

STB ADOPTS ARBITRATION FINAL RULES IN ACCORDANCE WITH STB REAUTHORIZATION ACT

The Surface Transportation Board announced today that it is adopting final rules to modify its arbitration procedures in accordance with the requirements of the Surface Transportation Board Reauthorization Act of 2015, P.L. 114-110 (2015) (Act). The Act requires an arbitration process that is voluntary and binding, as with the STB's existing arbitration rules.

In May of this year, the STB proposed various changes to its existing arbitration rules in response to the Act. For example, the Act mandated that rail rate disputes be eligible for voluntary arbitration; under previous STB rules, parties could elect arbitration of rate disputes in individual cases, but rate disputes were not automatically eligible for arbitration. The Act also established caps for arbitral awards of \$25,000,000 in rate disputes and \$2,000,000 in unreasonable practice cases (including demurrage, accessorial charges, and misrouting/mishandling rail cars, among other issues). Additionally, the Act required modifications to various aspects of the existing rules, such as commencing arbitration, maintaining a roster of qualified arbitrators, and selecting a single or lead arbitrator for a proceeding. After receiving and considering public comment, the Board adopted final rules implementing the requirements of the Act.

“During my tenure as Chairman, I have advocated for greater use of alternative dispute resolution,” stated STB Chairman Daniel R. Elliott III. “The STB Reauthorization Act further enhances arbitration as an effective means to resolve disputes outside of formal litigation. The final rules are another accomplishment in leveraging the tools made available under the Act.”

The final rules adopted in [Revisions to Arbitration Procedures, EP 730](#), may be viewed and downloaded at the STB's website, www.stb.gov, under “E-LIBRARY / Decisions & Notices / 09/ 30/ 2016.

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