

Surface Transportation Board Washington, D.C. 20423-0001

February 25, 2020

The Honorable Jerry Moran United States Senate 521 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Moran:

Thank you for your recent letter regarding the critical role that railroads play in Kansas and throughout the nation's freight transportation system and the importance of a balanced economic framework so that railroads can invest in and maintain their networks. We appreciate knowing your views on these and other important issues.

As you may know, the Board's Rate Reform Task Force (RRTF) issued a report in April 2019, which recommended a wide range of options for the Board to consider to improve its rate review methodologies and processes. The Board requested public comment on each of these proposals. The report's options included possible changes regarding revenue adequacy. In order to give full and careful consideration to the revenue adequacy issues raised in the RRTF report, including the potential effects of those issues on the rail network and the shippers they serve, the Board held a two-day public hearing in December 2019 (Hearing on Revenue Adequacy, Docket No. EP 761, and Railroad Revenue Adequacy, Docket No. EP 722). The Board received testimony from railroads and shippers and their representatives, as well as economists and others. Following the hearing, the record remained open until February 13, 2020, to allow parties to supplement their testimony. We are considering the testimony and comments received.

Thank you again for your interest in these issues and your recognition of the Board's work. Your letter and this response have been posted to our website. If you or your staff have any questions, please contact us or Ms. Lucille Marvin, the Board's Director of the Office of Public Assistance, Governmental Affairs, and Compliance, at (202) 245-0238.

Sincerely,

Ann Begeman

Chairman

Patrick Fuchs

Board Member

Vice Chairman