



Surface Transportation Board

Budget Request Fiscal Year 2020

Table of Contents

Table of Contents.....	2
Introduction	4
Mission	4
Responsibilities	4
Fiscal Year (FY) 2020 Budget Overview	5
Summary of Changes from the FY 2019 Budget Request.....	6
Proposed Appropriation Language	8
Program Overview	9
Strategic Goals	9
Evidence and Evaluation	10
FY 2018 Activities and Accomplishments	12
Enhanced Communications with Stakeholders	12
Rail Service Oversight and Monitoring.....	12
Rate Cases	14
Unreasonable Practice	14
Petition for Enforcement	15
Rulemakings	15
Declaratory Order	16
Licensing.....	17
Abandonments/Discontinuances.....	19
Petitions for Reconsideration or Reopening.....	20
Uniform Railroad Costing System Update	21
Environmental Review	21
Alternative Dispute Resolution	22
Public Outreach and Informal Dispute Resolution	22
Government Affairs.....	23
Court Actions.....	23
Other Matters	25
Advisory Committees	25
Amtrak and Passenger Rail.....	26

Efforts to Strengthen Information Technology (IT) Cybersecurity	27
Budget Data.....	28
Dollar Cost: Comparison by Object Classification, FYs 2018–2020	28
Analysis of Change by Object Classification, FYs 2018–2020	29
Supplementary Budget Data.....	30
Workload Summary	31
Strategic Goals and Annual Performance Measures	33
Administrative and Organizational Data.....	36
Board Members	36
STB Office Overview.....	36
Surface Transportation Board Office–Organization Chart (as of September 2018).....	39
Surface Transportation Board Office–Organization Chart (as of March 2019)	40
Current Staffing Plan and Vacancies	41

Introduction

Mission

The Surface Transportation Board (STB, Board, or agency) exercises its statutory authority and resolves disputes in support of an efficient, competitive, and economically viable surface transportation network that meets the needs of its users.

Responsibilities

The STB is primarily charged with the economic oversight of the nation's freight rail system. The bipartisan Board was established in 1996 as the successor to the Interstate Commerce Commission. The Board was administratively aligned with the Department of Transportation (DOT) until enactment of the Surface Transportation Board Reauthorization Act of 2015 (STB Reauthorization Act), Public Law No. 114-110, which established the Board as a fully independent agency on December 18, 2015.

The economics of freight rail regulation impact the national transportation network and are important to our nation's economy. For this reason, Congress gave the STB sole jurisdiction over rail mergers and consolidations, exempting STB-approved transactions from federal antitrust laws and state and municipal laws. The Board also has exclusive authority to determine whether certain railroad rates and practices are reasonable. The Board has regulatory jurisdiction over, among other things, railroad rate reasonableness, mergers, line acquisitions, new rail line construction, and abandonments of existing rail lines.

While a majority of the Board's work involves freight railroads, the STB also performs certain oversight of passenger rail matters, the intercity bus industry, non-energy pipelines, household goods carriers' tariffs, and rate regulation of non-contiguous domestic water transportation (marine freight shipping involving the mainland United States, Hawaii, Alaska, Puerto Rico, and other U.S. territories and possessions).

FY 2020 Budget Overview

The STB requests \$37.1 million for FY 2020 to carry out its statutory responsibilities and to continue meeting the needs of stakeholders and the public. The FY 2020 request is the same funding level that the Board requested in its FY 2019 request which was submitted along with the President's FY 2019 Budget to Congress. This level of funding would sustain the personnel and non-personnel investments made in FYs 2018 and 2019 to manage workload and to modernize the Board's IT infrastructure. Further, the request includes the resources necessary to increase efficiencies and modernize the Board's processes.

The Board's funding request is based on a projected staffing level of 142 full-time equivalents (FTE), the same as in FY 2019. The proposed FY 2020 personnel costs would increase by \$0.8 million over the FY 2019 estimate to reflect promotions, within-grade increases, and higher expected costs of employee benefits, while non-personnel expenses would decrease by a similar amount. The Board will continue its efforts to increase its staffing to the requested FTE level, providing the necessary support to carry out the Board's mission and address vacancies resulting from employee retirements or other separations. The Board will look to hire employees that meet the administration's "People: Developing a Workforce for the 21st Century" agenda and to better position the agency for the future. The Board's non-personnel budget supports several IT system and infrastructure maintenance and upgrade projects. Funding would also be required to continue improvements to the Board's cybersecurity program. Further, the request supports added research and analytical capabilities to continue to enhance the Board's evidence-based decision-making.

The STB's request would fund the continued maintenance and modernization of the Board's website to better serve the needs of stakeholders and the public. The continued modernization includes easier reading and navigation on mobile devices, search engine optimization, and better website load times for end users. Modernization efforts would also include complete integration of the website with the anticipated new Case Management system and Pay.gov.

The Board is also interested in acquiring a Document Management System or services to augment the capabilities of its Case Management System, Office 365 (O365), and associated records management capabilities. This system or services would be used to organize all digital and paper documents to reduce paper use and keep a record of all versions created for each work product, while maintaining a single system for storing agency work throughout the Board. In addition, the Board would invest in a business process solutions assessment to improve operational efficiency and to better align organizational priorities with agency resources.

Summary of Changes from the FY 2019 Budget Request

(dollar amounts in thousands)

Personnel Cost Change

Personnel Costs



Personnel costs are expected to increase by about \$0.8 million. This increase would sustain the human capital investments the STB made in FYs 2018 and 2019 to address retirements and fill key positions. The request also includes the resources necessary to cover the pay for the normal cost of promotions, within-grade increases, and increased costs of employee benefits.

Non-Personnel Cost Changes

Rent



The Board's rent and associated obligations in FY 2020 are expected to decrease by nearly \$0.3 million to reflect the lower annual rate in the Board's new 15-year lease agreement. Because the STB will soon occupy a smaller footprint in its current headquarters building, it is expected that costs for security and utilities will decrease.

