



Surface Transportation Board

**Budget Request
Fiscal Year 2026**

Table of Contents

About the Surface Transportation Board.....	1
Fiscal Year 2026 Budget Overview.....	2
Summary of Changes Compared to the FY 2025 Appropriated	3
Personnel Cost Change.....	3
Non-Personnel Cost Changes	3
Proposed Appropriation Language.....	5
Salaries and Expenses	5
Program Overview	6
Strategic Goals	6
Improving Access to Federal Data Assets & Strengthening Data Infrastructure	7
Risk Management, Cybersecurity, and IT Modernization	7
Building Customer Experience and Digital Capacity	8
FY 2024 Activities and Accomplishments	9
Rail Mergers	9
Rail Service Oversight and Monitoring	9
Service, Rate, and Other Complaint Cases	10
Amtrak and Other Passenger Rail.....	11
Rulemakings.....	12
Declaratory Orders	13
Licensing.....	14
Abandonments/Discontinuances	20
Environmental Review.....	21
Environmental Impact Statements	21
Environmental Assessments.....	21
Alternative Dispute Resolution.....	22
Public Outreach and Informal Dispute Resolution.....	22
Court Actions and Other Legal Matters	22
Advisory Committees	26

Budget Data	27
Dollar Cost: Comparison by Object Classification, FYs 2024–2026	27
Analysis of Change by Object Classification, FYs 2024–2026	28
FY 2025 Breakout of Shared Service Providers and Non-Federal Partners	29
Strategic Performance Goals & Measures	30
Workload Summary.....	41
Administrative and Organizational Data	43
Board Members	43
STB Office Overview as of September 30, 2024	43
The Office of Economics (OE)	43
The Office of Environmental Analysis (OEA)	43
The Office of the General Counsel (OGC)	43
The Office of the Managing Director (OMD)	44
The Office of Proceedings (OP).....	44
The Office of Public Assistance, Governmental Affairs, and Compliance (OPAGAC)	44
The Office of Passenger Rail (OPR)	44
STB Office Overview - Changes Post-Reorganization	45
Office of Chief Counsel (<i>historically the Office of Proceedings and Office of the General Counsel, consolidated into one office</i>)	45
Office of Economics.....	45
Office of Managing Director	45
STB Office Organization Charts.....	46
Current Staffing Plan and Vacancies	47
Vote of the Board	48

About the Surface Transportation Board

The Surface Transportation Board (STB, Board, or agency) is an economic regulatory agency that exercises its statutory authority to support an efficient, competitive, and sound transportation network underpinning robust domestic manufacturing, thriving farms, and American energy dominance and benefitting the general public.

The Board was established in 1996 as the successor to the Interstate Commerce Commission. The Board was administratively aligned with the Department of Transportation until enactment of the Surface Transportation Board Reauthorization Act of 2015 (STB Reauthorization Act), Pub. L. No. 114--110 on December 18, 2015. The STB Reauthorization Act also expanded the Board's membership from three to five Board members.

The STB is charged by statute⁴ with the economic oversight of the nation's freight rail system. The Board has jurisdiction over, among other things, the reasonableness of railroad rates and practices; mergers; line acquisitions; new rail line construction; abandonments of existing rail lines; rail service issues; certain matters regarding intercity passenger rail; and the national repository for recording loan agreements secured by rail equipment. Under the statute, the Board provides an efficient and effective forum for resolving disputes and other matters within its jurisdiction. The Board favors private-sector negotiations and resolutions whenever possible.

While most of the Board's statutorily required duties involve railroads, the STB also has statutory functions concerning non-energy and non-water pipelines, household goods carriers' tariffs, the intercity bus industry, and rate regulation of non-contiguous domestic water transportation (marine freight shipping involving the mainland United States, Hawaii, Alaska, and U.S. territories and possessions such as Puerto Rico and Guam).

The statute also charges the Board with public-facing responsibilities, including direct services (e.g., alternative dispute resolution or mediation) and regular reports to Congress. The Board's staff support agency statutory functions by managing administrative matters such as information technology and security, facilities, finance, and human resources (HR).

Fiscal Year 2026 Budget Overview

The STB requests **\$40,799,000** for Fiscal Year (FY) 2026 to carry out its statutory responsibilities and to continue to meet the needs of the public. The Board's funding request is based on a projected staffing level of 114 FTEs. The proposed FY 2026 personnel costs would decrease by \$7,868,000 over the FY 2025 level due to the reduction in FTEs from 152 to 114. The non-personnel expenses would increase by \$1,215,000 to provide the agency with the necessary resources to support its reform efforts, including the deployment of improved technology for long-term efficiency and productivity enhancements.

This level of funding represents a 14% decrease over the prior fiscal year appropriation. To operate successfully at this level of funding while improving the efficiency and productivity of operations, the STB is focusing on reorganization, reform, and reduction:

Reorganization. The Board is reducing its number of offices from seven to five, creating a flatter, faster, and more effective organization that will provide better service for the American people.

- Consolidate the Board's two legal offices to facilitate quicker agency decisions on transportation-related disputes, transactions, and other cases critical to American businesses' capital and operational planning. This new legal office will also house the legal functions and investigations management of the statutory Passenger Rail Program.
- Absorb all data-related functions essential to proceedings from several agency offices into the Board's redesigned economics office, maximizing the productivity of agency economists and analysts while eliminating an SES position.
- Restructure the agency management office to combine IT and IT security functions and consolidate administrative functions from other offices, promoting focused management of agency-wide support.

Reform. The Board is pursuing initiatives to increase productivity and reduce the burden of its processes, delivering timely, high-quality results and lowering costs for the agency, businesses, and the broader public.

- Streamline adjudications and other party-based cases—for which the Board issues approximately 400 decisions each year—to increase efficiency in resolving disputes, facilitating market entry, and otherwise executing agency legal duties.
- Reduce the burden of environmental reviews to make it easier to build new infrastructure critical to our nation's economic growth.

- Increase technological deployment to automate and improve data analysis, leverage electronic case management productivity enhancements, and enhance transparency for the public.

Reduction. The Board is reducing its headcount from 152 full-time equivalent (FTE) employees in its most recent appropriation to 114 FTEs, a decrease of 25 percent. With reorganization and reform, including improved technology, these changes are resulting in the Board fulfilling its statutory duties at a reduced budget topline.

- Reduce through attrition—retirements (including Voluntary Early Retirement Authority (VERA)), deferred resignations, and other voluntary separations—while fully complying with the hiring freeze and the four-to-one principle, subject to appropriate exemptions.
- Strengthen performance and conduct management to address and, as necessary, remove employees engaged in poor performance or misconduct.
- Increase job offer visibility and accountability to ensure hiring is limited to the mission-critical and statutorily required functions and to applicants of the highest possible caliber.

Summary of Changes Compared to the FY 2025 Appropriated

Personnel Cost Change

Personnel Costs

-\$7,868

Personnel costs are expected to decrease due to a reduction in full-time equivalents.

Non-Personnel Cost Changes

Rent, Building Security, and Utilities

+\$266

The Board's rent and associated obligations in FY 2026 is expected to increase due to greater costs for rent and building security. The majority of the increase is attributable to an anticipated increase in rent.

Information Technology and Cybersecurity

+\$899

IT and cybersecurity obligations are expected to increase as the Board continues to evaluate and mature its IT services, upgrade its website, deploy products that use advanced computational systems, and provide enhanced services. The STB will continue implementing IT enhancements that are cloud-based, as well as tools to improve productivity, collaboration, data analysis, and other innovative solutions to leverage the Board's data as a strategic asset. The cost increase reflects the Board's emphasis on cybersecurity, governance around IT services, data management, and evidence-based policymaking initiatives.

Interagency Agreements and Technical Services +**\$323**

The Board's request continues to account for use of shared service providers for records storage and services, Human Resources (HR), employee health, background investigations, procurement, travel, and financial operations, all through agreements with other federal agencies, which improves the efficiency and effectiveness of mission support.

Travel and Transportation -**\$81**

Travel obligations are expected to decrease, as the board continues to enforce new policies that prioritize travel that is essential to its mission.

Training -**\$22**

General training obligations are expected to marginally decrease for FY 2026 while the Board continues to strengthen and empower the agency's workforce. The STB will continue to utilize FedTalent and other virtual mediums and offer more in-house training sessions to advance staff skills, obtain required certifications, and meet professional education requirements for an evolving workforce.

Office Printing, Supplies, Subscriptions, and Publications -**\$135**

Office printing, supplies, subscriptions, and publications obligations in FY 2026 are expected to decrease as the board has reduced the number of online subscriptions.

Miscellaneous Expenses -**\$10**

The cost of miscellaneous services will continue to cover building operations, general maintenance, hearings, and other professional services

Working Capital Fund (WCF) -**\$25**

The cost of WCF obligations is anticipated to decrease from FY 2025 to FY 2026

Net Non-Personnel Cost Changes **+\$1,215**

Total Adjustment to Base (\$47,452) **-\$6,653**

Total Budget Request **\$40,799**

Proposed Appropriation Language

Salaries and Expenses

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. § 3109, \$40,799,000: Provided, that notwithstanding any other provision of law, not to exceed \$1,250,000 from fees established by the Surface Transportation Board shall be credited to this appropriation as offsetting collections and used for necessary and authorized expenses under this heading: Provided further, that the sum herein appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2026, to result in a final appropriation from the general fund estimated at no more than \$39,549,000.

Program Overview

Strategic Goals

The work that the Board conducts to carry out its responsibilities is guided by three strategic goals originally set forth in its Strategic Plan FYs 2022-2026¹:

First strategic goal: Promote and protect the public interest in surface transportation matters.

Strategic Objectives:

- Remedy competitive and other regulatory concerns, where appropriate, by determining reasonable rates and practices for users of the national rail network and other transportation modes within the Board's jurisdiction;
- Evaluate certain railroad licensing actions for consistency with the public interest, considering the potential effects on shippers, consumers, the rail network, the environment, railroad employees, and the public at large;
- Promote consistent, fluid, and efficient service that fulfills the needs of customers and the public in an ever-changing economy; and
- Consider potential environmental and historic impacts in agency decision-making, consistent with applicable laws and regulations, and impose mitigation conditions as appropriate.

Second strategic goal: Foster a competitive and sound surface transportation system that provides reliable service at reasonable rates.

Strategic Objectives:

- Uphold the common carrier obligation;
- Preserve and enhance competition, including through regulation, where appropriate;
- Provide accessible and transparent rate review processes;
- Provide oversight of passenger rail service in order to carry out statutory directives;
- Monitor the service and operations of carriers and take appropriate action where conditions warrant; and
- Monitor revenue adequacy and promote a climate that encourages carriers to invest in present and future capacity needs.

¹ Strategic Plan Fiscal Years 2022-2026, (STB decided February 28, 2023) (Board Member Fuchs dissenting). The Board's fourth strategic goal has been removed from this budget request. The Board is in the process of updating its Strategic Plan.

Third strategic goal: Provide an accessible, data-driven, and time- and cost-efficient regulatory process that enables stakeholders in the surface transportation industry to plan and conduct their operations effectively.

Strategic Objectives:

- Provide well-defined formal and informal dispute resolution processes to enable parties to make informed decisions about how to best resolve their disputes;
- Reach timely adjudicatory decisions by adhering to appropriate internal and external deadlines; and
- Conduct environmental reviews necessary to support the Board's decisions in a timely and cost-effective manner.

