



SURFACE TRANSPORTATION BOARD

FOR RELEASE

09/12/2019 (Thursday)
No. 19-10
www.stb.gov

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SURFACE TRANSPORTATION BOARD ANNOUNCES HEARING ON RAILROAD REVENUE ADEQUACY

The Surface Transportation Board today announced that it will hold a public hearing on Thursday, December 12, 2019, on revenue adequacy issues raised by the Board's Rate Reform Task Force (RRTF) in its report issued on April 25, 2019 (RRTF Report). The RRTF recommended, among other things, that the Board establish a definition of long-term revenue adequacy and that the Board consider providing different remedies for rate cases involving carriers that are long-term revenue adequate. The Board invites all interested persons to provide input on the RRTF's recommendations regarding revenue adequacy.

Any person wishing to speak at the hearing should file with the Board a notice of intent to participate (identifying the party, the proposed speaker, and the amount of time requested to speak) no later than October 31, 2019. If the notice of intent does not include an amount of time requested, 5 minutes will be allotted. All hearing participants are required to submit written testimony by November 26, 2019, and interested persons who will not appear at the hearing should also file written submissions by November 26, 2019. All participants and interested persons are asked to address the following RRTF revenue adequacy-related recommendations at the hearing, and in their written testimony or submissions:

- **Definition of long-term revenue adequacy:** The RRTF recommended determining long-term revenue adequacy by looking at the annual determinations over "the shortest period of time, not less than five years, that includes both a year in which a recession began and a year that follows a year in which a recession began." See RRTF Report 13, 33.
- **Rate increase constraint:** The RRTF recommended considering a rate increase constraint for long-term revenue-adequate carriers, which would identify a point beyond which further application of differential pricing would be unwarranted. See RRTF Report 13, 36 39.
- **Bottleneck changes:** The RRTF recommended considering suspension of the Board's Bottleneck protections as applied to long-term revenue-adequate carriers. See RRTF Report 13, 39 41.
- **Changes to Simplified Stand-Alone Cost (Simplified SAC) for long-term revenue-adequate carriers:** For purposes of considering whether a long-term revenue-adequate carrier's rate is

reasonable under Simplified SAC, the RRTF recommended reinstating the simplification of the Road Property Investment analysis. See RRTF Report 13, 41 42, & app. B.

The hearing will be held on Thursday, December 12, 2019, beginning at 9:30 a.m., in the James E. Webb Memorial Auditorium of the National Aeronautics and Space Administration, 300 E Street, S.W., Washington, D.C. Live video streaming and recording of the hearing will not be available; however, a hearing transcript will be posted on the Board's website as soon as it is available. The hearing will be open for public observation.

The Board's decision in Hearing on Revenue Adequacy, Docket No. EP 761 et al., may be viewed and downloaded [here](#).

POSTED: 09/12/2019 10:35 AM