Information Technology



IT obligations are expected to decrease by approximately \$0.5 million, based on the FY 2019 one-time implementation costs of upgrading and modernizing the Board's IT infrastructure which will not be incurred in FY 2020. The anticipated costs in FY 2020 are to maintain the improvements and ensure IT systems are operating effectively.

Interagency Agreements and Technical Services



These obligations are expected to decrease slightly, as the Board works to find ways to improve organizational efficiencies through possible tools and strategies, such as a Document Management System and Business Processes Solutions. The Board would also work to enhance its evidence-based decision-making capabilities by acquiring new analytical tools and capabilities.

Travel and Transportation



Travel obligations are expected to increase slightly to support new members, regulatory reviews, stakeholder engagement, representation at stakeholder meetings, representation in court, and other travel required to meet the STB's mission.

Training

Training obligations are expected to remain level to support advancing staff skills, certification, and professional education requirements for an evolving workforce.



+\$0

Office Supplies and Subscriptions

Purchase of supplies and reference material for staff are expected to decrease because of consolidating subscriptions and using supplies more judiciously as the Board moves to more electronic management of its documents.



-\$15

Miscellaneous Services

The request reflects an inflationary increase for the costs related to health and employee services, security investigations, and other items not captured in another category.



+\$7

Working Capital Fund (WCF)

The Board’s share of procurement and property management costs which is included in the estimated payment to the DOT’s WCF is expected to decrease. While the Board transitioned Human Resource (HR) services from the WCF, the Board still relies on the WCF for procurement, property management, and accounting support. The decrease is the result of completing the Board’s transition to independence.



-\$5

Net Non-Personnel Cost Changes
Total Adjustment to Base (\$37,100)

-767
+\$0

Total Budget Request

\$37,100

Proposed Appropriation Language

Salaries and Expenses

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. § 3109, \$37,100,000: 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 2020, to result in a final appropriation from the general fund estimated at no more than \$35,850,000.

Program Overview

Strategic Goals

Every four years, the STB updates its Strategic Plan as required by the Government Performance and Results Modernization Act of 2010 (P.L. 111-352). The STB's strategic plan defines its mission, goals, and progress measurements in achieving its mission over a four-year period. During FY 2018, the STB updated its Strategic Plan for FYs 2018-2022. It provides a blueprint for the agency to plan, implement, and monitor work needed to achieve the Board's mission for the next four years. It establishes strategic goals, long-term strategies and performance expectations, and provides a basis for the agency's annual budget and its performance and accountability report.

The work that the Board conducts to carry out its responsibilities are guided by the following four strategic goals:

First strategic goal: Protect and further the public interest in surface transportation matters.

Strategic Objectives-

- Promote and ensure reasonable transportation rates and practices for users of freight railroads, non-energy pipelines, household goods movers, motor carriers acting collectively, and those providing or receiving service in the noncontiguous domestic water trades;
- Ensure that railroad restructurings (mergers, acquisitions, constructions, and abandonments) are consistent with the public interest and that any resulting economic, environmental, or operational harm is minimized to the extent practicable;
- Promote efficient and reliable surface transportation service that is responsive to the needs of customers, with adequate capacity to meet the needs of a changing economy; and
- Ensure consideration of environmental concerns in agency decision-making consistent with existing laws and regulations.

Second strategic goal: Foster economic efficiencies through reliance, where possible, on marketplace factors to encourage the development and continuation of economically sound, efficient, and reliable surface transportation systems that have adequate capacity to meet the needs of our economy.

Strategic Objectives-

- Encourage the efficient management and operation of surface transportation industries under the Board's jurisdiction;
- Promote a climate that encourages carriers to invest in needed additional capacity; and

- Minimize Federal regulatory control over surface transportation systems.

Third strategic goal: Provide a timely, efficient, and decisive regulatory process that enables stakeholders in the surface transportation industry to plan and conduct their operations more effectively and with minimal regulatory costs.

Strategic Objectives-

- Ensure that there is sufficient transparency with respect to the Board's dispute resolution activities to enable parties to make informed decisions as to whether they should voluntarily settle their disputes or litigate before the Board;
- Ensure the timeliness of Board adjudicatory decisions by setting and adhering to appropriate processing timelines; and
- Ensure that the Board's decisions comport with the applicable statutes, precedents, and policies

Fourth strategic goal: Ensure that the STB has the organizational structure, managerial leadership, and skilled workforce necessary to carry out the agency's strategic goals.

Strategic Objectives-

- Organize management, deploy staff, and track operational performance throughout the agency to ensure the achievement of the Board's strategic goals;
- Recruit, retain, and train staff with a focus on critical needs, skills shortages, and diversity; and
- Employ new technologies to improve the Board's operational efficiency.

Evidence and Evaluation

The STB relies on evidence-based policy and program decision-making to implement its strategic plan. Reliance on evidence-based decision-making is the responsibility of each office, from substantive matters of case adjudication and informal assistance regarding service metrics to administrative matters concerning IT modernization and budgeting. As the agency seeks to implement reforms to provide a more efficient and effective regulatory review process, it will endeavor to analyze new proposals against historical data to evaluate the initiatives.

Risk Management and Planning

The STB implemented Risk Management process and procedure controls that require STB-wide compliance with personnel security procedures in accordance with the National Institute of Standards and Technology (NIST). The STB risk management framework establishes a consistent process to identify and prioritize risks and develop strategies to address those risks. Applying the principles of risk management makes it possible to identify threats and opportunities; assess and prioritize those threats

and opportunities; and plan strategies to address future issues affecting agency objectives, while taking associated risk into consideration.

Enterprise Risk Management

The STB uses evidence-based decision-making to manage its risks and develop appropriate internal controls. During FY 2018, the STB completed a full review of the agency's operations to identify both opportunities and threats. This process led to an updated Risk Profile, as required by M-16-17, OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. The STB plans to annually review and update its Risk Profile as necessary to proactively manage risks to the agency and its mission.

