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SERVICE DATE - LATE RELEASE JULY 15, 2015

SURFACE TRANSPORTATION BOARD

Docket No. EP 722

RAILROAD REVENUE ADEQUACY

Docket No. EP 664 (Sub-No. 2)

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

Decided: July 15, 2015

By decision served on May 8, 2015, the Board scheduled a public hearing for July 22-23, 2015, beginning at 9:30 a.m., at its offices in Washington, D.C., to further examine issues raised in Docket No. EP 722 related to railroad revenue adequacy and issues raised in Docket No. EP 664 (Sub-No. 2) on how the Board calculates the railroad industry's cost of equity capital. The schedule of appearances, with allotted times, is in the Appendix to this decision.

If a party wishes to enhance its presentation by using visual displays and/or handouts, it may do so. Parties may submit computer presentations via e-mail on or before July 20, 2015, to Computer.Support@stb.dot.gov with the subject line, "Speaker Presentation, Docket Nos. EP 722 and EP 664 (Sub-No. 2)." Alternatively, parties may copy computer presentations to a Board-supplied laptop for viewing on the hearing room's television screens. Staff will be available to demonstrate the hearing room's screen system and to assist in the copying of visual presentations onto the hearing room laptop computer on July 21, 2015, from 9:00 a.m. to 12:00 p.m. Please call (202) 245-0245 to make arrangements. Parties using computer presentations must submit for filing 10 paper copies of the presentation at the hearing.

Instructions for Attendance at Hearing

The Board requests that all persons attending the hearing use the main entrance to Patriots Plaza I at 395 E Street, S.W. (entrance on E Street closest to 4th Street). There will be no reserved seating, except for those scheduled to present comments. The building will be open to the public at 7:00 a.m., and participants are encouraged to arrive early. There is no public parking in the building. The two closest Metro stops to the Board are on the Blue, Orange, and Silver Lines at Federal Center S.W., 3rd and D Streets, S.W., and on the Yellow, Green, Blue, Orange, and Silver Lines at L'Enfant Plaza, 6th and D Streets, S.W.

Upon arrival, check in at the 1st floor security desk in the main lobby. Be prepared to produce valid photographic identification (driver's license or local, state, or Federal government

identification); sign in at the security desk; receive a hearing room pass (to be displayed at all times); submit to an inspection of all briefcases, handbags, etc.; and pass through a metal detector. Persons choosing to exit the building during the course of the hearing must surrender their hearing room passes to security personnel and will be subject to the above security procedures if they choose to re-enter the building. Hearing room passes likewise will be collected from those exiting the hearing upon its conclusion. Those persons testifying must check in with the clerk at the front of the hearing room.

Laptops and recorders may be used in the hearing room, but no provision will be made for connecting personal computers to the internet. Cellular telephone use is not permitted in the hearing room; cell phones may be used quietly in the corridor surrounding the hearing room or in the building's main lobby.

Members of the media should contact Dennis Watson in the Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0234 if they plan to attend the hearing.

The Board's hearing room complies with the Americans with Disabilities Act, and persons needing such accommodations should call (202) 245-0245 by the close of business on July 20, 2015.

For further information regarding the hearing, contact Scott Zimmerman at (202) 245-0386. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at (800) 877-8339.

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

It is ordered:

1. The hearing will be held on July 22-23, 2015, beginning at 9:30 a.m., in the Board's 1st floor hearing room, at 395 E Street, S.W., Washington, DC.
2. Time for presenting at the hearing is allotted as reflected in the Appendix to this decision.
3. This decision is effective on its service date.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

SCHEDULE OF APPEARANCES

WEDNESDAY, JULY 22, 2015 (COMMENCING AT 9:30 A.M.)

<u>Party</u>	<u>Time Allotted</u> <u>(Docket)</u>
Panel I	
Western Coal Traffic League, et al. Kelvin J. Dowd Harvey A. Levine, Levine Consulting Services John F. Hennigan, Microeconomic Consulting & Research Associates	60 minutes (EP 722)
Panel II	
Association of American Railroads Edward R. Hamberger, President and Chief Executive Officer Roger E. Brinner, Chief Economist of SandPointe, LLC Joseph P. Kalt, Ford Foundation Professor (Emeritus) of International Public Economy at the John F. Kennedy School of Government at Harvard University Samuel M. Sipe, Jr.	60 minutes (EP 722)
Panel III	
National Industrial Transportation League Karyn Booth, General Counsel Bruce Carlton, President	15 minutes (EP 722)
Panel IV	
CSX Transportation, Inc. Fredrik J. Eliasson, Executive Vice President and Chief Financial Officer	15 minutes (EP 722)
Norfolk Southern Railway Company David Sappington, University of Florida Bradford Cornell, California Institute of Technology Raymond A. Atkins	45 minutes (EP 722)

Panel V

Arkansas Electric Cooperative Corporation Eric Von Salzen Michael A. Nelson, Transportation Consultant	25 minutes (EP 722)
Alliance for Rail Competition, et al. Terry Whiteside G.W. Fauth, III John M. Cutler, Jr.	35 minutes (EP 722)

Panel VI

Olin Corporation John L. McIntosh, Senior Vice President of Chemicals	15 minutes (Both)
Dow Chemical Company Jacqueline Faseler, Global Director Supply Chain Sustainability	5 minutes (EP 722)
The Chemours Company F. Edmund Johnston III, Manager for Sustainability and Government Affairs, and Transportation Policy Leader	5 minutes (EP 722)

THURSDAY, JULY 23, 2015 (COMMENCING AT 9:30 A.M.)

Party

Time Allotted
(Docket)

Panel I

Western Coal Traffic League Robert D. Rosenberg Harvey A. Levine, Levine Consulting Services Alexander J. Triantis, Dean and Professor, Robert H. Smith School of Business, University of Maryland, College Park	50 minutes (EP 664 (Sub-No. 2))
Arkansas Electric Cooperative Corporation Eric Von Salzen Michael A. Nelson, Transportation Consultant	15 minutes (EP 664 (Sub-No. 2))

Panel II

Association of American Railroads
Bente Villadsen, The Brattle Group
Raymond A. Atkins

30 minutes
(EP 664 (Sub-No. 2))

Panel III

Concerned Shipper Associations
Jeffrey O. Moreno
Paul A. Donovan
Kevin W. Caves
Thomas D. Crowley
Henry J. Roman

60 minutes
(Both)

Panel IV

BNSF Railway Company
Paul Bischler, Vice President, Finance, and Chief Sourcing
Officer and Treasurer
Jill Mulligan, Associate General Counsel, Regulatory

20 minutes
(Both)

Union Pacific Railroad Company
Kevin M. Murphy, George J. Stigler Distinguished Service
Professor of Economics, Booth School of Business and
Department of Economics, The University of Chicago
Jon T. Panzer, Vice President, Financial Planning Analysis
Louise A. Rinn, Associate General Counsel

30 minutes
(EP 722)

Panel V

Samuel J. Nasca for and on behalf of
SMART – Transportation Division – New York State
Legislative Board
Gordon P. MacDougall

3 minutes
(EP 722)