

Office of Economics, Environmental Analysis, and Administration

Director: Leland L. Gardner

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The Office of Economics, Environmental Analysis, and Administration (OEEAA) is responsible for the economic, cost, financial, engineering, and environmental analyses in cases before the Board. We also provide the administrative support for the agency including building and space management, human relations management, and computer systems support.

Our office consists of 55 staff, with a wide range and variety of job series including: economists, accountants, financial analysts, engineers, transportation industry analysts, environmental protection specialists, attorneys, computer programmers, personnel specialists, and a variety of administrative support staff.

The primary activities and responsibilities for the economic, environmental, and administrative support functions are identified below.

Mission: Economics Analysis

The Economic Analysis function of OEEAA:

- Supports the Commission's decision making process through economic, environmental, cost, financial, and engineering analyses. Typically, the type of cases we are involved in include: rail maximum rate proceedings, rail mergers, abandonments, rail line construction, and trackage rights matters. We also conduct the cost analyses, institute rulemakings, and maintain the Board's user fee program.
- Conducts evaluations and special studies that monitor various aspects of the surface transportation industry, including the effects of rail mergers and general rail rate trends.
- Prescribes accounting and reporting rules and requirements for regulated carriers, currently only railroads.
- Maintains an effective audit program to ensure compliance with Commission accounting and reporting requirements.
- Provides current data on the financial condition of individual railroads as well as the industry overall.
- Collects and maintain data bases, including the rail waybill file as well as annual and quarterly financial and operating data for rail carriers.
- Develops annually the Uniform Rail Cost System estimates (URCS) which is the Board's

general purpose costing system used for a variety of purposes such as the jurisdictional determination in rail maximum rate cases, calculating off branch costs in abandonment cases, and developing cost estimates in conjunction with the waybill file.

- Reviews quarterly the railroad submission of the Rail Cost Adjustment Factor (RCAF).

Mission: Section of Environmental Analysis

■ Purpose of SEA

In addition to considering the transportation-related aspects of various railroad actions, such as abandonments, constructions, and mergers, the Board must also take a hard look at the potential environmental impacts of these projects before making any final decision.

The Section of Environmental Analysis (SEA) is the section located within the agency's Office of Economics, Environmental Analysis and Administration. SEA's function is to ensure that the Board complies with the requirements of the National Environmental Policy Act (NEPA) and other related environmental laws, including the National Historic Preservation Act, the Endangered Species Act, the Coastal Zone Management Act, the Clean Air Act, the Clean Water Act, and other environmental statutes and their implementing regulations.

■ The Environmental Review Process

The environmental review required by NEPA is broad in scope and directs agencies to evaluate potential project-related impacts in such areas safety, transportation, noise, air and water quality, land use, and biological and cultural resources.

Throughout the environmental review process, SEA ensures that the Board takes a hard look at all the associated environmental consequences of the proposal, and where appropriate, develops mitigation to avoid or eliminate harmful environmental impacts. Additionally, SEA consults with Federal, State, and local government agencies, as well as members of the public and other interested parties, to help identify and analyze environmental impacts and develop appropriate mitigation. The rules for the Board's environmental review process can be found at 49 CFR 1105.

■ When Does SEA Get Involved in a Case?

NEPA applies only to "major federal actions." This means that actions over which the Board has no jurisdiction — such as when a railroad increases the number of trains operating over one of its existing rail lines — are not subject to a NEPA review by the Board. The same is true for "ministerial actions," which are things that the Board must do or find under law, for example, approving a rail abandonment authorized by a bankruptcy court.

So in order for a NEPA review to be triggered, there must be a proceeding over which the

Board has jurisdiction. If in doubt about jurisdiction, it's a good idea to check with the Board's Office of Proceedings. If the answer is yes, the action that you're contemplating is subject to the Board's jurisdiction, then you're next call is to SEA.