FY 2018 Activities and Accomplishments

Enhanced Communications with Stakeholders

The Board, in a final rule in *Ex Parte Communications in Rulemakings*, EP 739 (STB served Feb. 28, 2018), modified its regulations to permit, subject to disclosure requirements, ex parte communications in informal rulemaking proceedings. The Board also adopted other changes to its ex parte rules to clarify and update when and how interested persons may communicate informally with the Board regarding pending proceedings other than rulemakings. The intent of the modified regulations is to enhance the Board's ability to make informed decisions through increased stakeholder communications while ensuring that the Board's record-building process in rulemaking proceedings remains transparent and fair.

Following issuance of the new rules, the Board issued a decision permitting ex parte communications in *Expanding Access to Rate Relief*, EP 665 (2) (STB served Mar. 28, 2018). In *Railroad Revenue Adequacy*, EP 722 (STB served Mar. 28, 2018), the Board clarified that informal communications with stakeholders in that proceeding had been and would continue to be allowed.

The Board also launched two staff-led initiatives to explore significant regulatory issues and invited stakeholders to participate in information-gathering meetings. First, the Board formed a Rate Reform Task Force, which is reviewing the methodologies currently employed by the Board and is considering both simplifications to the existing methodologies and new approaches. The Task Force is reaching out to a broad cross-section of stakeholders and holding meetings to help identify new approaches that are less resource and time intensive for parties and the Board and that will comport with the most recent legislative direction to close the record in rate cases sooner and issue decisions in a more expeditious manner.

Second, Board staff held informal meetings with interested persons to discuss and gather feedback on the adequacy of the Board's current regulations regarding emergency service and service inadequacies. The Board's existing directed service regulations are rarely used, even in times of rail service deterioration. Therefore, the Board staff held informal discussions to help the Board determine whether and how the agency's current directed service regulations could be modified to offer a more meaningful path to relief in times of serious rail service challenges.

Rail Service Oversight and Monitoring

During FY 2018, the Board continued its informal monitoring of rail service problems on the rail system of CSX Transportation, Inc. (CSX), and service recovery efforts. The Board commenced this oversight during the summer of 2017, when it became concerned about the

weekly service data reported by CSX. In addition, the Board began receiving complaints from CSX customers, Congressional offices, and industry stakeholders, who reported increased transit times, unreliable switching operations, inefficient car routings, poor communications from CSX customer service, and disruption to shippers' business operations. The Board's initial oversight actions included sending letters to CSX's President and Chief Executive Officer (CEO) (at the time, E. Hunter Harrison), establishing weekly calls between STB's staff and CSX's senior management, and requiring CSX to provide specific additional performance data on a weekly basis.

On October 11, 2017, the Board held a listening session in Washington, D.C., to hear in person from senior CSX executives on the company's plans to resolve service problems. The public forum also provided stakeholders with the opportunity to report on rail service challenges. Nearly 20 rail shippers and shipper trade associations participated in the listening session and described in detail the impact of subpar and unreliable rail service. Additionally, the Board members were able to hear from and directly question CSX's President and CEO and its Chief Operating Officer.

Following the listening session, the Board continued to monitor CSX's service and its recovery efforts. Board staff reviewed performance data submitted by CSX on a weekly basis and conducted weekly calls with CSX management. On December 14, 2017, the Board wrote to CSX's President and CEO to request updates on several key issues related to its service recovery. On February 1, 2018, the Board members met separately with CSX's new President and CEO, James Foote, about CSX's progress in restoring reliable service. At the end of the first calendar quarter of 2018, the STB discontinued its heightened oversight and the additional reporting by CSX in recognition of CSX's improved weekly performance metrics during the quarter.

In March 2018, the Board wrote to all seven Class I railroads operating in the United States to request an update on each carrier's current service performance and outlook for the remainder of 2018. The letters were prompted by the Board's review of railroad service performance data, which is reported to the Board on a weekly basis, and its concerns about declining rail service voiced by two major shipper trade associations. The Board also initiated informal monitoring of three carriers, including weekly calls between senior railroad management and staff of the Board's Rail Customer and Public Assistance (RCPA) office. Board members or staff also met with senior management of these railroads in the spring of 2018 to discuss the Board's concerns about service and learn about recovery efforts.

Informal Board oversight is ongoing with respect to several carriers. The Board initiated informal oversight of Union Pacific Railroad (UP) in the fall of 2018, after UP announced plans

to implement a new network operating plan that incorporates tenets of “precision scheduled railroading.” The Board requested that UP’s senior management establish weekly calls with the Board’s RCPA staff during the implementation process to keep the agency fully informed of UP’s operating changes and impacts to customers and others. The Board initiated similar informal oversight of Norfolk Southern Railway (NS) following its November 2018 announcement that it intended to implement aspects of “precision scheduled railroading” in 2019 as part of a new operating plan. The Board believes that informal oversight of UP and NS is warranted because of the potential for severe service disruptions when a railroad makes sweeping operational changes, as occurred in 2017-2018 when CSX Transportation adopted “precision scheduled railroading.”

Rate Cases

On January 11, 2018, the Board issued a final decision in *Consumers Energy Co. v. CSX Transportation, Inc.*, Docket No. NOR 42142. The Board found that the complaining shipper did not have a feasible shipping alternative to the defendant railroad for the transportation at issue, and that the rate challenged by the complaining shipper had been demonstrated to be unreasonably high under the stand-alone cost constraint. Therefore, the Board prescribed maximum reasonable rates for future shipments and ordered the defendant railroad to pay reparations for past excessive charges. At the same time, however, the Board also found that the complaining shipper had not shown that the defendant railroad was revenue adequate under the revenue adequacy constraint. This case required significant Board resources. Both litigants filed petitions for technical corrections and for reconsideration of the January decision, which the Board addressed in a decision served August 2, 2018. The litigants each sought judicial review of the Board’s decisions. See *Consumers Energy Co. v. STB, et al.*, No. 18-1259 (D.C. Cir.). Note, in FY 2019, the litigants entered into a settlement agreement.

