



THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

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For Immediate Release

January 11, 2012

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NITL URGES STB REGULATORY OVERHAUL

In comments filed late yesterday (January 10) with the Surface Transportation Board (STB), the National Industrial Transportation League (NITL) said the agency should focus its attention on two areas of regulation that it believes are outdated and/or have been shown in practice to be inadequate to address current problems faced by shippers. The first is the Board's competitive access rules and second is the methodology used by the agency for making determinations on the revenue adequacy levels of Class I railroads.

These comments were filed in Ex Parte No. 712 *Regulations and Regulatory Review*. The STB is reviewing its existing regulations in order to evaluate their viability and determine whether they are effective in addressing problems faced by railroads and shippers. This effort is part of an overall review being undertaken by federal agencies to determine whether their respective rules are obsolete and require changes.

The League recommended changes to the Board's competitive switching rules; increases on relief caps in small and medium rate complaint cases; an agency review of revenue adequacy methodologies; revamping the data collection and reporting requirements of railroads; and finally that work should be undertaken on an overall plan to respond to comments that have been submitted recently in a number of proceedings, and that action priorities should be established.

The League stressed that the STB's top priority should be the reform of current reciprocal switching rules. It said that the existing rules adopted over 20 years ago have never resulted in the establishment of new competitive switching arrangements. To address this problem, the League reminded the Board that it recently submitted a comprehensive *Petition to Adopt Revised Competitive Switching Rules* (Ex Parte No. 711). So far the Board has deferred a decision in the proceeding saying it wants to further consider comments in yet another docket dealing with competition in the railroad industry (Ex Parte No. 705) (*Notice*, November 7).

NITL President Bruce Carlton said the STB's review of current regulations comes at a critical time for captive shippers. He added, "that over the past 18 months the agency has embarked on an ambitious program of receiving comments and oral statements in a number of proceedings. It's clear that the Board must begin reacting to views expressed and develop priorities on how it intends to address them."

For a complete copy of the League's filing, click here: <http://www.nitl.org/EP712Comments-NITL.pdf>.

The NITL is one of the oldest and largest national associations representing companies engaged in the transportation of goods in both domestic and international commerce. The League was founded in 1907, and currently has over 600 company members. The League's rail shippers are from a multitude of industries, including chemicals/petroleum, agricultural, forest products and paper, and steel among others.