



March 31, 2009

Surface Transportation Board

STB Chairmanship moves – The STB announced on March 16th that President Obama had named Francis P. Mulvey, a Maryland Democrat, as the Acting Chairman of the STB effective March 12th. In accepting the appointment, Acting Chairman Mulvey stated “I expect to work closely with Congress to achieve the twin goals of ensuring that shippers pay reasonable rates for quality rail service and railroads earn an adequate rate of return on capital.”

Prior to appointment to the STB in 2003, Mulvey was a staff member for the House Committee on Transportation, including serving as minority staff director for the Railroad Subcommittee. Mulvey has named Anika Sanders Cooper as his Attorney-Advisor, while keeping on Jamie P. Rennert as his Chief of Staff, and Judith A. Leader as Special Assistant.

STB vacancy – Some names have surfaced from labor and the public service commission sector as possible nominees to fill the third position on the board. Farm groups from the Pacific Northwest are supporting Former President of the National Barley Growers Association, Evan Hayes, a producer from Idaho and a former member of the Alliance for Rail Competition Executive Board.

Legislation

Rail Customer Day Held – Senator Herb Kohl (WI), chairman of the Senate Judiciary Antitrust Subcommittee and Sen. John D. Rockefeller, IV (WV), chairman of the Senate Commerce Committee, helped kick off the Rail Customer Day events on Capitol Hill on March 25th by speaking at the breakfast rally for shippers. Both expressed confidence that legislation reforming how railroads do business would finally pass Congress this year. Representative Tammy Baldwin (WI), lead sponsor of HR 233, the Railroad Antitrust Enforcement Act, spoke at the evening wrap-up reception, and echoed the confidence of her Senate colleagues while outlining the reasons reform was necessary, which were spelled out in a letter to the editor (<http://thehill.com/letters/exempt-from-antitrust-laws-railroads-set-exorbitant-rates-2009-03-24.html>) the Congresswoman ran in *The Hill* newspaper the previous day.

Congressional Action – The House Judiciary Committee should soon determine whether or not to hold a hearing on HR 233 prior to an expected mark-up of the legislation.

Senator Kohl’s S 146, the Senate companion to HR 233, was placed on the Senate Legislative Calendar (#33) under General Orders on March 18th after being reported favorably from the Judiciary Committee, and has been promised floor time by Majority Leader Reid before the Memorial Day recess.

Secretary of Transportation Ray LaHood testified before the Senate Environment & Public Works Committee’s “Hearing on the Need for Transportation Investment” on March 25th and stated that the coming “authorization of surface transportation programs is one of my highest priorities” and that providing adequate funding for the depleted Highway Trust Fund will be a very difficult challenge. LaHood noted that since 2004, construction costs have grown by 30 percent meaning that it now takes roughly \$100 billion on average annually to maintain the nation’s highways and bridges, while the average cost of capital improvements have grown to \$170 billion annually. To put the latter number into perspective, the total amount spent by all levels of government for highway capital improvements was \$78.7 billion in 2006.

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AgSource, Inc. ~ 600 Pennsylvania Avenue, SE ~ Suite 320 ~ Washington, DC 20003*