In *Arizona Electric Power Cooperative, Inc. v. BNSF Railway*, Docket No. NOR 42113, the Board reinstated the rate prescription in this proceeding for 2016, using financial data that had been unavailable until 2018. The Board previously held this case in abeyance through 2018, to allow the asset markup resulting from the Berkshire Hathaway, Inc., acquisition of BNSF Railway Company (BNSF) to be fully reflected in the variable costs and rate prescription. Because the asset markup is now fully reflected in the variable costs, the Board removed this proceeding from abeyance and reinstated the rate prescription for 2017-2018.

Unreasonable Practice

In *National Railroad Passenger Corp.—Section 213 Investigation of Substandard Performance on Rail Lines of Canadian National Railway*, Docket No. NOR 42134, the Board dismissed without prejudice the complaint of the National Railroad Passenger Corporation (Amtrak) requesting that the Board initiate an investigation of alleged substandard performance of the

Illini/Saluki service on the lines of Canadian National Railway Company, between Chicago and Carbondale, Ill. The Board took this action because its final rules with respect to on-time performance under Section 213 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) were vacated by the U.S. Court of Appeals for the Eighth Circuit in July 2017 and the U.S. Supreme Court denied petitions for certiorari in February 2018.

In *National Railroad Passenger Corp.— Investigation of Substandard Performance of the Capitol Ltd.*, Docket No. NOR 42141, the Board dismissed without prejudice the Amtrak complaint requesting that the Board initiate an investigation of alleged substandard performance of the Capitol Limited service on the lines of CSX, and NS between Chicago, Ill., and Washington, D.C. The Board took this action because its final rules with respect to on-time performance under Section 213 of PRIIA were vacated by the U.S. Court of Appeals for the Eighth Circuit in July 2017 and the U.S. Supreme Court denied petitions for certiorari in February 2018.

In *Central Valley Ag Grinding, Inc. v. Modesto & Empire Traction Co.*, Docket No. NOR 42159, the Board prohibited Modesto and Empire Traction Company from, among other things, requiring prepayment for unit train switching and interchange services for rail traffic destined to the Modesto facility of Central Valley Ag Grinding, Inc. and Central Valley Ag Transport Inc. during the pendency of the complaint proceeding.

Petition for Enforcement

In *Union Pacific Corp.—Control & Merger—Southern Pacific Rail Corp.*, Docket No. FD 32760, the Board granted the petition for enforcement filed by BNSF and Mission Rail Industrial Park, LLC and directed UP to allow BNSF to provide rail service to Mission Rail Park.

Rulemakings

In *Revisions to the Cost of Capital Composite Railroad Criteria*, Docket No. EP 664 (Sub No. 3), the Board adopted final rules to update one of the screening criteria used to create the “composite railroad” for the Board’s annual cost-of-capital determination. This final rule requires a company’s stock to be listed on either the New York Stock Exchange (NYSE) or the Nasdaq Stock Market, rather than on either the NYSE or American Stock Exchange (AMEX), as the AMEX no longer exists.

In *Expediting Rate Cases*, Docket No. EP 733, the Board adopted final rules to modify its regulations pertaining to its rate case procedures pursuant to section 11 of the STB Reauthorization Act.

In *Ex Parte Communications in Informal Rulemaking Proceedings*, Docket No. EP 739, the

Board modified its regulations to permit, subject to disclosure requirements, ex parte communications in informal rulemaking proceedings. The Board also adopted other changes to its ex parte rules that would clarify and update when and how interested persons may communicate informally with the Board regarding pending proceedings other than rulemakings. The intent of the modified regulations is to enhance the Board's ability to make informed decisions through increased stakeholder communications while ensuring that the Board's record-building process in rulemaking proceedings remains transparent and fair.

In *Updating the Code of Federal Regulations*, Docket No. EP 746, the Board issued two decisions, each adopting final rules to replace certain obsolete or incorrect references in the Board's regulations.

Finally, in *Payment, Filing, and Service Procedures*, Docket No. EP 747, the Board proposed updates and efficiencies to the agency's payment, filing, and service procedures recommended by the Board's Regulatory Reform Task Force. The proposed updates are intended to promote increased use of electronic filing and payment systems, reduce paper filing and service requirements on the Board and its stakeholders, and enhance the accessibility of information relating to proceedings and functions of the Board. Comments were due on September 24, 2018, and the Board expects to issue a final rule in March 2019.

Declaratory Order

In *Los Angeles County Metropolitan Transportation Authority—Petition for Declaratory Order*, Docket No. FD 36112, the Los Angeles County Metropolitan Transportation Authority (LACMTA) filed a petition for declaratory order asking the Board to confirm its status as a rail carrier providing transportation subject to the jurisdiction of the Board. LACMTA sought such clarification after the California State Board of Equalization had concluded that LACMTA is not a rail carrier providing transportation subject to the jurisdiction of the Board. The Board found that LACMTA continued to be a rail carrier within the Board's jurisdiction.

In *Adrian & Blissfield Rail Road—Petition for Declaratory Order*, Docket No. FD 36148, Adrian & Blissfield Rail Road requested a declaratory order that the initiation of a Michigan state court condemnation proceeding by Consumers Energy Company was preempted under 49 U.S.C. § 10501(b). The Board denied the petition for declaratory order but provided guidance on the question of preemption for the court and the parties.

In *City of Sammamish, Wash.—Petition for Declaratory Order*, Docket No. FD 36161, the Board denied a request of Sammamish, Wash. (City), for an order declaring that the construction and use of a railbanked corridor for interim use as a recreational trail by King County, Wash. (County), "is not exempt from the City's local land use and development

regulations,” and that neither 49 U.S.C. § 10501(b), nor the National Trails System Act (Trails Act), 16 U.S.C. § 1247(d), authorizes the County to override these local public health and safety regulations in order to operate the trail.

