

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. EP 701

ACCELERATING REPORTING REQUIREMENTS
FOR CLASS I RAILROADS

Digest:¹ The Board proposed to accelerate the filing deadlines for certain reports filed by Class I railroads. Based on the comments received, the Board will not adopt the accelerated deadlines and will discontinue this proceeding.

Decided: February 11, 2016

On July 8, 2015, the Board issued a Notice of Proposed Rulemaking (NPRM) seeking public comment on a proposal to accelerate the filing deadlines for certain financial, employee, and traffic reports submitted by Class I railroads.²

Upon consideration of the comments submitted by the Association of American Railroads (AAR), the only comments filed in this proceeding, we are persuaded that the proposed accelerated deadlines would impose a burden on the railroads that outweighs the benefit to the public. We will therefore discontinue this proceeding, but will make minor changes to these regulations in Improving Regulation and Regulatory Review, EP 712.

DISCUSSION AND CONCLUSIONS

The Board has authority to collect financial and statistical data from railroads as necessary for the economic oversight of the industry. 49 U.S.C. §§ 1321(b),³ 11145. To this end, the Board's regulations require Class I railroads to submit annual, quarterly, and monthly reports containing financial and operating statistics, including employment and traffic data. 49 U.S.C. § 11145; 49 C.F.R. §§ 1241-1248. The data collected is used by the Board in various

¹ The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

² The NPRM was published in the Federal Register on July 8, 2015 (80 Fed. Reg. 39,045).

³ The recently enacted Surface Transportation Board Reauthorization Act of 2015, Pub. L. No. 114-110, recodifies provisions of title 49, United States Code, redesignating 49 U.S.C. § 721 as § 1321.

proceedings, as well as by other governmental agencies and interested parties in evaluating the railroad industry.

In the NPRM, the Board proposed changing the filing deadlines for a number of these reports. Specifically, the NPRM proposed the following deadlines: Schedule 250 would be filed by March 31 each year, at the same time as the Annual Report Form R-1; Quarterly Report Form RE&I, Form CBS, Quarterly Wage Forms A & B, and Reports of Fuel Cost, Consumption, and Surcharge Revenue would be filed within 15 days after the end of each quarter; Annual Wage Forms A&B and Annual Form QCS would be filed 30 days after the end of each year; Quarterly Form QCS would be filed 30 days after the end of each quarter; Form STB-54 would be filed within 60 days after the end of each year; and Form C would be filed 10 days after the end of each month. The NPRM also proposed to: update several form titles; clarify the method by which carriers arrive at the number of employees reported on Form C, pursuant to part 1246; replace references to the “Interstate Commerce Act” with “pt. A of subtitle IV of tit. 49, United States Code” between 49 C.F.R. parts 1241 and 1248 to accurately describe the current controlling statute; and eliminate the requirement that railroads file duplicate copies of reports, with the exception of the Annual Report Form R-1, which requires hard copies to be filed.

On August 21, 2015, AAR filed comments on the NPRM. AAR expresses concern that the proposed accelerated deadlines would impose significant burdens while not conferring a public benefit. (AAR Comment 7.) Specifically, AAR states that the proposed deadlines for the STB reports would be incompatible with and would create additional reporting obligations for the railroads under Securities and Exchange Commission (SEC) regulations. (*Id.* at 10-12.) AAR also states that accelerated deadlines could cause investor confusion because the information in Board filings is based on a different corporate entity than the information in the SEC filings, and there are also differences in accounting between Board reports and SEC reports. (*Id.* at 13.)

The Board issued the NPRM in an effort to accelerate the reporting process and allow the Board and the public to more quickly identify and evaluate emerging trends, business conditions, and issues related to Class I railroads. However, AAR’s comments demonstrate that the proposed rules could impose a significant burden on the railroads and conflict with SEC reporting requirements. No other comments were submitted. Therefore, we will not adopt the proposed accelerated deadlines and will discontinue this proceeding.

However, some of the nonsubstantive updates that the Board proposed will be adopted in Improving Regulation and Regulatory Review, EP 712. These updates include changing the following form titles: “Form MRRE” to “Form C” (49 C.F.R. § 1246.1) and “Form QRSC” and “Form ARSC” to “Quarterly Wage Forms A & B” and “Annual Wage Forms A & B” respectively (49 C.F.R. § 1245.2). In that proceeding, we will also eliminate the requirement for railroads to file duplicate copies of reports, with the exception of the Annual Report Form R-1, which requires hard copies to be filed.

For the foregoing reasons, this proceeding will be discontinued.

It is ordered:

1. This proceeding is discontinued.
2. This decision is effective on the date of service.

By the Board, Chairman Elliott, Vice Chairman Miller, and Commissioner Begeman.