Improving Access to Federal Data Assets & Strengthening Data Infrastructure

The Board's continued goal is to use its data as a strategic asset and to make evidence-based decisions to achieve its mission, serve the public, and steward resources while protecting security, privacy, and confidentiality. The STB continues to make progress pursuant to the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act) and the Federal Data Strategy. The STB has furthered its data and analytics maturity and continues to move forward with a multi-year data strategy that will enable the Board to meet its mission more efficiently and effectively. During FY 2024, the Board designated a deputy Chief Data Officer and updated its data management organization structure. The Board continued maturing its CKAN enterprise data catalog and published it for Board employees. The Board has also expanded the cloud services in use for data analysis and initiated an effort to further reduce the amount of paper submitted to the Board by parties. The agency has also defined additional governance during the year.

Risk Management, Cybersecurity, and IT Modernization

During FY 2024, the STB continued to implement a cost-effective, risk-based cybersecurity program that is aligned with the National Institute of Standards and Technology security standards and guidelines. The Board's Federal Information Security Modernization Act (FISMA) security maturity rating for FY 2024 continues to be Level 3, "Consistently Implemented," while the Board continues to make improvements to specific areas of the cybersecurity program. Three (3) of the FY 2021 recommendations were closed during the FY 2024 FISMA assessment. The Board continues to work to resolve all open recommendations.

In FY 2024, the Board continued to strengthen its cybersecurity posture by partnering with other federal agencies and investing in additional technologies, capabilities, and processes to meet the requirements of FISMA and the Office of Management and Budget, as well as the current needs of its IT modernization efforts. These partnerships include collaboration with the Department of Justice to conclude the implementation of the Security Operations Center as a

Service (SOCaaS) capability that delivers 24x7x365 threat monitoring, detection and incident response, and intelligence within the STB. The SOCaaS implementation also allows the STB to mature its audit event capability. The STB also expanded its cybersecurity capabilities by continuing to leverage additional Department of Homeland Security Continuous Diagnostics and Mitigation Program offerings that allow the STB to more effectively manage its data loss prevention capability. Per the National Cybersecurity Strategy, the Board has also begun establishing a foundation for the Zero Trust pillars, such as biometric authentication, device signaling capability, and network segmentations. Finally, the STB has implemented processes to address the growing third-party supply chain risk. The Board's increased cybersecurity capability facilitates cyber resilience, better protects sensitive industry and personal identifiable information, and improves security detection and response to suspicious activity within federal networks.

The Board also continues to mature its internal risk management process and procedure controls. At least semi-annually, the Board's Risk Management Committee meets to assess organizational risk and identify ways to mitigate that risk. At least once per year, the Board reviews and updates its Risk Profile to ensure enterprise risk is considered and addressed.

In FY 2024, the Board completed its migration to FEDRAMP-approved business, platform, and software services in the Cloud and began efforts to mature IT services and governance, as well address technical debt. Outdated servers and services were removed from the environment and discontinued.

Building Customer Experience and Digital Capacity

Efforts on website redesign to improve the user experience (UX) using the United States Web Design System (USWDS) have continued in FY 2024. The Board has redesigned public facing forms on the Board's website utilizing USWDS standards. Transition of the website to a hosted environment was completed and the framework revised to continue improving search capabilities and functionality in the Board's Dynamic Case Management System. Significant headway was also made in building on data analysis capabilities in Amazon Web Services. These include utilizing Infrastructure As Code (IAC) to streamline data analysis, implementing governance in conjunction with the Data Advisory Group, and developing additional data quality checks to aid in the analysis. These efforts continue to build on a foundation to make data more accessible and interactive on the Board's website.

FY 2024 Activities and Accomplishments

Rail Mergers

In *Canadian National Railway Company and Grand Trunk Corporation—Control—Iowa Northern Railway Company*, Docket No. FD 36744, et al., the Board on February 29, 2024, accepted for consideration as a “minor” transaction an application filed on January 30, 2024, by Canadian National Railway Company (CNR) and Grand Trunk Corporation (GTC), together with the Iowa Northern Railway Company (Iowa Northern). The Application sought Board approval for CNR and GTC to acquire control of Iowa Northern, a Class III rail carrier that operates a total of approximately 218 route miles in the state of Iowa. The Board also accepted for consideration two verified notices of exemption seeking Board approval of transactions involving mutual trackage rights between Iowa Northern and the Chicago, Central & Pacific Railroad Company, an indirect subsidiary of GTC.

On March 29, 2024, the Board denied Canadian Pacific Kansas City’s petition to reconsider the Board’s classification of the proposed CN/Iowa Northern control transaction as “minor.” However, the Board extended the procedural schedule and directed the applicants to provide additional evidence.

In *Canadian Pacific Railway Limited—Control—Kansas City Southern (General Oversight)*, Docket No. FD 36500 (Sub-No. 6), on April 5, 2024, the Board denied the request of the Coalition to Stop CPKC to modify the reporting requirements the Board imposed in the oversight proceeding established last year following the Board’s authorization of the Canadian Pacific/Kansas City Southern merger.

Rail Service Oversight and Monitoring

In *Urgent Issues in Freight Rail Service—Railroad Reporting*, Docket No. EP 770 (Sub-No. 1), on January 31, 2024, to help assess the durability of service recovery efforts, the Board extended the period for temporary reporting of employment data for all Class I carriers to December 31, 2024, and required certain updated information from BNSF Railway Company, CSX Transportation, Inc., Norfolk Southern Railway Company, and Union Pacific Railroad Company. Given recent service improvements, the Board declined to extend the service performance data reporting previously required in this docket.

In *Oversight Hearing Pertaining to Union Pacific Railroad Company’s Embargoes*, Docket No. EP 772, on April 17, 2024, the Board explained its findings from its review of Union Pacific Railroad Company’s embargoes. The Board observed that, following the Board’s December 2022 hearing on this issue, UP made certain changes to its embargo-related practices, and its use of embargoes decreased by more than 80% from 2022 to 2023. In light of those developments, the Board concluded that the proceeding could be closed. At the same time, however, the Board

noted that it expects UP to continue to work to reduce and minimize its use of congestion embargoes going forward and that the agency intends to monitor UP's progress in that regard.

In *Growth in the Freight Rail Industry*, Docket No. EP 775, on July 15, 2024, the Board announced a hearing to be held September 16 and 17, 2024. Freight rail is critically important to the Nation's economy, and the Board has an interest in the health and growth of the industry, as well as in rail customers' need to move their goods efficiently and reliably. The hearing explored: how industry participants are strategizing and innovating to reverse this recent trend and achieve freight rail growth; shippers' plans or desire for future use of rail; factors that may affect shipment decisions; and what rail carriers are doing and can do to increase shippers' use of rail.

Finally, the Board, through its Office of Public Assistance, Governmental Affairs, and Compliance (OPAGAC), continued its regular calls with each Class I railroad to monitor rail service across the network and maintain awareness of positive and negative developments in the industry. These calls are informed by, among other things, the rail service performance data that the Class I railroads and the Chicago Transportation Coordination Office report to the Board on a weekly basis. OPAGAC's Rail Customer and Public Assistance (RCPA) reviews the data to identify performance trends and outliers and to make year-over-year and month-over-month comparisons in performance. RCPA also monitors and tracks embargoes.

In addition to the above, the Board also addressed a number of service complaint cases filed by individual shippers. Those cases are discussed under Service, Rate, and Other Complaint Cases, below.

Service, Rate, and Other Complaint Cases

In *State of Oklahoma by and through the Oklahoma Department of Transportation and Blackwell Industrial Authority—Alternative Rail Service—Line of Blackwell Northern Gateway Railroad Company*, Docket No. FD 36762, the Board on March 1, 2024, permitted Chicago, Rock Island & Pacific Railroad, LLC, to provide emergency local rail service for 30 days over a line of railroad owned by the State of Oklahoma and the Blackwell Industrial Authority. On March 28, 2024, the Board extended that order for an additional 120 days, to July 29, 2024, and on July 26, 2024, extended it further to November 26, 2024.

In *Omaha Public Power District v. Union Pacific Railroad Company*, Docket No. NOR 42173, a case challenging the reasonableness of a Union Pacific Railroad Company rate for transporting unit trains of coal to Omaha Public Power District's (OPPD) power station in Omaha, Neb., the Board on November 22, 2023, granted OPPD's unopposed motion to dismiss the case with prejudice in light of the parties' settlement of the dispute.

In *Sanimax USA LC v. Union Pacific Railroad Company*, Docket No. NOR 42171, the Board on November 3, 2023, denied Union Pacific Railroad Company's second motion to dismiss and set a procedural schedule for submission of damages evidence. Thereafter, the Board twice postponed briefing on damages at the parties' request to facilitate settlement negotiations. On February 12, 2024, the parties notified the Board that they had settled their dispute and requested that the Board dismiss the complaint with prejudice and discontinue the proceeding. The Board granted that request on February 15, 2024.

On December 13, 2023, the Board granted Navajo Transitional Energy Company's unopposed motion to dismiss with prejudice all pending claims in *Navajo Transitional Energy Company, LLC—Ex Parte Petition for Emergency Service Order*, Docket No. NOR 42178, and *Navajo Transitional Energy Company, LLC v. BNSF Railway Company*, Docket No. FD NOR 42179, in light of the parties' settlement. In that decision, the Board also lifted the preliminary injunction it issued on June 23, 2023, in Docket No. NOR 42178, but declined to vacate the June 23, 2023 decision.

In *Released Rates of Motor Common Carriers of Household Goods*, Docket No. RR 999, the Board on January 17, 2024, denied a petition requesting an advisory opinion and a new released rates order.

In *Victor Insulators, Inc. v. Finger Lakes Railway Corp. and Ontario Central Railroad Corp.*, Docket No. NOR 42176, Victor Insulators, Inc., filed an amended complaint in March 2023 alleging that Finger Lakes Railway and Ontario Central Railroad were violating federal law by failing to provide transportation or service upon reasonable request and by entering into an arrangement to prevent the continuous carriage of freight. On November 13, 2023, the Board granted in part and denied in part the railroads' joint motion to dismiss the amended complaint. Shortly thereafter, on November 20, 2023, the Board granted Victor Insulators' request to withdraw its amended complaint and discontinue further proceedings.

Amtrak and Other Passenger Rail

In *Application of The National Railroad Passenger Corporation Under 49 U.S.C. § 24308(e)—CSX Transportation, Inc., and Norfolk Southern Railway Company*, Docket No. FD 36496, the parties, on November 21, 2022, informed the Board that they had agreed to settlement terms that, when fully implemented, will lead to a complete resolution of this proceeding. The proceeding involves an application by Amtrak to operate additional trains over certain lines of the CSX and Norfolk Southern rail systems. To allow the parties additional time needed to effectuate those terms, the Board granted the Parties' request to hold the proceeding in abeyance but required that a status report be filed by June 30, 2023, if the settlement terms were not fulfilled. Subsequently, the Board granted two requests from the parties to continue to hold the proceeding in abeyance, then the Board held a hearing on February 14, 2024, to hear testimony on the status of implementation of the settlement agreement. Following the hearing the Board

issued a decision that continued to hold the proceeding in abeyance and directed the parties to file a joint status report with certain information. Subsequently, the Board has granted two more joint motions to hold the proceeding in abeyance.

In Complaint & Petition of the National Railroad Passenger Corp. Under 49 U.S.C. § 24308(f)—for Substandard Performance of Amtrak’s Sunset Limited Trains 1 & 2, Docket No. NOR 42175, the Board, on July 11, 2023, instituted an investigation and propounded document requests and interrogatories to Amtrak and various other railroads based upon the complaint and petition for an on-time performance investigation filed by Amtrak on December 8, 2022. On August 19, 2024, the Board established a schedule for the filing of pleadings and provided guidance on subjects to be addressed in those pleadings, and denied a request by Amtrak pertaining to certain records of Union Pacific Railroad Company. And on September 26, 2024, the Board ordered several railroads to provide additional information about certain train delay events. The Board’s work, led by the Board’s Office of Passenger Rail (OPR), has included investigating the root cause of over 1,000 delays to the Sunset Limited.

