

SURFACE TRANSPORTATION BOARD SEEKS COMMENT ON PROPOSED REVOCATION OF COMMODITY EXEMPTIONS

The Surface Transportation Board today announced that it is seeking public comment on its proposal to revoke existing class exemptions from railroad-transportation regulations for certain commodities. This decision comes as part of the Board's ongoing examination of its current regulations in light of the many changes in the rail industry over recent decades. In the nearly quarter-century since the Board adopted these exemptions, this is the first decision the Board has issued proposing complete revocation of one or more commodity exemptions.

The Board specifically seeks comment on its proposal to revoke exemptions concerning crushed or broken stone or rip rap (a type of loose stone used to maintain surface stability); hydraulic cement; coke produced from coal, primary iron or steel products, and iron or steel scrap, wastes, or tailings. A number of factors suggest the transportation markets for these commodities have changed significantly since the exemptions were adopted, in ways that point toward an increased likelihood of railroad market power. The Board seeks additional information about these markets and comments addressing whether regulatory oversight is warranted.

The Board further invites interested parties to file comments regarding the possible revocation of other commodity class exemptions, and such comments are requested to address any marketplace changes comparable to the ones addressed in the Board's decision today. This invitation is possible because, rather than relying on a simplistic numerical cutoff applied to all commodities, the Board's decision engages in a careful analysis of changes in the competitive landscape for rail transportation of these commodities. In doing so, the Board considers a variety of relevant factors, consistent with the statutory Rail Transportation Policy.

"Today's decision is an important step towards improving shippers' access to the Board's processes and addressing whether the Board's regulatory approaches need modification in light of current market conditions," STB Chairman Daniel R. Elliott said. "These are important issues and I look forward to the public comments addressing the proposed exemption revocations. My central goal is for all stakeholders to have an appropriate, meaningful path to the Board."

The Board's decision announcing its proposal and requesting comment in [Review of Commodity, Boxcar, and TOFC/COFC Exemptions, EP 704 \(Sub-No. 1\)](#), can be found on the Board's website, www.stb.dot.gov, under "E-LIBRARY" / "Decisions & Notices / 3 / 23 / 2016."

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