward addressing these long-standing issues. The Board is long overdue in addressing the fact that no grain shipper has filed a rate case in over 30 years. And given how much the financial situation has improved for the railroad industry over the last 30 years, it is also time that the Board gave meaningful consideration to what it means for a railroad to be revenue adequate."

Acting Chairman Miller also offered her appreciation to the Board's stakeholders for the comments they submitted last year. "Our stakeholders clearly answered our call for thoughtful and meaningful comments. They raised many intriguing ideas and I look forward to being able to explore them further through a face-to-face dialogue. I also think it is appropriate that we will be holding these hearings close together, as the issues raised in these proceedings are not mutually exclusive. My hope is that the information that we gather from these hearings will ultimately lead to a package of proposals on a number of the issues that we have before us."

The Board's Notice announcing these hearings and providing instructions for the filing of notices of intent to participate identifying proposed speakers, may be viewed and downloaded at the STB website, [www.stb.dot.gov](http://www.stb.dot.gov), under "E-LIBRARY / Decisions & Notices / 05/08/2015".

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