



SURFACE TRANSPORTATION BOARD

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Contact:
Michael Booth
202-245-1760
FedRelay 1-800-877-8339

STB ALLOWS FORMAL SERVICE COMPLAINT TO PROCEED IN SANIMAX v. UNION PACIFIC

The Surface Transportation Board today issued a decision granting Sanimax USA LLC's (Sanimax) request for the Board to partially revoke commodity exemptions and permits its service case against Union Pacific Railroad Company (UP) to proceed. The decision also denies UP's motion to dismiss Sanimax's complaint and sets a procedural schedule.

On November 6, 2020, Sanimax filed a complaint against UP alleging that UP's reduction in service days and repeated service failures violate UP's common carrier obligation and constitute unreasonable practices. On November 30, 2020, UP filed a motion to dismiss Sanimax's complaint, stating that the commodities at issue are exempt from Board regulation. Further negotiations between Sanimax and UP were unsuccessful.

In this decision, the Board explains that it has broad authority to exempt persons, transactions, and services from certain regulation when it finds the regulation unnecessary to carry out the rail transportation policy, the transaction or service is of limited scope, or the application of the provision is not needed to protect shippers from the abuse of market power. In this case, however, the Board noted that, given the issues raised in Sanimax's allegations, including its alleged dependence on UP's service, it is important that the Board partially revoke the commodity exemption so that the Board can examine Sanimax's claims and UP's responses in order to determine if regulatory relief is appropriate and warranted.

The Board's decision in [Sanimax USA LLC v. Union Pacific Railroad Company](#), Docket No. NOR 42171, may be viewed and downloaded [here](#).

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