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SERVICE DATE – LATE RELEASE OCTOBER 11, 2006

SURFACE TRANSPORTATION BOARD

NOTICE

STB Ex Parte No. 665

RAIL TRANSPORTATION OF GRAIN

AGENCY: Surface Transportation Board.

ACTION: Notice of Public Hearing.

SUMMARY: The Surface Transportation Board will hold a public hearing beginning at 10:00 a.m. on Thursday, November 2, 2006, at its offices in Washington, DC. The purpose of the public hearing will be to examine issues related to the transportation of grain by rail. Persons wishing to speak at the hearing should notify the Board in writing.

DATES: The public hearing will take place on Thursday November 2, 2006. Any person wishing to speak at the hearing should file with the Board a written notice of intent to participate, and should identify the party, the proposed speaker, the time requested, and the topic(s) to be covered, as soon as possible but no later than October 23, 2006. Each speaker should also file with the Board his/her written testimony by October 30, 2006. Written submissions by interested persons who do not wish to appear at the hearing will also be due by October 30, 2006.

ADDRESSES: All notices of intent to participate and testimony may be submitted either via the Board's e-filing format or in the traditional paper format. Any person using e-filing should comply with the Board's "www.stb.dot.gov" website, at the "E-FILING" link. Any person submitting a filing in the traditional paper format should send an original and 10 copies of the filing to: Surface Transportation Board, Attn: STB Ex Parte No. 665, 1925 K Street, N.W., Washington, DC 20423-0001.

FOR FURTHER INFORMATION, CONTACT: Joseph H. Dettmar, (202) 565-1609.
[Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at: (800) 877-8339.]

SUPPLEMENTARY INFORMATION: On October 6, 2006, the United States Government Accountability Office (GAO) released a report that included observations on rates, competition, and capacity issues in the American rail freight industry. GAO reported that the changes that have occurred in the rail industry since the Staggers Rail Act of 1980 are widely viewed as positive. The financial health of the industry has improved substantially as railroads have cut costs and boosted productivity. GAO found that most rates have declined since 1985. However, one category of rates examined by

GAO—grain rates—diverged from the industry trends. According to the GAO report, the amount of grain traffic with comparatively high markups over variable cost increased notably between 1985 and 2004.

The Board will hold a public hearing, as a forum for interested persons to provide views and information about the market conditions that led to these observations by GAO and about grain transportation markets in general. Because U.S. grain producers compete in a broader North American, and global, marketplace, the Board also invites information regarding the interplay between the American and Canadian wheat markets, how the Canadian regulatory system differs from the American system, and what impact those differences might have on grain production in the United States.

Date of Hearing. The hearing will begin at 10:00 am on Thursday, November 2, 2006, in the 7th floor hearing room at the Board’s headquarters in Washington, DC, and will continue, with short breaks if necessary, until every person scheduled to speak has been heard.

Notice of Intent To Participate. Any person wishing to speak at the hearing should file with the Board a written notice of intent to participate, and should identify the party, the proposed speaker, the time requested, and topic(s) to be covered, as soon as possible, but no later than October 23, 2006.

Testimony. Each speaker should file with the Board his/her written testimony by October 30, 2006. Also, any interested person who wishes to submit a written statement without appearing at the November 2 hearing should file that statement by October 30, 2006.

Board Releases and Live Audio Available Via the Internet. Decisions and notices of the Board, including this notice, are available on the Board’s website at “www.stb.dot.gov.” This hearing will be available on the Board’s website by live audio streaming. To access the hearing, click on the “Live Audio” link under “Information Center” at the left side of the home page beginning at 10:00 a.m. on November 2, 2006.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

Dated: October 11, 2006.

Vernon A. Williams
Secretary