

UNITED STATES OF AMERICA
SURFACE TRANSPORTATION BOARD

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PUBLIC HEARING

REVIEW OF RAIL TRANSPORTATION OF GRAIN, RATE REGULATION

ACTING CHAIRMAN'S OPENING COMMENTS

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Docket No. EP 665 (Sub-No. 1)

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Wednesday,
June 10, 2015

Surface Transportation Board
Suite 120
395 E Street, S.W.
Washington, D.C.

The above-entitled matter came on for public hearing, pursuant to notice, at 9:30 a.m.

BEFORE:

DEB MILLER Acting Chairman

ANN D. BEGEMAN Vice Chairman

(9:30 a.m.)

Good morning. Very nice to see everyone here, we've been really excited - I think I can speak for Ann and I when I say that - about having this hearing. I am Deb Miller. I am serving as the acting Chair at the Surface Transportation Board. I think many of you will know my fellow commissioner, Ann Begeman, who's up here with me today.

I want to thank all of the panelists who will be participating in this hearing. We really do recognize and realize you have travel issues, [and] the time and energy it takes to get all of your materials prepared can be a very big lift. We know that and appreciate it. I think we have important policy issues before the Board, and the only way we can make really valuable, informed decisions is by hearing what you have to say and having the opportunity to engage. So, we're really pleased to have this chance today.

As I'm sure many of you know - being active watchers of issues before the Surface Transportation Board - we're having another hearing in July on the issue of Revenue Adequacy. I could imagine that when we announced this hearing and the hearing on Revenue Adequacy there may have been collective groans that went up from the community. In fact, I think I might have heard a few even sitting in my office. I know in the past, there has been times when the Board has started proceedings, held hearings, and then our stakeholders, after waiting patiently, saw the Board do nothing. I want to assure you that is certainly not our intention today. I certainly view this hearing as a means to an end. And that end would be a resolution of this proceeding. But it is not just this proceeding that the Board is likely to be

looking at. A number of the proceedings that have been initiated at the Board and are currently open, as well as the issues we'll be looking at today, have a lot that is in common, and I think when we want to look at these proceedings – which would include issues like exempt commodities, reciprocal switching, grain rates, and the revenue adequacy issue we will be exploring in July – that because of the common issues that they share, we want to think about all of these issues together and jointly. And it would be my hope, as many of you may have heard me say, that we can come out of this summer's hearings looking at all of those issues together, and come back with a comprehensive package of approaches that will make sense for how the Board moves forward in the future on a number of issues.

It's too early, of course, to say what the Board will do, but what I can tell you is that I've got some ideas, I know our staff has some ideas, and I'm confident that Vice Chairman Begeman has some ideas as well. So we may find that in the next few months we'll be looking at making significant changes to our processes and looking at a lot of Board reforms. Perhaps what we'll find is that things are going pretty well based on what we are hearing from our stakeholders and learning through the pleadings you filed and the testimony we'll be hearing. Perhaps all we need to do is make a few tweaks or do nothing. But one way or another, what I want to be sure is, is that we have a resolution to the issues that are before the Board.

So, my goal today for this hearing, for myself at least, is to become much more knowledgeable on these issues and have a much better understanding, at the end of the day, about how our rate processes apply to grain shipments; what those issues are both from the perspective of those of you who deal in the agricultural

industry, as well as those of you who are in the railroad industry.

In my year at the Board, I've had many opportunities to meet and engage with agricultural shippers and, based on those conversations, I certainly understand how important consistent, reliable rail service is - at a fair price - in order for those businesses to flourish. But it's also important to hear from the railroads and understand the issues from their perspective as well. We all know that there are challenges dealing with the grain markets, and it's not necessarily easy to be the one who is serving those markets either. And certainly since the passage of Staggers, when we saw a railroad industry literally on the verge of collapse, growing to one that is strong and healthy today, we're all very vested in ensuring that that continues to be a strong and thriving industry. But still it's clear from the conversations that we have with grain shippers, from the meetings we have in our offices, from the things that are filed before us, that many grain shippers do not feel that they have fully received the benefits of Staggers and have concerns. And so that's why we're here today. I am curious to hear more and will be listening very attentively.