In *Jimmy Lee Waneck —Petition for Declaratory Order*, Docket No. FD 36167, the Board denied a request to issue a declaratory order but provided guidance on the question of preemption concerning safety-related claims arising from a collision between a train and a bus at a railroad crossing. The defending carrier filed a petition for reconsideration, which the Board denied by a decision served in October 2018.

In *Commuter Rail Division of the Regional Transportation Authority—Petition for Declaratory Order—Status of Chicago Union Station*, Docket No. FD 36171, the petitioners asked that the Board declare that the agency retains jurisdiction over Chicago Union Station and that the Board has authority to prescribe terms for its use and to mediate related disputes. The Board denied the petition as premature but provided guidance on issues that the parties should address if a related petition is filed in the future.

Licensing

In *New England Central Railroad—Trackage Rights Order—Pan Am Southern LLC*, Docket No. FD 35842, the Board adopted modifications to a trackage rights order governing the operations of Pan Am Southern LLC over a New England Central Railroad, Inc. (NECR) rail line. In a later decision, the Board denied a petition filed by NECR to reconsider the Board’s original decision.

In *Grand Elk Railroad—Acquisition of Incidental Trackage Rights Exemption—Norfolk Southern Railway*, Docket No. FD 35187 (Sub No. 1), et al., the Board denied the petition for exemption of Grand Elk Railroad (GDLK) in Docket No. FD 36127 and its petition for a Board order in Docket No. FD 36127 (Sub No. 1). However, the Board reopened Docket No. FD 35187 (Sub No. 1), to authorize retroactively GDLK’s acquisition of trackage rights in Grand Rapids, Mich., as of January 30, 2009. The Board also directed CSX to allow GDLK to provide service over CSX’s line pending any subsequent determination of GDLK’s right to access the line.

In *City of Fishers—Petition for Partial Revocation of Exemption*, Docket No. FD 36137, the Board found that the cities of Fishers and Noblesville, Ind., and Hamilton County, Ind., may pursue rail banking of a line of rail under 16 U.S.C. § 1247(d) and 49 C.F.R. § 1152.29 without the need for revocation authority from the Board. Subsequently, in a related docket—Docket No. AB 290 (Sub-No. 117X)—three separate requests for interim trail use were filed, and a “motion for clarification” and a petition for preliminary injunction were also filed. Those matters are pending with the Board.

In *Sureride Charter Inc.—Acquisition of Control—McClintock Enterprises*, Docket No. MCF 21077, the Board tentatively approved and authorized Sureride Charter Inc. d/b/a Sundiego Charter Co. d/b/a SunExpress Charter Co. to acquire control of McClintock Enterprises, Inc. d/b/a Goldfield Stage & Company, subject to opposing comments. No opposing comments were filed. Consequently, the acquisition became effective on December 19, 2017.

In *National Express LLC—Acquisition of Control—Queen City Transportation, LLC*, Docket No. MCF 21078, the Board tentatively approved and authorized National Express LLC to acquire control of Queen City Transportation, LLC, subject to opposing comments. No opposing comments were filed. Consequently, the acquisition became effective on December 27, 2017.

In *Academy Bus, LLC—Purchase of Certain Assets of Daniel’s Charters & Tours LLC*, Docket No. MCF 21079, the Board tentatively approved and authorized the jointly filed application of Academy Bus LLC, a motor carrier of passengers; Franmar Leasing LLC, a non-carrier; and Daniel’s Charters & Tours LLC, a motor carrier of passengers, for Academy and Franmar to acquire certain properties of Daniel’s Charters, subject to opposing comments. No opposing comments were filed. Consequently, the acquisition became effective on April 10, 2018.

In *National Express Transit Corp.—Acquisition of Control—Aristocrat Limousine & Bus.*, Docket No. MCF 21080, the Board approved and authorized National Express Transit Corporation to acquire from Brenda Baxter, Richard Wright, and Ralph Wright control of Aristocrat Limousine and Bus, Inc., an interstate and intrastate passenger motor carrier, subject to opposing comments. No opposing comments were filed. Consequently, the acquisition became effective on April 21, 2018.

In *Larry Ferguson—Acquisition of Control—C & H Bus Lines, Inc.*, Docket No. MCF 21081, the Board approved and authorized Larry Ferguson d/b/a Transouth Motorcoach, LLC to acquire C & H Bus Lines, Inc. (C&H), subject to opposing comments. No opposing comments were filed. Consequently, the acquisition became effective on May 11, 2018. The Board had previously permitted Larry Ferguson D/B/A Transouth Motorcoach, LLC (TranSouth) to operate properties of C&H on an interim basis in Docket No. MCF 21081-TA, pending determination of the application for TranSouth to acquire C & H.

In *Delmarva Central Railroad—Change in Operator Exemption—Cassatt Management, LLC*, Docket No. FD 36196, the Board permitted Delmarva Central Railroad to assume operations on an expedited basis over a line of railroad on the Delmarva Peninsula that had been served by Cassatt Management, LLC d/b/a Bay Coast Railroad. In a related matter, in *Buckingham Branch Railroad—Change in Operators Exemption—Cassatt Management, LLC*, Docket No. 36202, the Board similarly permitted Buckingham Branch Railroad Company to assume operations on an expedited basis over lines of railroad near Norfolk, Va., that had also been served by Cassatt Management, LLC d/b/a Bay Coast Railroad.

Abandonments/Discontinuances

In *CSX Transportation, Inc.—Abandonment Exemption—in Harlan County, Ky.*, Docket No. AB 55 (Sub-No. 773X), the Board permitted CSX to end its common carrier rail service over approximately 1.6 miles of rail line in Harlan County, Ky., subject to standard employee protective conditions.

