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February 27, 2020

The Honorable Ann D. Begeman
Chairman
Surface Transportation Board
395 E Street Southwest
Washington, D.C. 20423

The Honorable Patrick J. Fuchs
Vice Chairman
Surface Transportation Board
395 E Street Southwest 300451
Washington, D.C. 20423

The Honorable Martin J. Oberman
Board Member
Surface Transportation Board
395 E Street Southwest

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Part of
Public Record

Dear Chairman Begeman, Vice Chairman Fuchs, and Board Member Oberman:

I write regarding the Surface Transportation Board's (STB) ongoing consideration of issues related to long-term railroad revenue adequacy.

As you know, the United States' freight rail network is a world leading transportation system that enables consumers to have efficient access to cost-effective goods. The successful lowering of freight rates and increases in efficiency are largely due to Congressional efforts over the last four decades to push policies that aim to deregulate the rail industry.

It is concerning to hear that the STB is now moving away from Congressional deregulatory efforts and considering proposals related to rate caps and revenue reductions that are based solely on a railroad earning returns on investment above its capital. Not only would this harm railroad investments and innovation, but it would harm businesses and consumers who benefit from deregulatory reforms. Fostering a free market environment that eliminates government intervention, promotes market competition, and increases consumer choice is the best recipe for a successful transportation network.

As the STB continues its consideration of long-term railroad revenue adequacy, I urge you to carry out reforms that champion market competition and reject efforts to institute price controls.

Thank you for considering this request and I look forward to your response.

Sincerely,



Michael S. Lee
United States Senator