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05/30/2025 (Friday) No. 25-21 www.stb.gov Contact: Media@stb.gov 202-245-0245

STB ANNOUNCES REMOVAL OF FINAL OFFER RATE REVIEW RULE

The Surface Transportation Board today issued a decision removing the agency's Final Offer Rate Review (FORR) rule. This deregulatory action follows a unanimous decision by the Eighth Circuit Court of Appeals vacating the rule, which was initially adopted by the agency in December 2022 in a 3-to-2 decision (with Board Members Fuchs and Schultz dissenting). The Court found that the Board lacked the statutory authority to prescribe rates through FORR and that FORR ran afoul of certain requirements for formal adjudications under the Administrative Procedure Act (APA).

On November 4, 2024, the Board filed a petition for panel rehearing and rehearing en banc, challenging only the Court's finding that the FORR process was subject to the APA's requirements for formal adjudications. The petition did not challenge the Court's finding that the Board lacked the statutory authority under 49 U.S.C. 10704(a) to implement FORR.

The Board's petition for panel rehearing and rehearing en banc was denied. Neither the Board nor any other party sought certiorari.

Today's decision in <u>Final Offer Rate Review</u>, Docket No. EP 755 was unanimous (with Board Member Primus concurring), and may be viewed and downloaded here.

POSTED: 05/30/2025 11:55 AM