■ **What do the Board's Environmental Rules Require?**

The Board's environmental regulations govern SEA's environmental review process and outline SEA's procedures for preparing environmental documents. Specifically, an Environmental Assessment (EA) or a full Environmental Impact Statement (EIS) normally is prepared in every rail abandonment, rail construction, and rail merger proposal. (NEPA requires that a Federal agency prepare an EIS if the proposed action before it has the potential to cause significant environmental impacts. The Board decides whether a proposed transaction warrants the preparation of an EIS based on the nature and scope of the environmental issues that likely would arise from the proposal.

The EA (or draft EIS) describes the proposed action and alternatives, presents analyses of the potential beneficial and adverse environmental impacts that would result from the proposed action, and recommends mitigation measures to avoid or reduce those potential significant adverse environmental impacts.

■ **What are "Third Party Contractors?"**

SEA is responsible for conducting the environmental review process on behalf of the Board. In conducting this review, SEA may engage independent, third-party contractors to provide assistance with environmental analyses and the preparation of environmental documents. The use of agency-approved, independent third-party contractors is specifically permitted by both the Board's environmental regulations and those of the Council on Environmental Quality (49 CFR 1105.10(d) and 40 CFR 1506.5(c)). In all proceedings in which SEA retains a third-party contractor, the independent third-party contractors' scope of work, approach, and activities are under the supervision, direction, and control of SEA. Although the third-party contractor works as an extension of the SEA staff, applicants bear the financial responsibility associated with the third-party contractor. SEA remains responsible for the accuracy, thoroughness, and legal-defensibility of the environmental review.

■ **The Public and the Environmental Review Process**

SEA welcomes public participation throughout the Board's environmental review process and often conducts extensive public outreach activities to inform the public about a proposed transaction and facilitate public participation. SEA consults with Federal, state, and local agencies, and affected communities to gather and disseminate information about proposals. SEA distributes its environmental analysis in draft form and provides the public with the opportunity to review and comment on the draft document. SEA then fully considers all public comments and, if warranted, conducts additional environmental analysis. After consideration of all public comments and additional

analysis, SEA prepares a final document setting forth its recommendations to the Board.

■ **Expediting the Environmental Review Process**

Conducting a meaningful environmental review is critical to ensure the legal defensibility of the Board's decisions and, ultimately, to minimize delay in the processing of cases and in the implementation of transactions that are approved. One of the most effective means to move the environmental review process forward and reduce unnecessary delay is to support SEA in its effort to appropriately assess all potentially significant environmental effects associated with a proposal. In addition, working with concerned stakeholders, including members of potentially affected communities, to develop voluntary mitigation and negotiated agreements addressing environmental issues can go far in increasing understanding and reducing environmental impacts associated with a proposal. Generally, negotiated agreements and voluntary mitigation options are more far-reaching than environmental mitigation measures the Board could impose unilaterally. It is important to remember that time is never saved by shortchanging a NEPA analysis in order to move a proceeding forward rapidly.

If you have questions about the Board's environmental review process, please feel free to contact Vicki Rutson, Chief of the Section of Environmental Analysis, at (202) 565-1545.

Mission: Sections of Administration

The administrative side of OEEAA provides a wide range of support to Board staff including:

- Building and space management, including procurement of equipment and supplies, provision of copier services, and maintaining the Board's Occupant Emergency Program.
- Financial management services, including preparing and overseeing the STB's annual budget, developing and monitoring spending plans, managing the Board's payroll program, and tracking the collection of user fees.
- Human resources activities, including assisting offices in the hiring or promotion of new staff, processing retirement requests, handling grievances, administering the fare card program, and training.
- Systems services activities involving oversight and maintenance of our computer support program. This includes maintaining and monitoring our LAN, coordinating the interface with VOLPE for our case system, and purchase and maintenance of computer hardware and software.
- Provide ethics guidance and advice to Members and staff on issues regarding ethics and codes of conduct.