OPR continues to analyze the quarterly Amtrak on-time performance data released by the Federal Railroad Administration (FRA). OPR provides the Board with observations about trends and its assessment of the data. OPR continues to build its office through the hiring of personnel to ensure it can meet the needs of the agency and the public. In addition, on November 13, 2023, the Board issued notice of establishment of the Passenger Rail Advisory Committee (PRAC) which will provide advice and guidance to the Board on issues surrounding railroad passenger transportation services.

In Application of Union Pacific Railroad Company for Mediation Under 49 U.S.C. § 28502, Docket No. FD 36800, the Board directed Union Pacific Railroad Company (UP) and the Commuter Rail Division of the Regional Transportation Authority, D/B/A Metra (Metra) to engage in mediation relating to Metra’s use of three UP rail lines for Metra’s commuter rail service.

Finally, throughout FY 2024, OPAGAC monitored Amtrak’s performance through publicly available information and responded to informal inquiries about Amtrak. OPAGAC staff also met regularly with Amtrak staff to discuss Amtrak’s publicly available, monthly, on-time performance operating statistics.

Rulemakings

In Reciprocal Switching for Inadequate Service, Docket No. EP 711 (Sub-No. 2), the Board on April 30, 2024, adopted new regulations that provide for the prescription of reciprocal switching agreements as a means to promote adequate rail service through access to an additional line haul carrier. Under the new regulations, eligibility for prescription of a reciprocal switching agreement will be determined in part using objective performance standards that address

reliability in time of arrival, consistency in transit time, and reliability in providing first-mile and last-mile service.

In *Revisions to Regulations for Expedited Relief for Service Emergencies*, Docket No. EP 762, the Board on January 24, 2024, adopted a final rule amending its emergency service regulations. Specifically, the final rule modifies the procedures for parties seeking a Board order directing an incumbent carrier to take action to remedy a service emergency by modifying the informational requirements, shortening filing deadlines, and establishing a timeframe for Board decisions. The rule allows the Board to act on its own initiative or on petition. It also establishes a second, more accelerated process for seeking relief in the event of certain acute service emergencies where relief under the standard process would be ineffective.

Declaratory Orders

In *Grafton and Upton Railroad Company—Petition for Declaratory Order*, Docket No. FD 36696, the Board issued a declaratory order finding that the use of eminent domain by the Town of Hopedale, Mass., to take property on which Grafton and Upton Railroad Company plans to construct a transloading facility and related rail facilities, as well as an order by the Hopedale Conservation Commission requiring a permit to construct those facilities, are preempted.

In *MMD Investment, LLC—Petition for Declaratory Order*, Docket No. FD 36678, the Board granted in part a request for a declaratory order and found that tracks on a right-of-way owned by Conrail in Irvington, N.J., are excepted tracks under 49 U.S.C. § 10906 and therefore not subject to the Board’s licensing authority. The Board, however, declined to declare whether those tracks had been abandoned, as on that issue there was no dispute between the parties or uncertainty to resolve.

In *Wisconsin Central Ltd.—Petition for Declaratory Order—Interchange with Soo Line Railroad Company*, Docket No. FD 36397, the Board found that Wisconsin Central, Ltd.’s proposal to unilaterally designate the Belt Railway of Chicago’s Clearing Yard as the location where it will receive traffic in interchange from Soo Line Railroad Company is not consistent with the reasonableness requirement of 49 U.S.C. § 10742.

In *Town of Smithtown, N.Y.—Petition for Declaratory Order*, Docket No. FD 36575 (Sub No. 1), the Board denied the Town of Smithtown’s petition for declaratory order concerning the extent of the Board’s jurisdiction over transloading activities because the case law on that issue is well-established, but the Board provided guidance to the parties on that issue. The Board also denied Smithtown’s request to declare in the abstract what would constitute a “reasonable request” under 49 U.S.C. § 11101(a) for the rail transportation of hazardous materials.

In *Tenth Avenue Neighbors—Petition for Declaratory Order*, Docket No. FD 36654, the Board denied a premature request for a declaratory order on whether a rail spur owned by Pitman

Family Farms, and/or its affiliate Bel's Poultry, LLC, is subject to the Board's jurisdiction, but provided general guidance on the circumstances under which state or local regulation may be preempted under 49 U.S.C. § 10501(b).

Licensing

In Canadian Pacific Kansas City Limited and The Kansas City Southern Railway Company, D/B/A CPKC—Acquisition and Operation—Certain Rail Line of Meridian & Bigbee Railroad, L.L.C. in Lauderdale County, Miss., and Choctaw and Marengo Counties, Ala., Docket No. FD 36732, et al., the Board accepted for consideration the primary application filed October 6, 2023, by Canadian Pacific Kansas City Limited, on behalf of itself and its wholly owned subsidiary, The Kansas City Southern Railway Company (KCS). The Application sought Board approval for KCS to acquire from Meridian & Bigbee Railroad, L.L.C., and operate approximately 50.4 route miles of rail line between Meridian, Miss., and Myrtlewood, Ala.

In CSX Transportation, Inc.—Acquisition and Operation—Rail Line of Meridian & Bigbee Railroad, L.L.C., Docket No. FD 36727, et al., the Board accepted the primary application filed October 6, 2023, by CSX Transportation Inc. (CSXT), and accepted for consideration two related filings. The application seeks Board approval for CSXT to acquire and operate the assets comprising the rail line of Meridian & Bigbee Railroad, L.L.C., that runs approximately 93.68 miles between the cities of Burkville, Ala., and Myrtlewood, Ala., in Lowndes, Dallas, Wilcox and Marengo Counties.

In Townline Rail Terminal, LLC—Construction and Operation Exemption—in Suffolk County, N.Y., Docket No. FD 36575, Townline Rail Terminal, LLC, filed in 2022 a petition for exemption to construct and operate a new rail line in Smithtown, Suffolk County, N.Y. On November 13, 2023, the Board denied a motion by the Townline Association Inc., to dismiss the petition for exemption. The Board found that Townline would be a rail carrier engaged in rail transportation, and that therefore the proposed construction is subject to the Board's jurisdiction. Subsequently, on August 15, 2024, the Board issued its merits decision authorizing Townline to construct and operate the proposed new rail line, subject to environmental mitigation conditions.

In DesertXpress Enterprises, LLC, and Desertxpress HSR Corporation—Construction and Operation Exemption—in Victorville, Cal. and Las Vegas, Nev., Docket No. FD 35544, the Board granted a request to reopen and authorize construction and operation of a modified alignment of the high-speed passenger rail project at issue in this docket, subject to environmental mitigation measures.

In Desertxpress Enterprises, LLC—Authority to Construct and Operate—Petition for Exemption from 49 U.S.C. 10901—Passenger Rail Line Between the Victor Valley, Cal. and Rancho Cucamonga, Cal., Docket No. FD 36488, the Board authorized DesertXpress Enterprises, LLC, to

construct and operate approximately 50 miles of new rail line between the Victor Valley, Cal., and Rancho Cucamonga, Cal., subject to environmental mitigation conditions.

In *Van Pool Transportation LLC—Acquisition of Control—PLSIII LLC*, Docket No. MCF 21111, the Board in November 2023 tentatively approved and authorized Van Pool Transportation LLC to acquire control of interstate passenger motor carrier PLSIII LLC (PLS), by acquiring all the outstanding equity interests in PLS from Founders Mobility LLC, the sole member of PLS. The authority became effective on January 3, 2024.

In *TBL Group, Inc.—Acquisition of Control—East Coast Transportation Company of North Florida LLC*, Docket No. MCF 21112, the Board in November 2023, tentatively approved and authorized TBL Group, Inc., a holding company, to acquire substantially all of the business operations and assets of East Coast Transportation Company of North Florida LLC. The authority became effective on January 3, 2024.

In *Van Pool Transportation LLC—Acquisition of Control—TransAction Corporate Shuttles, Inc.*, Docket No. MCF 21119, the Board on September 27, 2024, tentatively approved and authorized Van Pool Transportation LLC to acquire control of an interstate passenger motor carrier, TransAction Corporate Shuttles, Inc., from its sole shareholder, the Cynthia Cain Frené Revocable Trust, subject to the owners of Van Pool filing to join the application.

In *Student Transportation of America, Inc. et al.—Acquisition of Control—West Point Tours, Inc.*, Docket No. MCF 21121, the Board on September 11, 2024, tentatively approved and authorized Student Transportation of America, Inc., to acquire all the voting securities of West Point Tours, Inc. a passenger motor carrier.

In *Port Authority of Kansas City, Mo.—Construction and Operation Exemption—in Jackson and Clay Counties, Mo.*, Docket No. FD 36406, the Board directed the Port Authority of Kansas City, Missouri, to file a verified supplement clarifying its plan to access other entities' rail lines and tracks as part of its proposed rail line construction and continued to hold the environmental review in abeyance pending further Board order.

In *Lake Providence Port Commission—Feeder Line Application—Line of Delta Southern Railroad Located in East Carroll and Madison Parishes, La.*, Docket No. FD 36447, the Board denied Delta Southern Railroad's motion to reject the Lake Providence Port Commission's amended feeder line application and terminate this proceeding. The Board conditionally accepted the amended feeder line application on December 11, 2023, and discovery related to valuation of the line proceeded. In August 2024, the Board placed the case in abeyance in light of pending state court litigation relating to the authority of Lake Providence Port Commission under Louisiana state law to proceed with its request for a Board-ordered sale of the line.

In *Metro North Commuter Railroad Company—Exemption—from 49 U.S.C. Subtitle IV*, Docket No. FD 32639 (Sub-No.1), the Board granted a request to partially revoke a 49 U.S.C. Subtitle IV exemption previously granted to Metro-North Commuter Railroad Company.

In *BNSF Railway Company—Terminal Trackage Rights—Kansas City Southern Railway Company and Union Pacific Railroad Company*, Docket No. FD 32760 (Sub-No. 46), the Board identified an apparent error in the parties’ evidence regarding the proposed methods for determining compensation for BNSF Railway Company’s terminal trackage rights over the Rosebluff Lead and ordered the parties to submit supplemental analysis and data.

In *Union Pacific Railroad Company—Construction and Operation Exemption—in Maricopa County, Ariz.*, Docket No. FD 36501, the Board on December 11, 2023, directed Union Pacific Railroad Company (UP) to provide documents and information relating to ground disturbances that occurred within designated archaeological sites within the proposed right-of-way of UP’s rail line construction project in Maricopa County, Mesa, Ariz. The Board further set a briefing schedule for submissions on the issue of whether UP has engaged in “anticipatory demolition” of historic properties in violation of Section 110(k) of the National Historic Preservation Act. On March 26, 2024, the Board placed the briefing schedule in abeyance and directed UP to provide a sworn verification and affidavit as specified in the Board’s December 2023 decision.

In *Macquarie Infrastructure Partners V GP, LLC—Control Exemption—Northern Indiana Railroad Company, LLC*, Docket No. FD 36729, the Board authorized Gulf & Atlantic Railways, LLC, to acquire ownership and direct control over the Northern Indiana Railroad Company (NIRC). As a result, Macquarie Infrastructure Partners V GP, LLC; Macquarie Infrastructure Partners V fund vehicle; and MIP V Rail, LLC acquired indirect control of NIRC.

