



SURFACE TRANSPORTATION BOARD

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STB FINALIZES BNSF ACCESS TERMS TO ENSURE COMPETITION IN LAKE CHARLES, LOUISIANA AREA

The Surface Transportation Board today announced a decision establishing compensation terms for BNSF's use of terminal trackage rights in the Lake Charles area of Louisiana, ensuring continued rail competition for local shippers. These terminal trackage rights were granted by the Board to BNSF in 2016 and originally arise out of conditions imposed on the 1996 merger of Union Pacific (UP) and Southern Pacific (SP). By finalizing these compensation terms, the Board reaffirms its commitment to preserving competitive rail options for Lake Charles-area shippers, ensuring that multiple carriers can serve the region efficiently.

Today's decision finds that BNSF will pay Canadian Pacific Kansas City (Kansas City Southern (KCS) at the time of the UP/SP merger) for trackage-rights use of the Rosebluff Lead. Except for direct service to a LyondellBasell facility, BNSF must pay to UP the previously prescribed fee for trackage-rights use of the Rosebluff Lead.

1996 UP/SP Merger Conditions. In 1996, in approving the merger of UP and SP, the Board imposed numerous conditions including the terms of several settlement agreements and its own modifications to those settlement agreements. These conditions included some specific to the Lake Charles area, which encompasses Westlake, West Lake Charles, and Lake Charles. The results, as relevant here, were conditions that allowed BNSF to handle traffic of shippers open to all of UP, SP, and KCS at Lake Charles and Westlake, and to handle traffic of shippers open to SP and KCS at West Lake Charles, either directly or via reciprocal switching access, at BNSF's election. The Board imposed these access conditions to ensure that Lake Charles-area shippers would continue to have access to multiple competitive carriers and routing options post-merger.

BNSF Terminal Trackage Rights Proceeding. In 2013, after having served Lake Charles-area shippers via reciprocal switching for nearly two decades, BNSF sought direct access by filing with the Board an application for terminal trackage rights over the Rosebluff Lead, a single track approximately nine miles in length jointly owned by KCS and UP. In 2016, the Board granted BNSF terminal trackage rights over the Rosebluff Lead, finding that the rights were necessary to effectuate the merger conditions and to maintain the Lake Charles area shippers' access to multiple competitive carriers and routing options. In that decision, the Board directed BNSF, KCS, and UP to jointly develop conditions governing the use of the Rosebluff Lead. In 2020, pursuant to a request by BNSF, the Board established conditions of use for BNSF to directly

serve a LyondellBasell facility in the Lake Charles area and set forth a procedure for setting compensation due to KCS and UP for all of BNSF's use of the Rosebluff Lead. Thereafter, the Board received extensive briefing and analysis, held a technical conference, and required the submission of supplemental analysis and data.

Today's decision not only establishes a clear, durable compensation framework, but also strengthens the foundation for continued competitive rail service and infrastructure investment in the Lake Charles region.

The Board's decision in BNSF Railway—Terminal Trackage Rights—Kansas City Southern Railway, Docket No. FD 32760 (Sub-No. 46), may be viewed and downloaded [here](#).

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