In *Norfolk Southern Railway—Abandonment Exemption—in Aurora, Portage County, Ohio*, Docket No. AB 290 (Sub-No. 394X), and *Cleveland Commercial Railroad—Discontinuance of Lease & Operation Authority—in Aurora, Portage County, Ohio*, Docket No. AB 1257X, the Board allowed NS to abandon, and Cleveland Commercial Railroad Company, LLC (CCR) to discontinue service over, a line of railroad in Portage County, Ohio, subject to historic preservation and public use conditions. The Board also denied a stay requested by the Ohio Association of Railroad Passengers. In a later decision, the Board denied the motions of the Ohio Association of Railroad Passengers to void and reject the NS and CCR verified notice of exemption.

In *Union Pacific Railroad—Abandonment & Discontinuance of Service Exemption—in Cerro Gordo County, Iowa*, Docket No. AB 33 (Sub-No. 327X), the Board granted an appeal of the November 20, 2017 decision of the Acting Director of the Office of Proceedings that rejected M&StL Group, LLC’s notice of intent to file an offer of financial assistance (OFA) to purchase a rail line from UP, and found M&StL Group, LLC preliminarily financially responsible. M&StL subsequently informed the Board that it would not be filing an OFA to purchase the rail line involved in this proceeding.

In *ABE Fairmont, LLC—Abandonment Exemption—in Fillmore County, Neb.*, Docket No. AB 1106 X, et al., the Board permitted BNSF to discontinue its trackage rights over approximately 0.77 miles of rail line in Fillmore County, Neb., and for ABE Fairmont, LLC, to abandon its common carrier rail service over approximately 2.77 miles of rail line also in Fillmore County, Neb., subject to standard employee protective conditions. The Board also retroactively waived the notice of consummation requirement in Docket No. AB 492 (Sub-No. 2X) for

abandonment of 6.30 miles of rail line formerly owned by Fillmore & Western Railway Company.

In *Buckeye East Chicago Railroad—Abandonment Exemption—in Lake County, Ind.*, Docket No. AB 1247, the Board allowed Buckeye East Chicago Railroad LLC and Landisville Railroad, LLC, to abandon and discontinue, respectively, approximately 1.34 miles of rail line in Lake County, Ind., subject to standard employee protective conditions.

In *Buckeye Hammond Railroad LLC—Abandonment Exemption—in Lake County, Ind.*, Docket No. AB 1249, the Board allowed Buckeye Hammond Railroad LLC to abandon approximately 1.29 miles of rail line in Lake County, Ind., subject to standard employee protective conditions.

In *Hartwell First United Methodist Church—Adverse Abandonment & Discontinuance—Great Walton Railroad, in Hart County, Ga.*, Docket No. AB 1242, the Board denied an application for adverse abandonment and discontinuance of approximately 0.25 miles of rail line and associated right-of-way.

In *Alloy Property Company—Adverse Abandonment—Chicago Terminal Railroad in Chicago, Ill.*, Docket No. AB 1258, the Board granted, subject to trail use, environmental, and labor protective conditions, the application by Alloy Property Company, LLC, for adverse abandonment

Petitions for Reconsideration or Reopening

A party may file a discretionary appeal to the Board to reconsider or reopen a decision if (1) new evidence or changed circumstances are presented that have a material impact on the Board's action, or (2) material error occurred. In FY 2018, the Board issued decisions in response to petitions for reconsideration or reopening in a number of dockets, including:

New England Central Railroad—Trackage Rights Order—Pan Am Southern LLC, Docket No. FD 35842.

Canadian National Railway—Control—EJ&E West Co., Docket No. FD 35087 (Sub-No. 8).

City of Ozark, Ark.—Petition for Declaratory Order, Docket No. FD 36104.

Consumers Energy Company v. CSX Transportation, Inc., Docket No. NOR 42142.

Status of Agency Library, Docket No. EP 745.

Petition of the Western Coal Traffic League to Institute a Rulemaking Proceeding to Abolish the use of the Multi-Stage Discounted Cash Flow Model in Determining the Railroad Industry's Cost of Equity Capital, Docket No. 664 (Sub-No. 2).

Uniform Railroad Costing System Update

The Board continued its efforts to recode the Board's Uniform Railroad Costing System (URCS) to modernize it. The Board previously switched to new processes for creating the URCS Phase II worktables, and has turned its attention to addressing URCS Phase III.

Environmental Review

The Board considers environmental impacts in its decision-making process under the National Environmental Policy Act (NEPA), 42 U.S.C. §§ 4321-4370h and related laws. 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 (EIS) and Environmental Assessments (EA), which assess the potential environmental impacts that could result from a Board decision. The EISs and EAs currently being prepared by the Board staff span the nation and vary in scope.

During FY 2018, the Board worked on 13 EISs and 26 EAs in rail projects, comprising rail line constructions and rail line abandonments. Some of these cases have not been formally filed with the Board, but the Board has begun the environmental reviews to ensure a streamlined approach to these infrastructure projects.

Environmental Impact Statements (EIS)

The 13 EISs included construction of a new railway from Alberta, Canada to Alaska, and construction of 40 miles of superconducting MAGLEV track between Baltimore, Md. and Washington, D.C. The Board has also been serving as a cooperating agency in the Federal environmental review of the construction of the California high speed rail project. The Board is also monitoring environmental mitigation in two completed rail construction cases in Alaska and in Texas.

Environmental Assessments (EAs)

The Board moved forward with 26 EAs (seven rail line constructions and 19 rail line abandonments) in FY 2018. These EAs included 23 miles of new rail line construction in Berkeley County, S.C., 2,600 feet of new track to connect to a marine terminal in Galveston, Tex., and three miles of new rail line to serve an industrial park near the Port of Savannah, in Georgia. In addition, the Board has conducted oversight and monitoring for two joint-easement transactions in Illinois and in Indiana and Kentucky. 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.