In *Allied Van Lines et al.—Pooling*, Docket No. MCF 21114, the Board in January 2024 approved a motor carrier pooling application filed by Allied Van Lines, Inc.

In *North American Van Lines et al.—Pooling*, Docket No. MCF 21115, the Board in January 2024, approved a motor carrier pooling application filed by North American Van Lines, Inc.

In *Essex Equity Partners MJT, LLC—Acquisition of Control—Xplore KY LLC and MJT Nashville LLC*, Docket No. MCF 21116, the Board on July 19, 2024, granted Essex Equity Partners MJT, LLC, Lawrence Boyce, and Terry Stapp, all noncarriers, after-the-fact authority to acquire indirect control of two interstate passenger motor carriers, Xplore KY LLC and MJT Nashville LLC.

In *Bus Company Holdings Topco LP and Bus Company Holdings US LLC—Acquisition of Control of Assets—Chenango Valley Bus Lines, Inc. et al.*, Docket No. MCF 21117, the Board tentatively approved and authorized Bus Company Holdings Topco LP and Bus Company Holdings US LLC, both noncarriers, along with certain of their subsidiaries, to control the assets of certain interstate passenger motor carriers controlled by Coach USA, Inc.

In *Wilmington Terminal Railroad, Limited Partnership—Operation Exemption—North Carolina State Ports Authority*, Docket No. FD 36753, the Board waived the 60-day advance notice requirement with respect to Wilmington Terminal Railroad, Limited Partnership’s exemption for continued operation of approximately 18 miles of rail line in Wilmington, N.C., and allowed the exemption to take effect on March 9, 2024.

In *Savage Tooele Railroad Company—Construction and Operation Exemption—Line of Railroad in Tooele County, Utah*, Docket No. FD 36616, the Board authorized Savage Tooele Railroad Company to construct and operate approximately 11 miles of rail line in Tooele County, Utah, subject to certain environmental mitigation conditions.

In *Union Pacific Railroad Company—Operation Exemption—in Toole County, Utah*, Docket No. FD 36741, the Board granted Union Pacific Railroad Company the authority to reinstitute common carrier service over 1.04 miles of rail line in Tooele County, Utah, and denied BNSF Railway Company’s motion to institute a proceeding.

In *TGS Cedar Port Railroad LLC—Operation Exemption—in Chambers County, Tex.*, Docket No. FD 36627, the Board denied requests to revoke an exemption that took effect in August 2022 and found that the statement at issue in the verified notice of exemption filed by TGS Cedar Port Railroad was not false or misleading.

In *Gmécico Transportes, S.A.B. de C.V.—Acquisition of Control Exemption—CG Railway, LLC*, Docket No. FD 36701, the Board rejected as incomplete a petition for exemption for Gmécico Transportes, S.A.B. de C.V. to acquire indirect control of CG Railway, LLC (CGR), which operates rail-ferry service between the Port of Mobile, Alabama, and the Port of Coatzacoalcas, Mexico. Rejection of the petition was without prejudice to the parties’ ability to file anew a complete, correct petition or application. The Board also directed CGR and its owners to respond to questions concerning, respectively, authorization for CGR’s current operations and for the transaction in which CGR’s current owners acquired CGR. Thereafter, the applicants submitted further information, and CGR sought and obtained after-the-fact Board authority to operate the rail ferry service between the Port of Mobile and the U.S. maritime boundary in the Gulf of Mexico, in *CG Railway—Operation Exemption—Rail Ferry Service*, Docket No. 36775. In May 2024, Gmécico Transportes, S.A.B. de C.V. filed a new petition for exemption to acquire control of CGR, in *Gmécico Transportes, S.A.B. de C.V.—Acquisition of Control Exemption—CG Railway, LLC*, Docket No. FD 36780. The Board granted that petition on August 13, 2024.

In *TBL Group, Inc.—Control—JKS Limousines, LLC d/b/a Windy City Limousine Company, LLC*, Docket No. MCF 21113, et al., the Board in April 2024, rejected a motor carrier application filed by TBL Group, Inc. and denied a related request for interim approval.

In *Ann Arbor Railroad, Inc.—Lease Renewal and Operation Exemption with Interchange Commitment—Norfolk Southern Railway Company*, Docket No. FD 35729 (Sub-No. 1), the Board

waived a 60-day advance notice requirement with respect to Ann Arbor Railroad Inc.'s exemption to enter into an amended lease agreement for approximately 3.69 miles of rail line in Toledo, Ohio, and allowed the exemption to take effect on April 19, 2024.

In *Grainbelt Corporation—Trackage Rights Exemption—BNSF Railway Company*, Docket No. FD 36486 (Sub-No. 7), the Board authorized the expiration of certain Board-approved trackage rights by Grainbelt Corp. over the lines of BNSF railway in Oklahoma and Texas.

In *The Lowville & Beaver River Railroad Company—Acquisition Exemption—Lewis County Industrial Development Agency*, Docket No. FD 36763, the Board denied a petition to stay the effective date of an exemption granting The Lowville & Beaver River Railroad Company after-the-fact authority to acquire a rail line in Lewis County, N.Y.

In *Peninsula Corridor Joint Powers Board—Acquisition Exemption—San Mateo County Transit District*, Docket No. FD 36756, the Board granted the Peninsula Corridor Joint Powers Board authority to acquire all the rights, title, and interest of the San Mateo County Transit District in a line of railroad and related right-of-way in the County of San Mateo, Cal.

In *Savannah Industrial Transportation, LLC—Operation Exemption—in Effingham County, Ga.*, Docket No. FD 36489, et al., the Board in May 2024 reiterated that its August 2023 decision (which directed Savannah Industrial Logistics and Savannah Industrial Transportation to seek after-the-fact construction and operating authority, respectively, with respect to an already-constructed rail line in Georgia) permitted Savannah Industrial Transportation to provide rail service in the meantime only to the one shipper that was already located on the line and receiving rail service as of August 1, 2023. The Board also declined to grant additional permissions.

In *Tarantula Corporation—Acquisition of Control Exemption—Texas Central Railroad Company*, Docket No. FD 36759, the Board authorized Tarantula Corporation to acquire the controlling stock of Texas Central Railroad Company.

In *San Joaquin Valley Railroad Co.—Lease and Operation Exemption Including Interchange Commitment—BNSF Railway Company*, Docket No. FD 36765, the Board waived the 60-day advance notice requirement with respect to San Joaquin Valley Railroad Company's exemption to extend the term of its lease for approximately 2.0 miles of rail line in Kern County, Cal., and allowed the exemption to take effect on June 14, 2024.

In *Bay Colony Railroad Corporation—Acquisition and Operation of Rail Line—in Norfolk County, Mass.*, Docket No. FD 36746, et al., the Board granted Bay Colony Railroad Corporation after-the-fact authority to acquire and operate an easement for a 3.4-mile rail line and confirmed that a connecting 0.1-mile rail line remained subject to a modified certificate of public convenience

and necessity. The Board also granted Massachusetts Coastal Railroad, LLC, the authority to acquire from Bay Colony and operate the same rail lines.

In *Great Lakes Terminal Railroad, LLC—Acquisition & Operation Petition for Exemption—Great Lakes Terminal, LLC*, Docket No. FD 36764 (Sub-No. 1), the Board granted Great Lakes Terminal Railroad, LLC, after-the-fact authority to lease and operate approximately 22,568 feet of track in Chicago, Ill.

In *Alameda Belt Line—Operation Exemption—Board of Harbor Commissioners of the Port of Los Angeles*, Docket No. FD 36787, the Board issued a notice of exemption to permit Alameda Belt Line, a private entity owned in equal parts by BNSF Railway Company and Union Pacific Railroad Company, to assume by subcontract the dispatching operations over the Alameda Corridor in Los Angeles, Cal.

In *Virginia Passenger Rail Authority—Acquisition and Operation of Certain Assets of Norfolk Southern Railway Company in Fairfax and Prince William Counties, And the Cities of Manassas Park, Manassas and Alexandria, Va.*, Docket No. FD 36784, the Board found that Virginia Passenger Rail Authority does not need Board authority to acquire certain real property, track, and other improvements on a rail line owned by Norfolk Southern Railway Company (NSR) or to obtain an easement for passenger rail purposes on a connecting NSR rail line. The Board therefore dismissed VPRA's petition seeking such authority.

In *City of Charlotte, N.C.—Acquisition Exemption—Norfolk Southern Railway Company*, Docket No. FD 36785, the Board found that the City of Charlotte, N.C. (the City), does not need Board authority to acquire certain rail assets owned by Norfolk Southern Railway Company and granted the City's motion to dismiss its notice of exemption seeking such authority.

In *Waterloo Railroad, LLC—Change of Operator Exemption with Interchange Commitment—Union Pacific Railroad Company*, Docket No. FD 36798 et al., the Board issued a notice of exemption to permit Waterloo Railroad, LLC, to replace Iowa Northern Railway Company (IANR) as the lessee and operator of a rail line owned by Union Pacific Railroad Company. In addition, the Board denied as moot IANR's petition for exemption to discontinue its service over that line that was filed in a separate docket.

In *Avalon Motor Coaches, LLC et al.—Acquisition of Control—Kerrville Bus Company Inc. et al.*, Docket No. MCF 21120 TA et al., the Board permitted Avalon Transportation, LLC, and Avalon Motor Coaches, LLC (collectively, Avalon), to manage and operate certain assets of several Coach USA, Inc., subsidiaries (Coach USA Subsidiaries) on an interim basis pending determination of a related application for Avalon to purchase such assets of the Coach USA Subsidiaries.

Abandonments/Discontinuances

In *R. J. Corman Railroad Property, LLC—Abandonment Exemption—in Scott, Campbell, and Anderson Counties, Tenn.*, Docket No. AB 1296X, et al., the Board in October 2023 sought clarification from the petitioner as to the extent of the line at issue in Docket No. AB 1296 (Sub-No. 1X) and extended the interim trail use negotiating period for the line at issue in Docket No. AB 1296X.

In *R.J. Corman Railroad Property, LLC—Abandonment Exemption—in Campbell County, Tenn.*, Docket No. AB 1296 (Sub-No. 1X), the Board on March 1, 2024, permitted R. J. Corman Railroad Property, LLC, to abandon approximately 3.67 miles of rail line in Campbell County, Tenn., subject to standard employee protective conditions.

In *Austin Area Terminal Railroad, Inc.—Discontinuance of Service Exemption—in Bastrop, Burnet, Lee, Llano, Travis, and Williamson Counties, Tex.*, Docket No. AB 578X, the Board denied an appeal of a decision issued by the Director of the Office of Proceedings rejecting Austin Area Terminal Railroad, Inc.'s verified notice of exemption to discontinue common carrier rail service over approximately 162 miles of rail line. The Board, however, granted on its own motion an exemption allowing Austin Area Terminal Railroad to discontinue common carrier rail service.

In *CSX Transportation, Inc.—Abandonment Exemption—Pinellas County, Fla.*, Docket No. AB 55 (Sub No. 794X), the Board on November 14, 2023, reopened the proceeding and revoked a notice of interim trail use or abandonment (NITU) issued to CSX Transportation, Inc., and the Georgetown and High Line Railway Company for a rail line in Florida. Thereafter, on January 12, 2024, the Board reopened the proceeding and issued a NITU to CSX Transportation, Inc., and the City of St. Petersburg for the line.

In *Norfolk Southern Railway Company—Abandonment Exemption—in the City of Greensboro, N.C.*, Docket No. AB 290 (Sub-No. 404X), the Board clarified that a portion of the width of a railbanked right-of-way in North Carolina, which is not needed to permit the reactivation of rail service, is no longer part of the notice of interim trail use or abandonment.

