Report on Pending STB Regulatory Proceedings – September 30, 2018

Table of Contents

Page #

| 1. | Review of the General Purpose Costing System | . 2 |
|----|-------------------------------------------------------|-----|
| 2. | Rail Fuel Surcharges (Safe Harbor) | . 3 |
| 3. | Expanding Access to Rate Relief | . 4 |
| 4. | Review of Commodity, Boxcar, and TOFC/COFC Exemptions | . 5 |
| 5. | Reciprocal Switching | . 6 |
| 6. | Railroad Revenue Adequacy | . 7 |
| 7. | Payment, Filing, and Service Procedures | . 8 |

1. Review of the General Purpose Costing System

Popular Title: Review of the General Purpose Costing System

RIN 2140-AB14

Stage: Proposed Rule

Previous Stage: NPRM served 02/04/2013; End of Comment Period 09/05/2013; SNPRM served 08/04/2016 (published in Fed. Reg. 08/10/2016); End of Comment Period 11/07/2016.

Abstract: The Board proposes certain changes to its general purpose costing system—the Uniform Railroad Costing System (URCS). Specifically, the Board proposes in a Supplemental Notice of Proposed Rulemaking to modify certain inputs into Phase II of URCS and to modify certain cost calculations in Phase III of URCS in order to eliminate the "make-whole adjustment" in Phase III. The Board proposes certain other related changes to URCS, including proposals for locomotive unit-miles and train miles allocations, that would result in more appropriate rail movement costs.

Effects:

Paperwork Reduction Act

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 02/04/2013

Docket Number: EP 431 (Sub-No. 4)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|-------------------|--------------------------|----------------|
| Service Date | 05/2017 | TBD | N/A |

Explanation for any delay: The previous projected target date of 01/2018 was changed to TBD in the April 2018 report. The Board has not reached a consensus on the next action.

2. Rail Fuel Surcharges (Safe Harbor)

Popular Title: Rail Fuel Surcharges (Safe Harbor)

RIN 2140-AB17

Stage: Pre-Rule

Previous Stage: ANPRM served 05/29/2014; End of Comment Period 10/15/2014.

Abstract: The Board is giving shippers, rail carriers, and other interested parties the opportunity to comment on the Board's "safe harbor" standard, which allows carriers to rely on a Board-approved fuel index to measure changes in fuel prices for purposes of their fuel surcharge programs.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 05/29/2014

Docket Number: EP 661 (Sub-No. 2)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|-------------------|--------------------------|----------------|
| Service Date | 09/2016 | TBD | N/A |

Explanation for any delay: The new projected date was modified in the January 2017 report, explaining that the Board is in a time of transition with potential changes to the Board's membership due to the changeover in administration. The new projected target date remains TBD.

3. Expanding Access to Rate Relief

Popular Title: Expanding Access to Rate Relief

RIN 2140-AB37

Stage: Pre-Rule

Previous Stage: ANPRM served 08/31/2016; End of Comment Period 12/19/2016.

Abstract: The Board is considering procedures that could comprise a new rate reasonableness methodology for use in very small disputes, which would be available to shippers of agricultural products and all other commodities.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 08/31/2016

Docket Number: EP 665 (Sub-No. 2)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|-------------------|--------------------------|----------------|
| Service Date | 06/2017 | TBD | N/A |

Explanation for any delay: The 06/2017 date for next action was established in the January 2017 report. The Board did not reach a consensus on a June Board action. The new projected target date was changed to TBD in the July 2017 report. Note, on March 28, 2018, the Board issued a decision waiving the prohibition on ex parte communications in this proceeding.

4. Review of Commodity, Boxcar, and TOFC/COFC Exemptions

Popular Title: Commodity Exemptions

RIN 2140-AB29

Stage: Proposed Rule

Previous Stage: NPRM served 03/23/2016; Order granting the Association of American Railroads' request for extension of time served 05/06/2016; End of Comment Period 08/26/2016.

Abstract: In this proceeding, the Board proposes to revoke the existing class exemptions under 49 C.F.R. Part 1039 for (1) crushed or broken stone or rip rap; (2) hydraulic cement; and (3) coke produced from coal, primary iron or steel products, and iron or steel scrap, wastes or tailings.

Effects:

Regulatory Flexibility Act

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 03/23/2016

Docket Number: EP 704 (Sub-No. 1)

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|-------------------|--------------------------|----------------|
| Service Date | 01/2017 | TBD | N/A |

Explanation for any delay: The new projected date was modified in the January 2017 report, explaining that the Board is in a time of transition with potential changes to the Board's membership due to the changeover in administration. The new projected target date remains TBD.

5. Reciprocal Switching

Popular Title: Competitive Switching Rules

RIN 2140-AB32

Stage: Proposed Rule

Previous Stage: NPRM served 07/27/2016; End of Comment Period 01/13/2017.

Abstract: The Board proposes regulations which would allow a party to seek a reciprocal switching prescription that is either practicable and in the public interest or necessary to provide competitive rail service, in accordance with 49 U.S.C. 11102(c)(1).

Effects:

None

Prompting action: Petition from the National Industrial Transportation League.

Legal Deadline: None

Rulemaking Project Initiated: 07/27/2016

Docket Number: EP 711 (Sub-No. 1)

Dates for Ex Parte Meetings:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|-------------------|----------------------|--------------------------|----------------|
| Ex Parte Meetings | Beginning 01/30/2017 | N/A | N/A |

Explanation for any delay: N/A

Federal Register Citation for Ex Parte Meetings: N/A

6. Railroad Revenue Adequacy

Popular Title: Revenue Adequacy

RIN 2140-AB19

Stage: Pre-Rule

Previous Stage: Notice served 04/02/2014; End of Comment Period 11/04/2014; Hearing 07/22/2015 and 07/23/2015.

Abstract: The Board is exploring its methodology for determining railroad revenue adequacy, as well as the revenue adequacy component used in judging the reasonableness of rail freight rates.

Effects:

None

Prompting action: Board Initiative

Legal Deadline: None

Rulemaking Project Initiated: 04/02/2014

Docket Number: EP 722

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|-------------------|--------------------------|----------------|
| Service Date | 10/2016 | TBD | N/A |

Explanation for any delay: The new projected target date was modified in the April 2017 report, changing it from June 2017 to TBD, in recognition of a changeover in administration and expected changes to the Board's membership. The new projected target date remains TBD. Note, on March 28, 2018, the Board issued a decision clarifying that a prohibition on ex parte communications in this proceeding is not applicable.

7. Payment, Filing, and Service Procedures

Popular Title: Fees and Billing

RIN 2140-AB41

Stage: Proposed Rule

Previous Stage: NPRM served 08/24/2018; End of Comment Period 9/24/2018.

Abstract: The Board proposes updating its regulations relating to methods of payment, filing procedures, electronic service of Board decisions, and fees for copying, printing, and related services. The proposed updates are intended to promote increased use of electronic filing and payment systems and result in cost savings to both the Board and the public, while enhancing the accessibility of information relating to proceedings and functions of the Board.

Effects:

None

Prompting action: Board initiative

Legal Deadline: None

Rulemaking Project Initiated: 08/24/2018

Docket Number: EP 747

Dates for Next Action:

| Milestone | Scheduled Date | New Projected Date | Actual Date |
|--------------|-------------------|--------------------------|----------------|
| Service Date | 1/2019 | N/A | N/A |

Explanation for any delay: N/A