Categorical Exclusions

In FY 2018, 84 cases before the Board fell within a categorical exclusion from NEPA review. These cases included acquisitions, leases, operating exemptions, declaratory orders, rulemakings, transactions involving corporate changes, and certain discontinuances.

Alternative Dispute Resolution

In recent years, the Board has developed and issued arbitration and mediation rules to encourage parties informally to help 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, however no parties have yet agreed to participate in Board-sponsored arbitration. Successful mediation settlements result in significant savings of litigation expenses to the parties, allow both sides to reach mutually satisfactory agreements, and free up the Board's limited staff resources to work on other matters. In FY 2018, the Board held five mediations, three of which reached successful resolution, and one of which is ongoing.

A number of STB employees received formal mediation training in September 2018. The Board's mediators are able to leverage their substantive work experience and their specialized training to provide stakeholders with an effective pathway for resolving disputes outside of litigation.

Public Outreach and Informal Dispute Resolution

Through the RCPA program in the Board's Office of Public Assistance, Governmental Affairs, and Compliance, the Board continues to provide shippers, state and local governments, and members of the public with an accessible and effective resource for resolving disputes with rail carriers on an informal basis. RCPA works to resolve conflicts that would otherwise be submitted to the Board for adjudication, thereby conserving stakeholder and agency resources.

In FY 2018, RCPA handled 1,431 inquiries from stakeholders, of which 237 pertained to shipper-railroad service 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; 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 jurisdiction in this area. RCPA maintained its informal engagement with FMCSA to discuss HHG trends and with the Federal Maritime Commission (FMC) to discuss issues of common interest. Also, an RCPA staff member serves on an HHG consumer protection working group established under the FAST Act of 2015.

In addition to its dispute resolution function, RCPA also serves as a liaison between the public and the Board. RCPA fields inquiries from Board practitioners as well as from members of the public to provide those parties with a better understanding of Board regulations, rules, and procedures.

Government Affairs

Canada Transportation Modernization Act, C-49

In May 2018, Canada enacted the Canada Transportation Modernization Act, known as C-49, requiring Class I carriers that conduct any operations in Canada to report to Transport Canada on a monthly basis extensive commercial and operational information. To the extent that C-49 requires information about cross-border movements, U.S. law (49 U.S.C. § 11904) generally prohibits railroads from disclosing certain commercially sensitive information without the consent of the shipper. STB staff engaged in extensive discussions with Canadian counterparts, staff at the U.S. State Department and the DOT, Congressional offices, as well as representatives of the affected U.S. railroads to explore possible solutions to the conflict of laws. These efforts will continue into FY 2019.

Court Actions

In FY 2018, the Office of the General Counsel (OGC) handled a variety of cases on behalf of the Board.

In an abandonment case, the D.C. Circuit summarily affirmed the Board's decision upholding an order of an administrative law judge (ALJ) finding that James Riffin had not complied with a discovery order and had been untruthful in his testimony to the ALJ. As a result, the ALJ sanctioned Riffin by striking his filings, prohibiting him from submitting further filings in the proceeding, and imposing attorneys' fees. *Riffin v. STB*, No. 17-1161 (D.C. Cir. Jan. 12, 2018).

In a rate reasonableness case, the 11th Circuit upheld the Board's decision finding that the shipper had failed to demonstrate that the rate charged by the railroad was unreasonable. The court found that the Board was not arbitrary and capricious in resolving certain operating plan and debt amortization disputes. *Sunbelt Chlor Alkali P'ship v. STB*, No. 16-15701 (11th Cir. Jan. 26, 2018).

In a case challenging a BNSF tariff that imposed higher per-carload rates for crude-oil transportation in unjacketed DOT-111 tank cars (versus in other types of tank cars), the D.C. Circuit dismissed an appeal by the American Fuel & Petrochemical Manufacturers and vacated the Board's underlying decision, concluding that the case had become moot when the relevant use of the tank cars at issue was phased out by statute under the FAST Act of 2015. *American Fuel & Petrochemical Mfrs. v. STB*, No. 17-1112 (D.C. Cir. Apr. 2, 2018).

In a case involving compensation and other terms under a trackage rights agreement, the D.C. Circuit granted the Board's motion to dismiss New England Central Railroad's petition for review as premature because New England Central had a petition for reconsideration pending before the Board. *New England Cent. R.R. v. STB*, No. 17-1279 (D.C. Cir. Apr. 3, 2018).

In an acquisition transaction involving NS and Delaware & Hudson Railway (D&H) and D&H's discontinuance of nearby unused trackage rights, the Third Circuit granted the Board's motions to dismiss, for lack of standing, appeals by Eric Strohmeyer and CNJ Rail Corporation. *Strohmeyer v. STB*, Nos. 16-4362 and 16-4435 (3d. Cir. Apr. 27, 2018).

In a case arising out of the acquisition by Canadian National of an Elgin, Joliet and Eastern line circling Chicago, the Seventh Circuit upheld a Board order declining a community's request that the Board reopen the proceeding authorizing the transaction in order to require the railroad to install a grade separation. *Village of Barrington v. STB*, No. 17-3586 (7th Cir. June 11, 2018).

In a case on remand brought by local residents seeking to limit the types of activities conducted at a transload facility owned by a rail carrier, the First Circuit affirmed the Board's ruling that bagging, palletizing, shrink-wrapping, vacuuming, screening, and repelletizing wood pellets completing an interstate rail move are part of rail "transportation" and thus are within the STB's exclusive jurisdiction. *Del Grosso v. STB*, No. 17-1794 (1st Cir. Aug 6, 2018).

During FY 2018, the Board also defended (or prepared to defend) in court its decisions in *Kansas City Southern v. STB*, No. 16-1308 (D.C. Cir.) (BNSF terminal trackage rights) and *Consumers Energy Co. v. STB, et al.*, No. 18-1259 (D.C. Cir.) (rate reasonableness, which reached a settlement as noted above).