In *Mohawk, Adirondack & Northern Railroad Corporation—Abandonment Exemption—in Lewis and Jefferson Counties, N.Y.*, Docket No. AB 768X, et al., the Board placed two abandonment proceedings in abeyance and directed the carriers to provide additional information.

In *Katahdin Railcar Services LLC—Discontinuance of Service Exemption—in Monroe County, Ohio*, Docket No. AB 1336X, the Board allowed Katahdin Railcar Services LLC to discontinue service over approximately 12.2 miles of rail line in Monroe County, Ohio.

In *Allegheny Valley Railroad Company—Abandonment Exemption—in Allegheny County, Pa.*, Docket No. AB 1233 (Sub-No. 2X), the Board denied a request to waive an environmental

regulation and deemed the filing date for a verified notice of exemption to abandon a line in Pennsylvania to be March 14, 2024.

In *Snohomish County—Adverse Abandonment—GNP RLY, INC., in Snohomish County, Wash.*, Docket No. AB 1331, the Board granted Snohomish County’s application for adverse abandonment of a rail line in that county subject to interim trail use/railbanking, environmental, and labor protective conditions.

In *Allegheny Valley Railroad Company -- Abandonment Exemption -- in Allegheny County, Pa.*, Docket No. AB 1233 (Sub-No. 2X), the Board denied Amtrak’s request to impose a condition on Allegheny Valley Railroad Company’s abandonment of a rail line in Allegheny County, Pa., and allowed AVR’s abandonment exemption to become effective.

Environmental Review

The Board considers environmental impacts in its decision-making process under the National Environmental Policy Act (NEPA) and related laws and regulations. By preparing the requisite environmental reviews and inviting the public to participate in the Board’s environmental review process, the Board ensures its compliance with NEPA. The Board documents its NEPA findings by preparing Environmental Impact Statements (EISs) or Environmental Assessments (EAs), which assess the potential environmental impacts that could result from Board decisions.

During FY 2024, OEA worked on 10 EISs and 26 EAs in rail projects, comprising rail line constructions, rail line abandonments and acquisitions. During FY 2024, 163 cases before the Board fell within a categorical exclusion from NEPA review. These cases included leases, operating exemptions, declaratory orders, rulemakings, transactions involving corporate changes, and certain acquisitions and discontinuances.

Environmental Impact Statements

The EISs addressed projects such as the proposed construction and operation of a rail line in Eagle Pass, Texas. The Board served as a cooperating agency in environmental reviews for rail constructions in Nevada and California. The Board is also monitoring environmental mitigation in rail construction cases in Alaska, Utah, and South Carolina and in the acquisition of KCS by Canadian Pacific.

Environmental Assessments

The EAs addressed 10 rail line construction cases that would provide passenger service or freight rail service to various industrial complexes and port facilities; the acquisitions of a rail line in Alabama and Mississippi; and 16 rail line abandonments. Finally, the Board has continued working towards completion of the National Historic Preservation Act requirements for a complex rail line abandonment in Jersey City, N.J.

Alternative Dispute Resolution

The Board has established arbitration and mediation rules to help parties informally resolve disputes and avoid costly litigation, and the Board actively encourages parties to use alternative dispute resolution. Mediation efforts have facilitated the settlement of cases and satisfactorily addressed other conflicts. Successful mediation settlements result in significant savings of litigation expenses to the parties, allow both sides to reach mutually satisfactory agreements, and make available the Board's limited staff resources to work on other matters. In FY 2024, the Board held two mediations, one of which is ongoing and one of which did not reach a successful resolution. To date, there has not been an arbitration case filed under the Board's mediation and arbitration procedures.

Public Outreach and Informal Dispute Resolution

OPAGAC continues to provide shippers, carriers, state and local governments, and members of the public with an accessible and effective resource for resolving certain disputes on an informal basis. OPAGAC's RCPA works to resolve conflicts that might otherwise be submitted to the Board for adjudication, thereby conserving stakeholder and agency resources.

In FY 2024, RCPA handled 1,322 inquiries from stakeholders, of which approximately 138 pertained to shipper-railroad disputes. RCPA worked with parties to successfully resolve matters related to timely fulfillment of car orders, availability of rail resources, track maintenance, interchange operations, inter-carrier disputes, switching services, car storage, rates and charges, track lease agreements, and responsibility for spur track.

RCPA also informally assisted customers of household goods (HHG) moving companies to resolve service and rate disputes. The Federal Motor Carrier Safety Administration (FMCSA) has primary regulatory and enforcement jurisdiction in this area. RCPA maintained its informal engagement with FMCSA to discuss HHG trends and with the Federal Maritime Commission to discuss issues of common interest.

In addition to its dispute resolution function, OPAGAC also serves as a primary liaison between the public and the Board. OPAGAC fields inquiries from Board practitioners, other agencies, state, local and foreign governments, members of Congress, as well as from members of the broader public to provide those parties with a better understanding of the laws and regulations administered by the Board, as well as proceedings before the Board.

Court Actions and Other Legal Matters

In FY 2024, the Office of the General Counsel (OGC) handled a variety of cases on behalf of the Board:

In the area of new-carrier entry, in December 2023, the D.C. Circuit denied a petition for rehearing en banc of the Court's August 2023 decision vacating and remanding a Board decision

authorizing, through an exemption, the construction and operation of a rail line in Utah. See *Eagle Cnty., Colo., et al. v. Surface Transportation Board, et al.*, Nos. 22-1019 and 22-1020 (reviewing *Seven Cnty. Infrastructure Coal.—Rail Constr. & Operation Exemption—in Utah, Carbon, Duchesne, & Uintah Cntys., Utah*, FD 36284, (STB served Dec. 5, 2021)). The project proponents petitioned the Supreme Court for a writ of certiorari, which the Court granted on June 24, 2024. *Seven Cnty Infrastructure Coal., et al., v. Eagle Cnty, CO, et al.*, No. 23-975 (S. Ct.). Briefing began on August 28, 2024, and will conclude on November 18, 2024.

In the area of combinations and mergers, the Board successfully defended its decision finding that Norfolk Southern Railway Company had not been authorized to acquire control over the Norfolk & Portsmouth Belt Line Railroad Company in the context of a major 1982 consolidation, nor had it obtained control through later corporate-family exemptions that did not mention the Belt Line. *Norfolk Southern Railway Co.—Pet. for Dec. Order*, Docket No. FD 36522 (STB served June 17, 2022). After the D.C. Circuit asserted jurisdiction over the matter and affirmed the Board’s ruling in all respects (see *Norfolk Southern Railway Co. v. Surface Transportation Board*, No. 22-1209 (D.C. Cir. Jun. 30, 2023)), Norfolk Southern petitioned the Supreme Court for a writ of certiorari, which the Solicitor General and the Board opposed. The Supreme Court denied certiorari on April 15, 2024. *Norfolk Southern Ry. v. STB, et al.*, No. 22-1209 (S. Ct.). A parallel complaint challenging the Board’s decision filed by Norfolk Southern in the Eastern District of Virginia, the court that had initially referred the matter to the Board, was voluntarily dismissed following the Supreme Court’s denial of certiorari. See *Norfolk Southern Railway Co. v. Surface Transportation Board*, No. 2:22-cv-00385-EWH- LRL (E.D. Va.).

The Board is defending its final rule providing for the prescription of a reciprocal switching agreement as a means to promote adequate rail service. *Reciprocal Switching for Inadequate Rail Serv.*, EP 711 (Sub-No. 2) (STB served Apr. 30, 2024). CSXT, Union Pacific and Canadian National are seeking review of the Board’s decision in the Seventh Circuit. *Grand Trunk., et al. v. STB, et al.*, No. 24-1811 (7th Cir.). Briefing concluded in September 2024. Oral argument has not yet been scheduled.

In the area of combinations and mergers, the Board is defending its decision approving the combination of Canadian Pacific and Kansas City Southern, which was the first merger of Class I carriers approved by the Board in over 25 years. *Can. Pac. Ry.—Control—Kansas City S.*, FD 36500 (STB served Mar. 15, 2023). Chicago-area commuter rail system Metra and a coalition of Chicago-area local government entities are seeking review of the decision in the D.C. Circuit. *Coalition to Stop CPKC, et al. v. Surface Transportation Board, et al.*, Nos. 23-1165, and 23-1274 (D.C. Cir.). (Union Pacific had also sought review but withdrew its appeal prior to briefing.) The petitioners filed opening briefs in February 2024 and further briefing was extended to accommodate settlement discussions between Metra and the combined company Canadian Pacific Kansas City. Metra voluntarily withdrew its appeal in late July 2024. Following motions practice concerning the scope of the Coalition’s appeal, the Court set a new briefing schedule.

In the area of interchange, the Board is defending its decision concluding that Canadian National's proposal for receiving traffic from Canadian Pacific Kansas City is inconsistent with the statutory reasonableness requirement *Wisc. Cent. Ltd.—Pet. for Declaratory Order*, FD 36397 (STB served Jan. 29, 2024). Canadian National sought review of the decision in the Seventh Circuit. The Board's brief was filed on July 17, 2024, and oral argument was scheduled for November 15, 2024.

In the area of rates, the Eighth Circuit vacated the Board's rulemaking decision adopting "Final Offer Rate Review" procedures, which would give shippers a practical way to seek rate relief through accelerated procedural schedules, flexible rate reasonableness standards, and "final offer" procedures for selecting the rate that will be prescribed for the future. Upon petitions for review by Union Pacific and the Association of American Railroads, the court found that FORR constituted formal adjudication under the Administrative Procedure Act (APA) and did not comply with the APA's burden of proof requirements applicable to such proceedings. The court also found that FORR impermissibly permitted the parties, instead of the Board, to prescribe the maximum rate. *Union Pacific Railroad Company and the Association of American Railroads v. Surface Transportation Board*, Nos. 22-3648 & 23- 1325 (8th Cir, Aug. 20, 2024.).

The Board's decision adopting arbitration procedures for small rate cases has been challenged in court by railroad interests. The arbitration program, which followed the contours but not all the details of a program that the rail industry recommended, would have postponed FORR's application for a period of at least five years, but only if all Class I railroads opted into the program; because only one railroad did so, the program is currently inoperable. *Joint Pet. for Rulemaking to Establish a Voluntary Arb. Program for Small Rate Disputes*, EP 765 (STB served Dec. 19, 2022). The court case is currently in abeyance as the Board considers administrative petitions for reconsideration. *Grand Trunk Corp. and Illinois Central Railroad Co. v. Surface Transportation Board*, No. 22-3289 (7th Cir.)

The Board successfully argued that a writ of mandamus should not issue in an informational proceeding related to revenue adequacy. Western Coal Traffic League filed a petition in the D.C. Circuit asking the court to direct the Board either to initiate rulemakings on revenue adequacy issues or to issue an order closing out its informational proceedings in *Hearing on Revenue Adequacy*, Docket No. EP 761, and *Railroad Revenue Adequacy*, Docket No. EP 722. The Board had instituted proceedings and held hearings on general revenue adequacy issues, but it has not proposed any rules. The court dismissed the mandamus petition for lack of jurisdiction, finding that it had no current or prospective jurisdiction to aid or protect given that the Board had not committed to propose revenue adequacy rules and was only seeking input. *In re: Western Coal Traffic League*, No. 23-1126 (D.C. Cir., July 26, 2024).

