

**SURFACE TRANSPORTATION BOARD STREAMLINES REGULATIONS GOVERNING
MOTOR CARRIER FINANCE TRANSACTIONS, RAILROAD PASSENGER MATTERS,
RAILROAD CARRIAGE OF RECYCLABLES; NOTES POSITIVE EFFECTS OF "NVOCC"
TARIFF FILING EXEMPTION**

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Surface Transportation Board (Board) Chairman Linda J. Morgan announced today several actions by the Board intended to further streamline its regulatory process. i ½ In particular, the Board has reduced regulations governing motor carrier finance transactions, and proposed more limited regulations that would apply to transactions in the intercity bus industry. i ½ The Board has also repealed regulations governing rail passenger services, and has proposed exempting from regulation the transportation of several recyclable commodities. i ½ Finally, Chairman Morgan noted the Board's recent positive experience under the "NVOCC" tariff filing exemption.

A. i ½ Motor Carrier Finance Regulations. i ½ Historically, many types of motor carrier transactions, including those related to mergers, purchases, and acquisitions of control, could not be carried out without the prior approval of the Board's predecessor, the Interstate Commerce Commission (ICC). i ½ The ICC maintained regulations setting forth the circumstances under which approval would be granted. i ½ The ICC Termination Act of 1995 (ICCTA), however, which abolished the ICC, did not transfer all of the ICC's motor carrier finance jurisdiction to the Board; rather, only motor passenger carrier sale, lease, and merger transactions in which the combined aggregate revenues of the carriers exceed \$2 million are now subject to Board approval. i ½ To reflect its limited responsibilities over motor finance matters, the Board has repealed existing regulations and proposed new, far narrower regulations.

B. i ½ Rail Passenger Regulations. i ½ The Board also has taken two actions to reduce unnecessary regulation regarding rail passenger services, over which the Board now has very limited jurisdiction. i ½ In one case, it repealed regulations requiring that passenger railroads file justification statements whenever they raise their fares. i ½ In its decision, the Board noted that the justification statements were in essence connected with the ICC's authority, which has since been revoked, to suspend passenger fare changes.

½In the other case, the Board proposed repealing regulations concerning subsidies for the continuation of commuter rail service, and notices of the discontinuance of commuter rail service, which, the Board noted, have been largely rendered obsolete by the ICCTA.

C. ½Rail Exemption for Recyclables. ½In a notice of proposed rulemaking, the Board proposed exempting from regulation the transportation of 29 nonferrous recyclable commodities. ½Rates on nonferrous recyclables had been held down under the provisions of former 49 U.S.C. 10731(e), but in fact the rates on most recyclables settled at levels far below those permitted under the statutory rate cap. ½Noting that section 10731(e) was repealed in the ICCTA, and concluding that competitive forces would continue to keep rates at low levels, the Board proposed exempting these commodities from regulation.

D. ½Experience Under the Water Carrier Tariff Exemption. Chairman Morgan also noted the Board's favorable experience under the "NVOCC" tariff filing exemption. ½Earlier this year, the Board exempted from tariff filing non-vessel operating common carriers by water (NVOCCs) operating in the noncontiguous domestic trade (domestic service to or from points in Alaska, Hawaii, or U.S. territories or possessions). [See Surface Transportation Board "News" release No. 97-12, issued February 21, 1997.] ½Since the exemption, 117 electronically filed tariffs have been canceled, or are in the process of being canceled. ½The Board has had no complaints from shippers that the cancellation of these tariffs has impeded the ability to obtain shipping information from carriers. ½These developments, Chairman Morgan concluded, demonstrate the positive impact that the Board's exemption has had in minimizing unnecessary government regulation.

The Board's decision in the motor carrier finance proceedings--Ex Parte No. 559, Revisions to Regulations Governing Finance Applications Involving Motor Passenger Carriers, and Ex Parte No. MC-216, Jurisdiction Over Motor Finance Transactions--was issued to the public on July 8, 1997. ½The Board's decisions in the two rail passenger cases--STB Ex Parte No. 563, Commuter Rail Service Continuation Subsidies and Discontinuance Notices, and STB Ex Parte No. 624, Removal of Obsolete Regulations Concerning Rail Passenger Fares--were issued on June 12 and June 18, 1997, respectively. ½The Board's decision in STB Ex Parte No. 561, Rail General Exemption Authority--Nonferrous Recyclables, was issued on May 5, 1997.

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