Section 1. Short Title.
The bill is titled the Surface Transportation Board (STB) Reauthorization Act of 2014.

Section 2. References to Title 49, United States Code.
Changes made in this bill, except where expressly provided otherwise, are made to Title 49 of the U.S. Code.

Section 3. Establishment of Surface Transportation Board as an Independent Establishment.
Amends administrative provisions to clarify STB’s role as an independent body and specifies that submissions or transmissions of budgetary or legislative matters be submitted concurrently to the President/Office of Management and Budget and the U.S. Senate Commerce, Science, and Transportation Committee and the House Transportation and Infrastructure Committee. Also, repeals a section requiring the Department of Transportation to provide administrative support, which should save the STB approximately $300,000 annually.

Section 4. Surface Transportation Board Membership.
Expands membership of the STB board from three members to five in order to address inefficient quorum requirements. Also, eliminates the one-year holdover limitation for continuing service by a board member when a successor is not immediately appointed.

Section 5. Nonpublic Collaborative Discussions.
Provides for limited instances where a majority of Board members can communicate without requiring a full public meeting, similar to that what the Federal Communication Commission enjoys. Such instances require that no vote be taken, the general counsel’s presence, and can include only board members or staff. Also requires disclosure of meeting topics and participants within two business days of the meeting, unless the discussion relates to an ongoing proceeding, in which case the disclosure must be made on the date of the final Board decision.

Section 6. Investigative Authority.
Allows the STB to initiate investigations; current policy only allows investigations upon complaint. New authority is prohibited for rate proceedings, which still require a complaint.

Section 7. Procedures for Rate Cases.
Codifies work STB has already been doing to streamline its processes for rate cases and ensures that the simplified reviews are accompanied by expedited handling.

Section 8. Rate Review Timelines.
Codifies timelines for stand-alone cost rate challenges, including discovery (150 days), development of evidentiary record (155 days), closing brief (60 days), and final Board decision (180 days) while providing an option for a Board-granted extension upon request or in the interest of due process. The timelines are currently set through regulation.

Section 9. Effect of Rate Bundling.
Requires the STB to initiate a proceeding on whether contract bundling has had an adverse impact on the ability of shippers, especially captive shippers, to bring rate cases.

**Section 10. Report on Rate Case Methodology.**  
Requires a report, within one year, analyzing the sufficiency of current methodologies for large rate cases and discussion possible alternative methodologies.

**Section 11. Arbitration of Certain Rail Rates, Practices, and Common Carrier Service Expectation Disputes.**  
Continues work the STB has already begun in encouraging and providing arbitration and mediation for dispute resolution. Requires the STB to promulgate regulations establishing a binding arbitration process for rate, practice, and common carrier complaints. Either party could trigger the binding arbitration process after a complaint has been filed or after the conclusion of any informal dispute resolution process provided by the STB.

Arbitration for rate disputes is available only if the rail carrier has market dominance.
Arbitration would not apply to license disputes, industry-wide regulation disputes, or disputes solely between rail carriers.

Sets forth terms that require any arbitration decision to be in writing, contain findings of fact and conclusions, and bind the parties. In addition, the statute specifies timelines for arbitrator selection (14 days after initiation), evidentiary process (90 days), and decision (30 days after evidentiary record closes), subject to discretionary extensions.

Relief is capped at $2 million for service and practice disputes and $25 million for rate dispute damages. Any rate prescription from arbitration will be limited to not longer than five years from the date of the decision. The Board can only review an arbitration decision if it does not comply with statute or the relief award cap discussed above.

**Section 12. Compilation of Complaints at Surface Transportation Board.**  
Requires STB to establish a database of the formal and informal service complaints it receives. The database must include the type, geographic origin, and resolution of each complaint. The STB is also required to begin providing quarterly reports to the Senate Commerce Committee and House Transportation and Infrastructure Committees within 60 days of this Act’s enactment. The report will then be posted on the Board’s website, but identifying information of a complainant may only be included if written consent is obtained.

**Section 13. Quarterly Reports.**  
STB is also required to begin providing quarterly reports to the Senate Commerce Committee and House Transportation and Infrastructure Committees within 60 days of this Act’s enactment regarding the Board’s progress toward addressing unfinished regulatory proceedings.
Section 14. Sense of Congress.
It is the sense of Congress that the STB should: consider the costs and benefits of revenue adequacy determinations for Class I railroads; review the methodology for determinations of revenue adequacy; determine the need for a proceeding on mandatory competitive switching; and determine whether a timely rulemaking for competitive switching is needed. This section is limited to a Sense of Congress, because the STB already has ongoing proceeding regarding these matters and any new statutory mandates could require the STB to begin their work anew.

Section 15. Repeal of Expired and Obsolete Provisions.
Allow for a rail carriers’ agent to be located outside of Washington, DC.

Section 16. Construction.
Makes clear that nothing in the bill affects any cases being considered by the STB at the time of enactment.