In addition, the Board successfully defended its decision in *Railroad Cost of Capital—2022*, EP No. 558 (STB served Aug. 3, 2023). In that proceeding, the Board's ministerial ruling calculated

the railroad industry's cost of capital for the year 2022. Consistent with numerous prior decisions calculating the industrywide cost of capital, the Board also declined to entertain in this docket Western Coal's challenges to the methodology used. Instead, as it has done many times before, it stated that Western Coal should file a petition for rulemaking if it wishes to challenge the methodology. On February 21, 2024, on motion by the Board, the Court summarily denied Western Coal's petition for review, applying longstanding precedent that the court defers to the agency regarding management of its own docket. *See W. Coal Traffic League v. STB*, No. 2301272 (D.C. Cir Feb. 21, 2024).

The Board continued to defend in court its decisions regarding BNSF Railway Company's terminal trackage rights in *Kansas City Southern Railway Company v. Surface Transportation Board*, Nos. 16-1308,20-1116 and 22-1069 (D.C. Cir.). All three consolidated appeals are currently being held in abeyance, with the parties providing quarterly status reports to the Court, pending the resolution of the compensation-setting phase at the Board.

In the area of interim trail use/railbanking, the Board is defending its decision revoking a notice of interim trail use for a line located in Pinellas County, Florida due to failure by the trail sponsor and railroad to properly railbank the line. *CSX Transp., Inc. – Aban. Exemption – Pinellas Cnty., Fla.*, AB 55 (Sub-No. 794X) (STB served Nov. 14, 2023). The rail carrier and the trail sponsor – CSX Transportation and GHL High Line Railway – petitioned for review of the Board's decision in the Eleventh Circuit. *CSX Transp., et al. v. STB, et al.*, No 23-13860 (11th Cir.). The Court held the proceeding in abeyance until February 2025 as CSX Transportation pursues interim trail use negotiations with different trail sponsor.

The Board successfully defended its decision in *Walkersville Southern Railroad, Inc. — Discontinuance of Service Exemption—in Frederick County, Md.*, AB 1339X (STB served May 24, 2024). In that proceeding, the Director of the Board's Office of Proceedings denied a request by Frederick County, Maryland for a Notice of Interim Trail Use or Abandonment (NITU) on the ground that the Board lacked jurisdiction to issue a NITU because the Line had previously been abandoned. By decision served August 16, 2024, the Board granted the Maryland Transit Administration's (MTA) petition for leave to late file an administrative appeal with the Board. MTA subsequently filed an unopposed motion to dismiss its petition for review without prejudice, which the Court granted on August 29, 2024. *See Md. Transit Admin. v. STB*, No. 24-1257 (D.C. Cir. Aug. 29, 2024).

The Board continued to assist the DOJ in the defense of numerous Fifth Amendment takings cases arising from the conversion or attempted conversion of rail lines to interim trail use under the National Trails System Act. OGC also participated on behalf of the Board in various government interest litigation matters. The Office also continued to work on a wide variety of other legal matters, including matters involving FOIA, the Paperwork Reduction Act, the Equal Employment Opportunity Act, NEPA, the National Historic Preservation Act, the National Trails

System Act, and the Federal Advisory Committee Act. It provided legal counsel on general personnel and ethics issues, and government contracting, and participated in the Administrative Conference of the United States. The OGC also houses the Board's Records Office, which manages the agency's compliance with the Federal Records Act and related authorities.

Advisory Committees

The Board has four transportation advisory committees, of which the Board members are ex-officio members. Established under the ICC Termination Act of 1995, the Railroad-Shipper Transportation Advisory Council (RSTAC) advises the Board, the Secretary of Transportation, and Congress on railroad-transportation policy issues of particular importance to small shippers and small railroads, such as railcar supply, railroad service, rates, and competitive matters. Its 15 appointed members consist of senior officials representing large and small shippers, large and small railroads, and one at-large representative. Along with the Board members, the Secretary of Transportation is also an ex-officio member. RSTAC held quarterly in-person meetings during FY 2024 on November 30-December 1, 2023, March 20-21, 2024, June 5-6, 2024, and September 25-27, 2024.

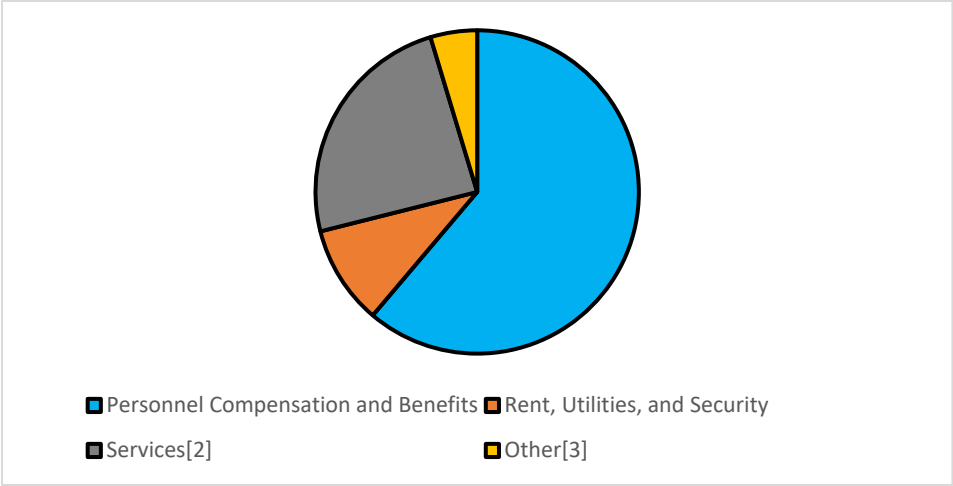
The Rail Energy Transportation Advisory Committee (RETAC) was created in 2007 to provide advice and guidance to the agency on emerging issues concerning the rail transportation of energy resources such as coal, crude oil, ethanol, and other biofuels. The 27 voting members of RETAC represent a balance of stakeholders, including large and small railroads, coal producers, electric utilities, the biofuels industry, the petroleum production industry, the private railcar industry, the renewable energy industry, and labor. RETAC typically holds meetings twice per year. In FY 2024, RETAC met in-person on October 18, 2023, and again on April 17, 2024.

The National Grain Car Council (NGCC) assists the Board in addressing issues concerning grain transportation by fostering communication among railroads, shippers, rail-car manufacturers, and the government. The NGCC, which meets once a year, is composed of 12 representatives from Class I railroads, seven from Class II and Class III railroads, 14 from grain shippers and receivers, and seven from private rail car owners and manufacturers. NGCC was held in person on August 27, 2024.

On November 13, 2023, the Board issued notice of establishment of the Passenger Rail Advisory Committee (PRAC). PRAC provides advice and guidance to the Board on issues surrounding railroad passenger transportation services. PRAC's inaugural 21 members were appointed by the Board's Chairman, with approval from the Board, on March 28, 2024. The first meeting of the PRAC took place on October 16, 2024.

Budget Data

Dollar Cost: Comparison by Object Classification, FYs 2024–2026
(as of 08/31/2024)
(dollar amounts in thousands)



CATEGORY OF OBLIGATION ²	FY 2024 Actual		FY 2025 Appropriated		FY 2026 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation and Benefits	\$28,140	63%	\$32,828	69%	\$24,960	61%
Rent, Utilities, and Security	\$4,174	9%	\$3,774	8%	\$4,040	10%
Services ³	\$11,119	25%	\$8,634	18%	\$9,831	24%
Other ⁴	\$1,281	3%	\$2,216	5%	\$1,968	5%
TOTAL	\$44,714	100%	\$47,452	100%	\$40,799	100%

² Note: Dollars may not add due to rounding in this and subsequent charts

³ Services include, but are not limited to, obligations for contractor staff (IT services; financial management, internal controls, and financial audits), software licenses, and the Working Capital Fund.

⁴ Other includes budget object classes such as equipment, supplies, reimbursable collections, travel, training, printing, postage and contractual mail, and miscellaneous services.

Analysis of Change by Object Classification, FYs 2024–2026

(dollar amounts in thousands)

	FY 2024 Actual Obligation	FY 2025 Appropriated	FY 2026 Request	FY 2025-26 Change	Percentage Change
Personnel Compensation and Benefits	\$28,140	\$32,828	\$24,960	(7,868)	-24%
Rent and Utilities	\$3,253	\$3,058	\$3,250	192	6%
Building Security	921	716	790	74	10%
Information Technology	8,226	5,855	6,754	899	15%
Interagency Agreements and Technical Services	2,547	2,434	2,757	323	13%
Working Capital Fund	346	345	320	(25)	-7%
Travel and Transportation	112	201	120	(81)	-40%
Training	63	148	126	(22)	-14%
Office Printing, Supplies, Subscriptions, and Publications (Federal Register, Legal, and Periodicals)	442	442	307	(135)	-31%
Misc. Expenses (Building maintenance, Operational support, and other operating expenses)	72	175	165	(10)	-6%
Reimbursable Obligations (Offsetting Collections)	592	1,250	1,250	1,250	0%
Subtotal Non-personnel Obligations	\$16,574	\$14,624	\$15,839	1,215	8%
Total Obligations	\$44,714	\$47,452	\$40,799	\$(6,653)	-14%

FY 2025 Breakout of Shared Service Providers and Non-Federal Partners

Shared Services Provider

- **Department of Interior** (Cloud and Payroll)
- **Department of Justice** (Security Operations Center)
- **Department of Transportation**
 - **Office of the Secretary of Transportation** (Procurement)
 - **Federal Aviation Administration** (Financial)
 - **Office of the Inspector General** (FISMA/Financial Statement audits)
- *Other Interagency Agreements*
 - **Veterans Affairs** (Credit Card management)
 - **Office of Personnel Management** (Performance Management)
 - **Health and Human Services** (Employee Health Services)
- **Federal Railroad Administration** (Waybill collection and analysis)

Contracts

- **IT Modernization and Cybersecurity Support Services**
- **Website modernization and cloud migration** (Infrastructure)
- **Enterprise Risk Management program** (A-123)

Strategic Performance Goals & Measures⁵

Goal 1: Promote and protect the public interest in surface transportation matters.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
<u>Performance Goal 1.0.1:</u> Promptly and fairly resolve disputes consistent with the public interest.			
Performance Measure 1.0.1.1: Proportion of cases and disputes in which the Board issues decisions within applicable deadlines	75%	99%	75%
Performance Measure 1.0.1.2: Proportion of court filings timely filed and accepted	95%	98%	95%
Performance Measure 1.0.1.3: Number of substantive judicial filings made	NA	11	NA
Performance Measure 1.0.1.4: Proportion of court decisions that fault the STB for failing to address issues raised	≤25%	0%	≤25%
Performance Measure 1.0.1.5: Proportion of court decisions that set aside agency rulings	≤25%	14%	≤25%

⁵ These Strategic Performance Goals and Measures are based on the Strategic Plan Fiscal Years 2022-2026, (STB decided February 28, 2023) (Board Member Fuchs dissenting). The Board's fourth strategic goal and its associated performance measures have been removed from this budget request. The Board is in the process of updating its Strategic Plan.

Goal 1: Promote and protect the public interest in surface transportation matters.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
Performance Measure 1.0.1.6: Number of defensibility assessments completed	NA	120	NA
<u>Performance Goal 1.0.2:</u> Promulgate rules and policy statements, employing notice- and-comment procedures as appropriate.			
Performance Measure 1.0.2.1: Proportion of rulemakings with publicly stated deadlines that are completed in the timeline identified in the Regulatory Agenda	60%	50%	60%
<u>Performance Goal 1.0.3:</u> Provide for transparency and public participation in Board decisions and policymaking to the extent practicable.			
Performance Measure 1.0.3.1: Proportion of FOIA requests responded to within 20 business days as required by statute (excluding statutorily authorized extensions)	95%	97.8%	95%
Performance Measure 1.0.3.2: Number of collaborative meetings hosted to discuss emerging challenges and industry trends with various stakeholder groups	100	326	225
Objective 1.1: Remedy competitive and other regulatory concerns, where appropriate, by determining reasonable rates and practices for users of the national rail network and other transportation modes within the Board's jurisdiction.			

