

Honorable Roger Nober
Opening Statement
Hearing on Simplified Procedures for Small Rate Cases
(*Rail Rate Challenges in Small Cases*, STB Ex Parte No. 646)
STB Hearing Room April 22, 2003

Good morning, the hearing will come to order.

Today marks our first hearing in a new attempt to look at an old subject – simplified procedures for determining whether the rates railroads charge customers are reasonable.

I am pleased that we are able to look at this subject on a timely basis. I want to thank Commissioner Morgan for her cooperation in scheduling this hearing and her guidance on this subject.

Since I became Chairman, and really since I began the nomination and Confirmation process, there have been few subjects which I have heard more universal concern about than so-called “small” rate cases. Shippers have expressed frustration with the fact that no small rate cases have ever been filed before the Board under its expedited procedures

In 1995, the Congress directed the Board to complete its proceeding “to establish a simplified and expedited method for determining the reasonableness of challenged rail rates in those cases in which a full stand alone cost presentation is too costly, given the value of the case” by January 1, 1997. These guidelines were completed in a timely manner. These guidelines have never used in any case, but have already been challenged in Court.

I hope that today’s hearing will help answer the fundamental question of why no small rate cases have ever been brought. If we are able to understand the problems, then we might propose some solutions.

I want to thank all of the witnesses who will testify today. We have representatives from governments, shippers, carriers and labor. I know that all of you have taken time from your schedules to be here and we appreciate that. While these are difficult issues, many of you have submitted constructive suggestions for us to consider, and I thank all of you in advance for that.

I intend that today’s hearing will be the first step towards issuing revised guidelines for small rate cases. I hope to build upon the successful model we followed in our recent proceeding to expedite large rate cases, where we recently issued numerous procedural changes that will make those cases proceed faster and be less expensive for the parties. It is my intention that we will follow this hearing by issuing proposed changes to our small rate case guidelines, and then hold a second hearing on our specific proposals. It is then my hope to issue a final proposal within a few months.

As in prior hearings, we will hear testimony from everyone on the panel before questions, and of course I hope to take a short break at an appropriate time during the hearing.