Francis P. Mulvey
Vice Chairman
Surface Transportation Board

Merrill Lynch Global Transportation Conference
New York, New York
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The Mission of the STB

• Primary Mission of the STB Remains Unchanged
• Balance Need for Railroads to Earn Adequate Revenues with Shippers’ Need for Reasonable Rates
• Ensure Structural Changes in the Railroad Industry are in Public Interest
• But Board is Adapting to Changing Conditions
Recent Activities

• New Approaches to Rate Cases
• Streamlined Procedures to Reduce Time and Cost for Adjudicating Large Rate Cases—Court of Appeals Upheld
• First Large Rate Cases Handled Under New Guidelines—AEP North Texas, Western Fuels, KCPL
• New Small Rate Case Guidelines—DuPont Cases
Recent Activities

• Revised Methodology for Calculating the Railroads’ Cost of Capital
• Proposed Disclosure Rules on Paper Barriers—Entergy Case
• Proposed Disclosure Requirements on Contract vs. Common Carriage Rates
• Fuel Surcharge Decision and Carrier/Shipper Responses—Dairyland Case
Recent Activities

- Provide Shipper Access to Confidential Waybill Data To Foster Understanding of STB Calculations for Small Rate Cases
- Require Parties to Use Publicly Available Data in Calculating the Cost of Capital
Recent Activities

• Posting on STB’s Website Summaries of Contracts for Hauling Agricultural Products
• Reorganized STB’s Office of Consumer and Public Affairs
• Created Rail Energy Transportation Advisory Council
• Sponsored a Study of Competition in Rail Industry--due out in November
Recent Activities

- April 24-25 Hearing on the Railroads’ Common Carrier Obligation
- Reviewing Several Important Transactions Including: CP/DM&E/ICE, CN/EJE, NS/Pan Am Railway’s Patriot Corridor
- Environmental Review of DOE’s Yucca Mountain Project
- Rejected Michigan Central Railway Proposal
Legislative Activities Affecting the STB and/or the Railroad Industry

• Shortline Railroad Investment Tax Credit
• Class I Railroad Investment Tax Credit
• Senate and House Measures to Change Railroad Regulatory Framework
• Proposed Change to Railroad Industry Anti-Trust Exemption
• Proposed Changes to STB’s Responsibility Toward Disputes Between Freight RRs and Amtrak/Commuter Rail
Thank you
Any Questions?