Goal 1: Promote and protect the public interest in surface transportation matters.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
<u>Performance Goal 1.1.1:</u> Provide rate case processes that fairly and efficiently resolve rate disputes.			
Performance Measure 1.1.1.1: Complete rulemakings to update procedures for small rate disputes in FY23	Achieve	Achieved	Achieve
Performance Measure 1.1.1.2: Number of rate and unreasonable practice cases/disputes brought before the Board	NA	1	NA
Objective 1.2: Evaluate certain railroad licensing actions for consistency with the public interest, considering the potential effects on shippers, consumers, the rail network, the environment, railroad employees, and the public at large.			
<u>Performance Goal 1.2.1:</u> Ensure compliance with applicable statutory and regulatory requirements.			
Performance Measure 1.2.1.1: Proportion of licensing actions resolved through Director Order in which the Order is timely published, or parties are informed of deficiencies	95%	99%	95%
<u>Performance Goal 1.2.2:</u> Consider potential economic, environmental, and operational impacts in agency decision-making.			
Performance Measure 1.2.2.1: Number of economic and operational research projects conducted	81 NA	53 NA	Baseline

Goal 1: Promote and protect the public interest in surface transportation matters.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
Performance Measure 1.2.2.1: Total number of economic and operational analyses initiated during the FY in support of docketed and non-docketed cases			
Performance Measure 1.2.2.2: Number of categorical exclusions	NA	163	NA
Performance Measure 1.2.2.3: Number of Environmental Impact Statements prepared	NA	10	NA
Performance Measure 1.2.2.4: Number of Environmental Assessments prepared	NA	26	NA
Objective 1.3: Promote consistent, fluid, and efficient service that fulfills the needs of customers and the public in an ever-changing economy.			
Performance Goal 1.3.1: Through Rail Customer and Public Assistance, provide an informal venue for the private-sector resolution of disputes, and assist Board stakeholders seeking guidance in complying with Board decisions and regulations.			
Performance Measure 1.3.1.1: Number of RCPA inquiries received	NA	1,322	NA
Performance Measure 1.3.1.2: Proportion of informal inquiries and complaints from stakeholders and the public responded to by RCPA within 3 days of receipt	95%	95%	95%
Performance Goal 1.3.2: Monitor the surface transportation network and gather industry information and data to allow the Board to intervene when necessary or prudent.			

Goal 1: Promote and protect the public interest in surface transportation matters.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
Performance Measure 1.3.2.1: Proportion of weekly rail service metrics published within 48 hours of receipt	90%	100%	90%
Performance Measure 1.3.2.2: Proportion of weekly rail service metrics analyzed and provided to the Board within 3 business days of receipt	75%	100%	75%
Objective 1.4: Consider potential environmental and historic impacts in agency decision-making, consistent with applicable laws and regulations and impose mitigation conditions as appropriate.			
Performance Goal 1.4.1: Conduct timely and thorough environmental and historic preservation reviews consistent with NEPA, NHPA, and other laws and regulations.			
Performance Measure 1.4.1.1: Proportion of environmental reviews concluded within the FY which adhered to applicable regulatory timelines	80%	89%	80%
Performance Goal 1.4.2: Consult with other Federal agencies, state and local agencies, tribes, and other interested parties			
Performance Measure 1.4.2.1: Total number of cooperating agencies involved in environmental and historical review processes	NA	13	NA
Performance Measure 1.4.2.2: Total number of tribes with which government-to- government consultation is conducted	NA	7	NA
Performance Measure 1.4.2.3: Number of cases in which a NHPA Section 106 Memorandum of Agreement (MOA) or Programmatic Agreement (PA) is executed	NA	1	NA
Performance Goal 1.4.3: Provide the opportunity for public participation in the environmental and historic review processes for specific cases before the Board.			
Performance Measure 1.4.3.1: Total number of public meetings held during environmental and historic reviews	NA	27	NA
Performance Measure 1.4.3.2: Total number of comments (oral and written) received during environmental and historic reviews	NA	625	NA

Goal 2: Foster a competitive and sound surface transportation system that provides reliable service at reasonable rates.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
<u>Performance Goal 2.0.1:</u> Collect and publish rail service data permitting the public to better understand trends in traffic volumes, rates, and the financial health of the rail industry.			
Performance Measure 2.0.1.1: Proportion of monthly, quarterly, and annual statistical reports published within 30 days of receiving all needed inputs	100%	100%	100%
Performance Measure 2.0.1.2: Proportion of waybill requests timely processed	100%	100%	100%
Objective 2.1: Uphold the common carrier obligation.			
<u>Performance Goal 2.1.1:</u> Enforce the common carrier obligation through the formal adjudication of service complaints.			
Performance Measure 2.1.1.1: Number of service complaints brought before the Board	NA	1	NA
<u>Performance Goal 2.1.2:</u> Facilitate the common carrier obligation through informal dispute resolution of service complaints.			
Performance Measure 2.1.2.1: Number of informal dispute resolutions relating to the common carrier obligation supported	NA	138	NA
Objective 2.2: Preserve and enhance competition, including through regulation where appropriate.			

Goal 2: Foster a competitive and sound surface transportation system that provides reliable service at reasonable rates.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
<u>Performance Goal 2.2.1:</u> Evaluate policies and implement rules to adjust to changes in the industry.			
Performance Measure 2.2.1.1: Number of research projects supporting policy evaluation or rulemakings	48	24	NA
Objective 2.3: Provide accessible and transparent rate review processes.			
<u>Performance Goal 2.3.1:</u> Conduct public hearings and listening sessions on matters of economic import, including, when applicable, rate procedures.			
Performance Measure 2.3.1.1: Number of public events convened on matters of economic import	2	2	NA
Objective 2.4: Provide oversight of passenger rail service in order to carry out statutory directives			
<u>Performance Goal 2.4.1:</u> Monitor the On-Time Performance (OTP) and delays of Amtrak's routes and trains as they provide passenger service over the nation's rail network			
Performance Measure 2.4.1.1: Administratively establish the Office of Passenger Rail in FY23	Achieve	Achieved	NA

Goal 2: Foster a competitive and sound surface transportation system that provides reliable service at reasonable rates.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
Performance Measure 2.4.1.2: Proportion of quarters in which quarterly data is analyzed and provided to the Board within 10 business days of posting by the FRA	75%	100%	75%
<u>Performance Goal 2.4.2:</u> Enforce OTP through efficient adjudication of OTP complaints and Board-initiated investigations, when appropriate			
Performance Measure 2.4.2.1: Proportion of non -“grant stamp” decisions related to PRIIA Section 213 in which a plan and deadline for completion is established	100%	100%	100%
Performance Measure 2.4.2.2: Proportion of non -“grant stamp” decisions related to PRIIA Section 213 in which established deadlines are achieved	75%	50%	75%
Objective 2.5: Monitor the service and operations of carriers and take appropriate action where conditions warrant.			
<u>Performance Goal 2.5.1:</u> Investigate changes in service metrics and/or reports from stakeholders.			
Performance Measure 2.5.1.1: Number of Class 1 Railroads audited by the STB within the FY	7	7	6
<u>Performance Goal 2.5.2:</u> Issue service letters, perform site visits, and hold meetings and hearings to ensure accountability and service reliability.			

Goal 2: Foster a competitive and sound surface transportation system that provides reliable service at reasonable rates.			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
Performance Measure 2.5.2.1: Number of service letters issued	NA	4	NA
Objective 2.6: Promote a climate that encourages carriers to invest in present and future capacity needs.			
<u>Performance Goal 2.6.1:</u> Engage and communicate with stakeholders regarding the investment, maintenance, and development of the surface transportation system.			
Performance Measure 2.6.1.1: Proportion of recordations entered into the Board's public database within one business day	90%	100%	90%
Performance Measure 2.6.1.2: Total number of major infrastructure investments reported by Class 1 railroads	NA	12	NA
Performance Measure 2.6.1.3: Proportion of depreciation studies timely completed	100%	100%	100%

Goal 3: Provide an accessible, data-driven, and time- and cost-efficient regulatory process that enables stakeholders in the surface transportation industry to plan and conduct their operations effectively			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
Performance Goal 3.0.1: Make key, disclosable information from the Board’s internal case monitoring and management system available to the public so that stakeholders can be informed about the expected timing for specific Board decisions.			
Performance Measure 3.0.1.1: Proportion of quarterly reports timely provided to Congress on status of rate reasonableness cases, formal complaints, informal complaints, and pending regulatory proceedings	100%	100%	100%
Performance Measure 3.0.1.2: Publish Semi-annual Regulatory Agenda	Achieve	Achieved	Achieve
Objective 3.1: Provide well-defined formal and informal dispute resolution processes to enable parties to make informed decisions about how to best resolve their disputes.			
Performance Goal 3.1.1: Offer alternative dispute resolution services that facilitate private sector solutions to problems.			
Performance Measure 3.1.1.1: Number of formal alternative dispute resolutions initiated	NA	2	NA
Performance Measure 3.1.1.2: Number of informal dispute resolutions initiated	NA	138	NA

Goal 3: Provide an accessible, data-driven, and time- and cost-efficient regulatory process that enables stakeholders in the surface transportation industry to plan and conduct their operations effectively			
Performance Goals and Measures	FY24 Target	FY24 Actual	FY25 Target
Performance Goal 3.1.2: Hold conferences, hearings, and oral arguments and provide adequate guidance to the parties as to the methods the Board intends to use to adjudicate disputes.			
Performance Measure 3.1.2.1: Number of conferences, hearings, and oral arguments hosted	3	11	12
Objective 3.2: Reach timely adjudicatory decisions by adhering to appropriate internal and external deadlines.			
Performance Goal 3.2.1: Establish internal timelines and deadlines for work products needed to support Board decisions.			
Performance Measure 3.2.1.1: Proportion of weeks in which the Board is provided with a weekly internal deadline report	90%	96%	90%

Workload Summary

Workload Category	FY 2024 (actual as of 9/30/2024)	FY 2025 Estimate	FY 2026 Estimate
Alternative Dispute Resolution			
Arbitrations	0	0	0
Informal Dispute Resolution	138	120	120
Mediations	2	3	4
Audits	7	10	10
Decisions			
Complaints			
Rate	1	12	16
Non-Rate	26	25	30
Declaratory Orders	14	20	25
Ex Parte Proceeding Decisions			
Rulemakings	8	25	25
Other	31	22	22
Licensing			
Applications/Petitions	90	100	100
Notices of Exemption	120	185	190
Other (incl. grant stamps)	14	26	40
Non-Rail Decisions	17	10	10
Other	15	25	25
Defensibility Assessments	120	160	160
Depreciation Studies	9	10	10
Economic Statistical Reports	31	30	30
Environmental			
Categorical Exclusions	163	160	160
Environmental Assessments	26	30	35
Environmental Impact Statements	10	10	10
Ethics Reviews	138	160	160
Fee Waiver Decisions	16	12	15
Advisory Committee Meetings (incl. Federal Advisory Committee Act Committees)	8	9	10
Filings	1,488	2,300	2,400
FOIA Requests	90	100	100
Investigations (pursuant to 49 U.S.C. § 11701)	0	1	1
Investigations (pursuant to 49 U.S.C. § 24308(f))	1	1	1
Judicial Review	23	25	25
Outreach & Communication			
Conferences	72	40	40
Environmental Meetings	27	20	20
Ex Parte Meetings	32	20	20
Stakeholder Meetings	326	225	225
Public Forum			

Budget Request Fiscal Year 2026 | Budget Data

Workload Category	FY 2024 (actual as of 9/30/2024)	FY 2025 Estimate	FY 2026 Estimate
Hearings	2	2	2
Listening Sessions	0	1	1
Oral Arguments	1	2	2
Other	2	0	0
Rail Service Data Reports	416	416	416
Recordations	1,228	1,400	1,500
Section 5 Collaborative Discussions	16	20	20
Technical Conferences	1	2	2
Waybill Requests	136	148	125
Paperwork Reduction Act Requests and Submissions to OMB	17	23	23

Administrative and Organizational Data

Board Members

The Board consists of five members nominated by the President and confirmed by the Senate. The Board's vice chairmanship rotates among the members on an annual basis. If a member leaves the STB before the end of his or her term, a successor may be appointed to the vacant seat for the remainder of that term. Each member has a term of five years unless they are filling an unexpired term. The Board's governing statute permits a member to serve up to one year after the expiration of that member's term unless a successor is appointed.

