

[Floor Situation](#) | [Summary](#) | [Background](#) | [Cost](#) | [Staff Contact](#)

[S. 808, Surface Transportation Board Reauthorization Act of 2015](#)

FLOOR SITUATION

On Thursday, December 10, 2015, the House will consider [S. 808](#), the *Surface Transportation Board Reauthorization Act of 2015*, under suspension of the rules. S. 808 was introduced on March 19, 2015 by Sen. John Thune (R-SD) and passed the Senate by unanimous consent on June 18, 2015.

SUMMARY

S. 808 reauthorizes the Surface Transportation Board (Board) and establishes it as a government agency independent of the U.S. Department of Transportation (DOT). The bill also expands the Board's ability to oversee pricing decisions and adjudicate certain legal matters pertinent to the national rail and transportation system.

The Board is currently decisionally-independent, although it is administratively housed within DOT. Establishing the Board as an independent agency is intended to enhance the Board's ability to reduce decision times and improve responsiveness to complaints. The bill also repeals a current requirement that DOT provide administrative support to the Board, although the DOT Inspector General will still have certain limited authority to investigate Board operations.

The bill also increases Board membership from 3 to 5 and allows those members to call emergency meetings to increase input while simultaneously decreasing decision-making times. The bill also authorizes the creation of a database of all railway service complaints and allows the Board to initiate investigations. The bill prescribes time limits for all rail rate reasonableness reviews as well as a voluntary binding arbitration process for these cases.

The bill authorizes the appropriation of \$33 million in fiscal year 2016, \$35 million in fiscal year 2017, \$35.5 million in fiscal year 2018, \$35.5 million in fiscal year 2019, and \$36 million in fiscal year 2020. The appropriated level of funding for the Board, which has been unauthorized since 1998, was \$31.4 million in fiscal year 2015.¹

¹ See [Senate Report 114-52](#) at 3.

BACKGROUND

The Board is an economic regulatory agency within the U.S. Department of Transportation charged with resolving railroad rate and service disputes and reviewing proposed railroad mergers.² While possessing independent decision-making authority, the Board is technically under the stewardship of DOT. The Board has jurisdiction over railroad rate and service issues and rail restructuring transactions (i.e. mergers and line sales), certain trucking and shipping company rate matters, intercity passenger bus company financial and operational matters, and rates and services of certain pipelines. The Board serves as both an adjudicatory and a regulatory body.³

In 2014, ethanol producers in South Dakota and neighboring states claimed that “delays in getting rail cars to ship their products [were] causing them financial havoc” and potentially inflicting long-term damage to their businesses.⁴ In response, the Board held a hearing on the issue on September 4, 2014, where one witness alleged “that almost 75 percent of his production from last year [was] still in grain bins because of rail car delays.”⁵ S. 808 establishes the Board an independent entity to enable it to more quickly respond to such shipping and transportation issues.

According to the bill sponsor, “Oversight efforts have identified causes of wasteful and unnecessary delays in adjudicating cases that harm rail shippers, freight operators, and ultimately consumers who pay higher costs. These reforms will help make the Board a more efficient, effective, and accountable agency for the benefit of shippers and railroads alike.”⁶

COST

The Congressional Budget Office (CBO) [estimates](#) that implementing the bill would cost \$198 million over the 2016 to 2020 period, assuming the appropriation of the amounts authorized and estimated to be necessary. Enacting S. 808 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

² See Website: [STB](#), 12/03/2015

³ Id.

⁴ See Article: [Railroad woes put grain, ethanol shippers in trouble](#), 04/10/2015

⁵ Id.

⁶ See Press Release: [Thune and Nelson Introduce Bipartisan Freight Rail Reform Bill](#), 03/19/2015