



September 10, 2014

The Honorable Jay Rockefeller
Chairman
Committee on Commerce, Science
and Transportation
United States Senate
531 Hart Senate Office Building
Washington, DC 20510

The Honorable John Thune
Ranking Member
Committee on Commerce, Science
and Transportation
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Rockefeller and Ranking Member Thune:

On behalf of rural electric cooperatives across the country, I am writing in support of S.2777 the Surface Transportation Board Reauthorization Act of 2014. The National Rural Electric Cooperative Association supports this legislation and encourages members of the Senate Committee on Commerce, Science, and Transportation to cosponsor and vote for the bill.

The Surface Transportation Board Reauthorization Act of 2014 would improve how the Board operates and includes many of the provisions our members have advocated over the years. This legislation in no way reregulates America's freight rail system. To the contrary, the bill, if enacted will make freight rail service more competitive and will make the STB a more effective, efficient and equitable regulatory agency.

NRECA and our members have advocated for many of the provisions included in the bill as outlined below. The bill introduced by Chairman Rockefeller and Ranking Member Thune would:

- Establish the STB as independent agency saving the agency over \$300,000 in administrative costs paid to the Department of Transportation
- Expand Board membership to five and eliminate the holdover limitation when a successor has not been named
- Allow for non-public discussion between Board Members with requirements to disclose the meeting topics and participants within two business days of the meeting
- Give the STB investigative authority so complaints do not have to be brought by shippers.
- Streamline rate case procedures
- Create rate review timelines
- Require a review of rate bundling
- Require a report on rate methodology.
- Create new arbitration procedures at STB and expand rate disputes up to \$25 million in damages
- Require a compilation of complaints at the STB
- Require quarterly reports from the STB on unfinished proceedings
- State a sense of Congress that STB should move forward on competitive switching, revenue adequacy rulemakings

In 1980 when Congress passed the Staggers Act there were over two dozen "Class I" railroads which competed for customers' business. Now more than three-quarters of US rail stations are served by only one railroad and four railroads control 90% of the market. US rail policy has not kept up with these changes, and these antiquated policies are hurting our members and many U.S. industries that rely on the railroads to do business.

We urge your support and vote for S.2777 the Surface Transportation Board Reauthorization Act of 2014. This bill is in the best interest of the US railroad industry and is consistent with strong and successful rail network which is important to our nation. Passage of the bill will bring meaningful and necessary improvements to a well-functioning STB that are consistent with the vision set out under the Staggers Rail Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Jo Ann Emerson", with a long horizontal flourish extending to the right.

Jo Ann Emerson
CEO,
National Rural Electric Cooperative Association