STB Office Overview as of September 30, 2024

In addition to the five Board members' offices, the staff of the STB is organized into seven offices. The seven offices are comprised of attorneys, economists, and financial, transportation, and environmental analysts with expertise in the rail industry, as well as HR specialists, paralegals, IT specialists, and contractors providing support to ensure the STB has the capabilities to meet its statutory responsibilities.

The Office of Economics (OE)

OE provides economic, cost, financial, and engineering analyses for the Board. OE also makes available to the public a variety of statistical and financial analyses of the railroad industry. OE manages the Board-prescribed Uniform System of Accounts and cost accounting systems. OE also audits Class I carriers to ensure their compliance with these systems and uses the data provided by carriers to develop and disseminate the Uniform Railroad Costing System.

The Office of Environmental Analysis (OEA)

OEA assists the Board in meeting its responsibilities under the National Environmental Policy Act (NEPA), and other related Federal statutes. NEPA requires the Board to consider potential environmental impacts before making its final decision in certain cases. OEA conducts an independent environmental review of cases filed with the Board and prepares any necessary environmental documentation. OEA also conducts public outreach to inform the public about proposals before the Board and invites public comments on related environmental matters. It also provides technical advice and environmental recommendations to the Board on pending matters, as appropriate.

The Office of the General Counsel (OGC)

OGC provides legal counsel to the Board. In that role, OGC evaluates and advises on the defensibility of the agency's decisions and defends those decisions when challenged in court. OGC also advises the Board on various mission-related matters, including the Freedom of Information Act, the Paperwork Reduction Act, the Equal Employment Opportunity Act, NEPA, and records management. Finally, OGC assists both the Department of Justice in ancillary litigation related to transportation matters and other matters of government-wide interest.

The Office of the Managing Director (OMD)

OMD provides a wide range of administrative services in support of the Board's mission, including human resource management, financial services, IT support, cybersecurity, the Privacy Act, and facilities management. It heads the Board's Privacy and Risk Management programs.

The Office of Proceedings (OP)

OP has primary responsibility for managing the public record in formal cases (or proceedings) before the Board, which includes making recommendations regarding the resolution of issues presented in those cases and drafting the decisions issued by the Board. Specifically, OP oversees the Board's caseload, providing legal and policy recommendations (in conjunction with other Board offices, as needed) to the Board members for resolving the issues presented, and preparing drafts of decisions. OP also performs administrative services for the Board, including receiving and processing formal filings from the public; administering the Board's voting process; coordinating with the Federal Register for publication of decisions; and tracking the Board's casework. In addition, OP maintains a database for recording and perfecting secured transactions involving vessels and railroad rolling stock.

The Office of Public Assistance, Governmental Affairs, and Compliance (OPAGAC)

OPAGAC serves as the STB's principal point of contact for the U.S. Congress, Federal agencies, foreign, state and local governments, interested stakeholders, the public, and the media. OPAGAC's mission is to aid the public, to disseminate accurate information concerning the agency and its work, and to help the public understand the law and the agency's decisions. This office is responsible for external operations including governmental affairs, communications, and compliance. It is also responsible for monitoring rail operations, service analysis, maintaining tariffs, the monitoring and analysis of certain passenger rail matters, and mediation coordination. OPAGAC is also responsible for the management of Rail Customer and Public Assistance, which assists interested stakeholders and the public by answering questions pertaining to Board regulations and procedures and facilitating informal private-sector dispute resolution of rail operational and service-related issues and other matters.

The Office of Passenger Rail (OPR)

OPR supports the Board in its efforts to meet its responsibilities under the Passenger Rail Investment and Improvement Act of 2008.

The Board has authority to investigate when an Amtrak train's on-time performance averages less than 80% for any two consecutive calendar quarters. The "on-time performance" of Amtrak trains is a quarterly metric established and reported by the Federal Railroad Administration (FRA). Such an investigation is mandatory upon receipt of an eligible complaint or may be started on the Board's own initiative. OPR performs data analysis of FRA's quarterly metrics. The OPR staff also play a central role in investigations and formal proceedings related to on-time performance.

STB Office Overview - Changes Post-Reorganization

Office of Chief Counsel (*historically the Office of Proceedings and Office of the General Counsel, consolidated into one office*)

Consolidating the Board's two legal offices into one office streamlines the drafting and review of decisions required by statute, delivering faster results for the public. Prior to reorganization, managers in both OP (the agency's largest office, responsible for drafting decisions), and OGC (responsible for defending decisions in court and litigating other matters) would conduct reviews of draft agency decisions, and those reviews did not happen concurrently. By consolidating the offices, the agency reduces steps in the review process. Moreover, a consolidated office results in better coordination of staff attorneys, both in terms of more effective team formation and more efficient delivery of Board decisions. The consolidated legal office results in a flatter overall structure with more attorneys dedicated to decision drafting, thereby increasing the speed with which the Board resolves disputes, facilitates infrastructure construction and market entry, and takes other actions critical to American businesses.

The statutory Passenger Rail Program, formerly functions of OPR, will also be moved to this Office and will continue to provide the Board with expertise related to passenger rail. In addition, the legal office houses numerous statutory functions required of all Federal agencies. Finally, the legal office maintains a national repository for recording loan agreements secured by rail equipment or water carrier vessels used by the private financial sector.

Office of Economics

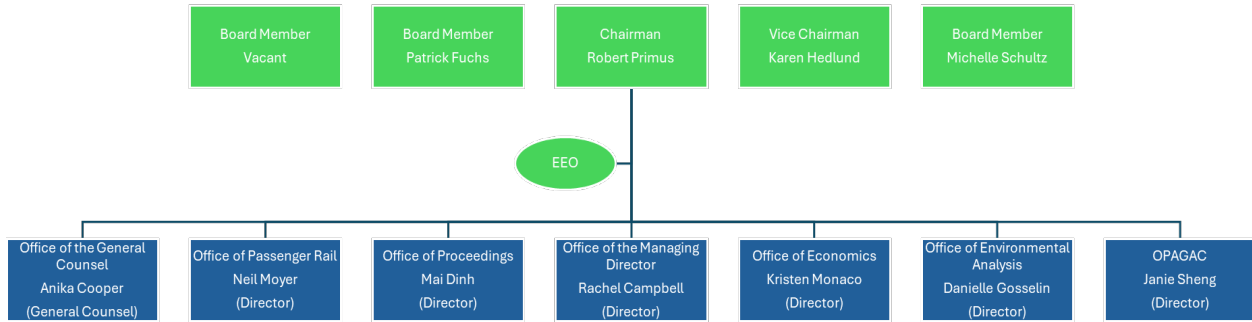
Under reorganization, the office has been redesigned into four sections with aligned mission functions, with "matrixed" teams for certain agency responsibilities. In addition, the agency has transferred the data and transportation industry analysis Passenger Rail Program work of OPR into the redesigned OE, which houses those functions, further aligning mission functions. OE assists the Board with resolving intercity passenger rail disputes as required under law.

Office of Managing Director

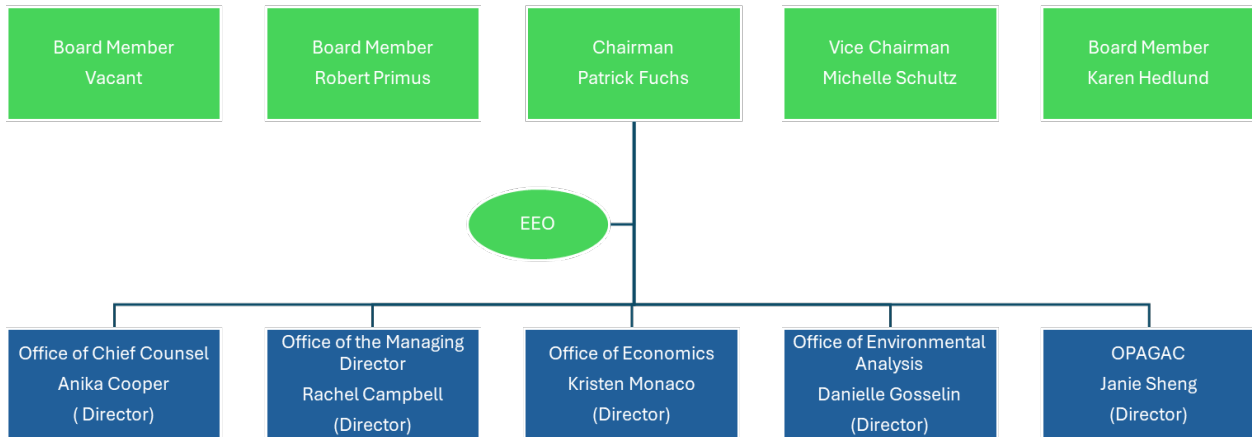
The reorganization improves management by ensuring administrative support functions, such as records management are under OMD's focused structure. In addition to the responsibilities described above, the Records Management function previously housed in the Office of General Counsel will reside in the Office of Managing Director.

STB Office Organization Charts

As of September 30, 2024



Post-Reorganization



Current Staffing Plan and Vacancies

Office	FY 2024		
	Employee Positions in Staffing Plan	Employees on Board (as of 9/30/2024)	Vacancies
Members' Offices	13	11	2
Equal Employment Opportunity*	0	0	0
Office of Economics	26	20	6
Office of Environmental Analysis	11	8	3
Office of the General Counsel	20	17	3
Office of the Managing Director	19	18	1
Office of Proceedings	40	35	5
Office of Public Assistance, Governmental Affairs, and Compliance	13	9	4
Office of Passenger Rail	10	5	5
Board Total	152	123	29

* The STB through an Interagency agreement with the Federal Maritime Commission shares the costs of a Director for the Office of Equal Employment Opportunity, which allows both agencies to use funds responsibly while meeting required federal regulations.

FY 2026 Staffing Plan

Office	Employee Positions in Staffing Plan
Members' Offices	13
Equal Employment Opportunity*	0
Office of Economics	26
Office of Environmental Analysis	8
Office of the Chief Counsel	43
Office of the Managing Director	17
Office of Public Assistance, Governmental Affairs, and Compliance	7
Board Total	114

Vote of the Board

This FY 2026 Budget Request was approved by a majority of the Board on May 29, 2025. Board Member Primus dissented.



395 E Street SW, Washington DC, 20423