Francis P. Mulvey
Vice Chairman
Surface Transportation Board

JP Morgan Aviation and Transportation Conference
New York, New York
March 11, 2009
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 Texas North, 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
• Decision on CN/EJ&E Merger
• Western Fuels Decision
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
• Released a Study of Competition in Rail Industry in November 2008
Currently Before the Board

- Major Rate Cases: AEP North Texas, Seminole Electric, Oklahoma Gas and Electric, Arizona Electric Power, E.I. Dupont (99 different movements)
- Small Rate Cases: E.I. Dupont (revisiting tax effects)
- Paper Barriers
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
• Changes to STB’s Responsibility Toward Disputes Between Freight RR and Amtrak/Commuter Rail
Thank you
Any Questions?