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SERVICE DATE – LATE RELEASE APRIL 1, 2014

SURFACE TRANSPORTATION BOARD

NOTICE

Docket No. EP 724

UNITED STATES RAIL SERVICE ISSUES

Decided: April 1, 2014

AGENCY: Surface Transportation Board.

ACTION: Notice of Public Hearing.

SUMMARY: The Surface Transportation Board (Board) will hold a public hearing on April 10, 2014, at its offices in Washington, DC, to provide interested persons the opportunity to report on recent service problems in the United States rail network, to hear from rail industry executives on plans to address their service problems, and to discuss additional options to improve service.

DATES: The hearing will be held on April 10, 2014, beginning at 9:30 a.m., in the Hearing Room at the Board's headquarters located at 395 E Street, S.W., Washington, DC. The hearing will be open for public observation. Any person wishing to speak at the hearing shall file with the Board a notice of intent to participate, identifying the party and the proposed speaker, no later than April 7, 2014. The notices of intent to participate are not required to be served on the parties of record; they will be posted to the Board's website when they are filed.

ADDRESSES: All filings may be submitted either via the Board's e-filing format or in the traditional paper format. Any person using e-filing should attach a document and otherwise comply with the instructions at the "E-FILING" link on the Board's website at "www.stb.dot.gov." Any person submitting a filing in the traditional paper format should send an original and 10 copies of the filing to: Surface Transportation Board, Attn: Docket No. EP 724, 395 E Street, S.W., Washington, DC 20423-0001.

Copies of written submissions will be posted to the Board's website and will be available for viewing and self-copying in the Board's Public Docket Room, Suite 131. Copies of the submissions will also be available (for a fee) by contacting the Board's Chief Records Officer at (202) 245-0238 or 395 E Street, S.W., Washington, DC 20423-0001.

FOR FURTHER INFORMATION CONTACT: Valerie Quinn at (202) 245-0382. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at (800) 877-8339.

## SUPPLEMENTARY INFORMATION:

The Board has been closely monitoring the rail industry's performance metrics, and is concerned about the service problems that have been occurring across significant portions of the nation's rail network, particularly on the Canadian Pacific Railway Company (CP) and BNSF Railway Company (BNSF) systems. The Board Members have written to CP and BNSF<sup>1</sup> to express concerns that poor service is negatively affecting agricultural, coal, passenger, and other traffic. Per the Board's request, senior management representatives of CP and BNSF met individually with each Board Member, and the Board requested certain additional data from CP and BNSF.

The Board's Office of Public Assistance, Governmental Affairs and Compliance (OPAGAC) has also been working with CP and BNSF to address and correct service issues as they arise. Representatives of OPAGAC have held numerous meetings and conference calls with affected parties to better understand the specific problems shippers are facing, and to help facilitate a quick resolution whenever possible. Board staff has facilitated meetings in Fargo, North Dakota, on service issues with shippers from North Dakota, South Dakota, Minnesota, and Montana. We anticipate that, following this public hearing, additional field meetings in other affected areas will be held. The Board's hearing is not intended to replace the informal and confidential process facilitated by OPAGAC, and shippers and railroads are encouraged to continue communicating through that office.

The Board will hold a public hearing beginning at 9:30 a.m., on April 10, 2014,<sup>2</sup> at its offices in Washington, DC, to provide an opportunity for interested persons to report on the

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<sup>1</sup> See Letter from Daniel R. Elliott III, Chairman, and Ann D. Begeman, Vice Chairman, Surface Transportation Board, to Carl Ice, President and Chief Exec. Officer, BNSF Railway Company (Feb. 5, 2014) (on file with the Board), available at <http://stb.dot.gov> (open tab at "E-Library, select "Correspondence", select "Fall Peak Letters", follow "02/05/2014" hyperlink, and select the ".pdf" icon); Letter from Daniel R. Elliott III, Chairman, and Ann D. Begeman, Vice Chairman, Surface Transportation Board, to E. Hunter Harrison, Chief Exec. Officer and Dir., Canadian Pacific Railway Company (Mar. 6, 2014) (on file with the Board), available at <http://stb.dot.gov> (open tab at "E-Library, select "Correspondence", select "Fall Peak Letters", follow "03/06/2014" hyperlink, and select the ".pdf" icon).

<sup>2</sup> Our regulations at 49 C.F.R. § 1012.3(c) provide generally for at least seven days' advance notice of a public meeting. This decision is being served more than seven days in advance of the April 10 hearing. Although Federal Register publication will not be effected until April 7, 2014, we find that the service issues discussed above require that this hearing be held as soon as possible. See 49 C.F.R. § 1012.3(e).

status of rail service and to discuss ways to remedy the current service problems.<sup>3</sup> The Board will direct executive-level officials from CP and BNSF to appear at the hearing to discuss their ongoing and future efforts to improve service on their railroads and to provide an estimated timeline for a return to normal service levels. The Board particularly encourages impacted shippers and/or shipper organizations to appear at the hearing to discuss their service concerns and to comment on the railroads' plans.<sup>4</sup> Also, given the service disruptions that have hindered nearly all carriers that connect through the Chicago area, other Class I railroads are also invited to file notices to appear at the hearing.

This decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. A public hearing will be held on April 10, 2014, at 9:30 a.m., in the Board's Hearing Room, at 395 E Street, S.W., Washington, DC, as described above.
2. CP and BNSF are directed to appear at the hearing.
3. By April 7, 2014, any person wishing to speak at the hearing shall file with the Board a notice of intent to participate (identifying the party and the proposed speaker). The notices of intent to participate are not required to be served on the parties of record; they will be posted to the Board's website when they are filed.
4. This decision is effective on its service date.

By the Board, Chairman Elliott and Vice Chairman Begeman.

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<sup>3</sup> The Board and other agencies have held similar hearings in the past to address transportation service issues. See, e.g., Rail Transp. of Res. Critical to the Nation's Energy Supply, EP 672 (STB served June 6, 2007); Notice of Discussions, AD06-8-000 (FERC issued May 30, 2006); Discussions with Utility & R.R. Representatives on Market & Reliability Matters, AD06-8-000 (FERC Transcript dated May 23, 2006).

<sup>4</sup> On March 24, 2014, the Western Coal Traffic League (WCTL) filed a Petition to Institute a Proceeding to Address the Adequacy of Coal Transportation Service Originating in the Western United States, Docket No. EP 723. The concerns raised in WCTL's petition will be addressed as part of this docket.