

Calendar No. 554105TH CONGRESS }
2d Session }

SENATE

{ REPORT
105-315 }SURFACE TRANSPORTATION BOARD
REAUTHORIZATION ACT OF 1998

R E P O R T

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION

ON

S. 1802



SEPTEMBER 9, 1998.—Ordered to be printed

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SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

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SURFACE TRANSPORTATION BOARD REAUTHORIZATION ACT OF 1998

SEPTEMBER 9, 1998.—Ordered to be printed

Mr. MCCAIN, from the Committee on Commerce, Science, and
Transportation, submitted the following

REPORT

[To accompany S. 1802]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1802) “A Bill to authorize appropriations for the Surface Transportation Board for fiscal years 1999, 2000, and 2001”, having considered the same, reports favorably thereon with an amendment in the nature of a substitute and an amendment to the title and recommends that the bill (as amended) do pass.

PURPOSE OF THE BILL

The purpose of the bill is to authorize appropriations for the Surface Transportation Board for fiscal year 1999.

BACKGROUND AND NEEDS

The Surface Transportation Board (STB) was established on January 1, 1996, by the ICC Termination Act of 1995 [P.L. 104-88] (ICCTA). The STB is a three-member, independent agency within the Department of Transportation with jurisdiction over certain transportation economic regulatory matters.

Under the law, the STB is responsible for the regulation of the rail and pipeline industries and certain non-licensing regulation of motor carriers and water carriers. More specifically, the rail oversight of the Board encompasses maximum rate reasonableness, car service and interchange, mergers and line acquisitions, and line constructions and abandonments. The Board’s jurisdiction also includes limited oversight of the intercity bus industry and rate regu-

lation involving non-contiguous domestic water transportation, household goods carriers, collectively determined motor carrier rates, as well as the disposition of motor carrier undercharge claims.

The Board's resources were reduced by approximately 50 percent from those at the Interstate Commerce Commission at the time of its termination, yet it continues to maintain a considerable workload. During FY 1997, for example, the Board issued 1,429 decisions involving adjudications and rulemakings dealing with rail and non-rail transportation issues. These decisions pertained to rail carrier consolidations; review of rail labor arbitral decisions, rail rates and service line sales, line constructions and abandonments. These decisions further related to truck rate undercharge cases, intercity bus merger and pooling matters, motor carrier collective ratemaking oversight, and other non-rail matters such as pipeline rate cases.

On average, the Board has had pending in terms of caseload between 400 and 500 adjudications related to all of its jurisdictional responsibilities. The number of cases pending at the Board at any given time, other than motor carrier undercharge cases, remains relatively constant because as cases are resolved, new cases are filed.

The STB is funded through a combination of appropriated funds and offsetting collections. The Board collects approximately \$2 million annually in user fees. The Board's existing user fees stem from authority granted under Title V of the Independent Offices Appropriation Act of 1952, which allows federal agencies to recover the specific costs of providing specific services. The Board expects to collect approximately \$2 million for FY 1999 based on its existing fee schedule.

LEGISLATIVE HISTORY

The STB appropriations are authorized through fiscal year 1998. Legislation to reauthorize the Board, S. 1802, the Surface Transportation Board Reauthorization Act of 1998, was introduced by Senators McCain, Hollings, Hutchison, Inouye, Lott, Ford, and Stevens on March 19, 1998. Additional cosponsors are Senators Ashcroft and Warner. The legislation proposes to reauthorize the appropriations for the STB for fiscal years 1999, 2000, and 2001.

The Subcommittee on Surface Transportation and Merchant Marine held a hearing to receive testimony on issues surrounding reauthorization legislation for the Board on March 31, 1998. The Committee received testimony from the Board, representatives of rail shippers, representatives of the rail industry, rail labor, and representatives of household goods carriers.

In addition to the March 31st hearing, the Committee held three field hearings on rail service and shipper concerns and issues regarding the Board and its authority. Further, the Board held two full days of hearings in April at the requests of Senators McCain and Hutchison to consider rail competition and access issues. The Board announced a series of actions concerning rail market dominance, revenue adequacy, competitive access, and other issues following those hearings.

On July 29, 1998, the Committee reported S. 1802 with an amendment in the nature of a substitute. As reported, the bill would authorize the Board for FY 1999 at \$16.190 million. The Committee believes the Board should be allowed to use its discretion to hire staff within approved budgetary resources authorized and appropriated by Congress. The Committee recognizes that the Board should be allowed to take appropriate action to ensure a transition necessitated by the number of Board staff nearing retirement eligibility. In response to the anticipated employee retirements in the next several years, the Committee understands the need for the Board to hire staff that can gain the working knowledge that is necessary to assume the Board's complicated caseload responsibilities and other workload activities.

While the reported bill provides for a one-year authorization of the Board, the Committee believes it is important to work toward a multi-year reauthorization and to ensure the Board has adequate resources to meet all of its workload activities. As such, the Committee intends to continue to closely monitor rail service and shipper issues, as well as other STB matters, in the months ahead and begin working early next year to develop legislation to provide for a multi-year reauthorization of the STB.

ESTIMATED COSTS

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 12, 1998.

Hon. JOHN MCCAIN,
*Chairman, Committee on Commerce, Science, and Transportation,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1802, the Surface Transportation Board Reauthorization Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Clare Doherty.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 1802—Surface Transportation Board Reauthorization Act of 1998

Summary: S. 1802 would authorize the appropriation of \$16 million for the Surface Transportation Board (STB) for fiscal year 1999. Enacting S. 1802 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no impact on the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: Implementing S. 1802 would result in new discretionary spending totaling \$16 million over the 1999–2003 period. For purposes of this estimate, CBO assumes that the authorized amount will be provided by the start of fiscal year 1999 and that outlays will occur at historical spending rates for the STB. The estimated budgetary impact is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: S. 1802 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no impact on the budgets of state, local, or tribal governments.

[By fiscal year, in millions of dollars]

	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
STB spending under current law:						
Budget authority ¹	14	0	0	0	0	0
Estimated outlays	15	2	0	0	0	0
Proposed changes:						
Authorization level	0	16	0	0	0	0
Estimated outlays	0	15	2	0	0	0
STB spending under S. 1802:						
Authorization level ¹	14	16	0	0	0	0
Estimated outlays	15	17	2	0	0	0

¹The 1998 level is the amount appropriated for that year.

Estimate prepared by: Clare Doherty.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

Because S. 1802 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no further effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

NUMBER OF PERSONS COVERED

The bill as reported would authorize appropriations for the Board for fiscal year 1999, adjusting the FY 1998 level for inflation and mandatory civilian pay increase costs. Therefore, the number of persons covered should be consistent with current levels.

ECONOMIC IMPACT

The bill as reported would authorize appropriations for the Board for fiscal year 1999 at \$16.190 million, a level based on adjusting the FY 1998 level for inflation and mandatory civilian pay increase costs.

PRIVACY

The bill as reported would have no adverse impact on the personal privacy of individuals affected.

PAPERWORK

Paperwork requirements associated with the bill as reported are minimal.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section provides that the bill may be cited as the Surface Transportation Board Reauthorization Act of 1998.

Sec. 2. Authorization of appropriations

The bill authorizes appropriations for the Board for fiscal year 1999 at \$16.190 million.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.