Other Matters

The OGC continued to handle a wide variety of other legal matters, including matters involving the Freedom of Information Act, the Privacy Act, the Paperwork Reduction Act, the Equal Employment Opportunity Act, NEPA, the National Historic Preservation Act, the Trails Act, the Federal Advisory Committee Act, the Federal Information Security Management Act, the Federal Information Technology Acquisition Reform Act, and the Federal Managers Financial Integrity Act. In addition, OGC also provided legal counsel on ethics issues and government contracting, and it participated in the Administrative Conference of the United States.

Advisory Committees

During FY 2018, the Board hosted meetings for three transportation advisory councils, 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 rail-car supply, 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. The Secretary of Transportation and the Board members are ex-officio members. RSTAC holds meetings quarterly.

The Board created the Rail Energy Transportation Advisory Committee (RETAC) in 2007 to provide advice and guidance to the agency. RETAC serves as a forum for discussing emerging issues concerning the rail transportation of energy resources such as coal, crude oil, ethanol, and other biofuels. The 25 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, and the private railcar industry.

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 14 representatives from Class I railroads, seven from Class II and Class III railroads, 14 from grain shippers and receivers, and five from private rail car owners and manufacturers.

Amtrak and Passenger Rail

During FY 2018, the Board continued work on its passenger rail responsibilities under PRIIA. STB staff monitored Amtrak performance through publicly available information and responded to informal inquiries about Amtrak and PRIIA, as needed. Agency staff also met regularly with Amtrak staff to discuss Amtrak's publicly available monthly on-time performance operating statistics. Amtrak had previously brought two on-time performance cases under PRIIA before the Board, which the Board dismissed, without prejudice, after substantial litigation over the constitutionality of the PRIIA provision under which the Federal Railroad Administration/Amtrak regulations governing on-time performance were adopted. Section 207 of PRIIA was initially found unconstitutional by the U.S. Court of Appeals for the D.C. Circuit, which vacated the regulations. The Board then stepped in and adopted its own on-time performance rules under section 213 of PRIIA, but those rules were set aside by the U.S. Court of Appeals for the Eighth Circuit in February 2018. In July 2018, the D.C. Circuit held that an important portion of PRIIA section 207 could be constitutional, but it did not reinstate the FRA/Amtrak on-time performance regulations. On January 22, 2019, the Association of American Railroads petitioned the U.S. Supreme Court for a writ of certiorari.

Efforts to Strengthen Information Technology Cybersecurity

During FY 2018, the STB continued its efforts to address its first Federal Information Security Management Act (FISMA) audit as an independent agency by implementing new cybersecurity policies and procedures, as well as adding capabilities to strengthen the STB's information systems security posture. The Board added additional IT security personnel by hiring an Information Systems Security Manager and contracting for an Information Systems Security Officer to improve its responsiveness to cybersecurity concerns. The STB has been diligently addressing each of the recommendations in its FY 2017 FISMA audit and will continue its efforts to ensure timely detection and reporting of cybersecurity incidents.

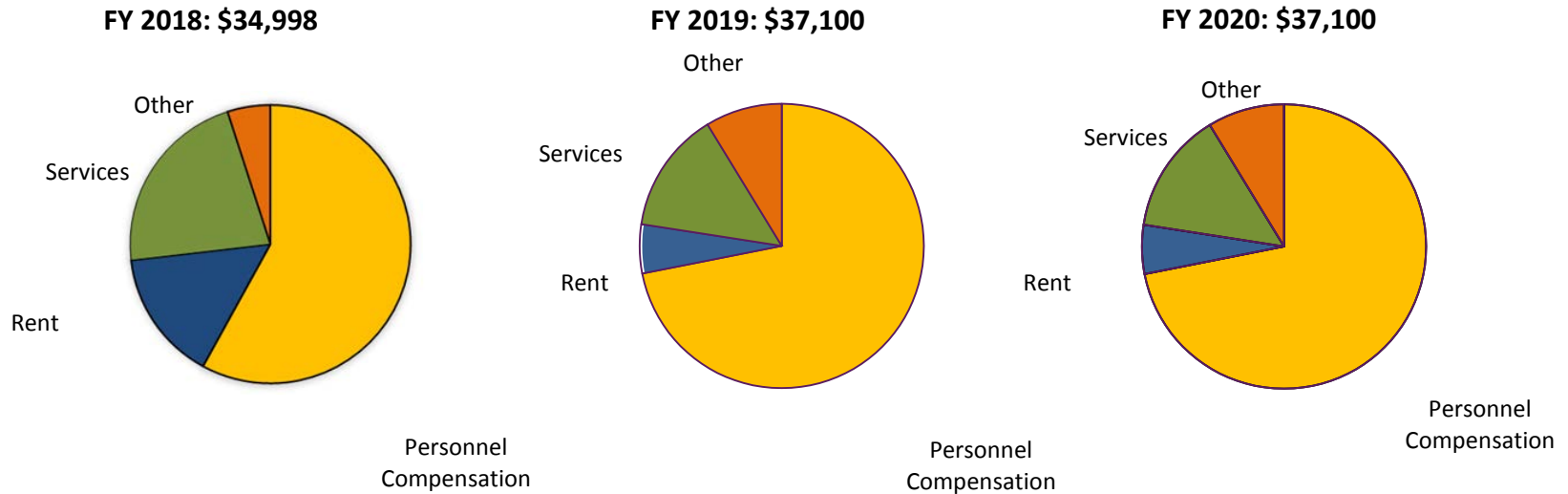
The Board also formalized its Risk Management Policy for the implementation of the Risk Management process and procedure controls within the STB. This policy requires STB-wide compliance with personnel security procedures in accordance with NIST.

In FYs 2019 and 2020, the Board will continue to strengthen its cybersecurity posture by investing in new technologies, processes, and capabilities to meet the FISMA requirements and OMB regulations, as well as current needs of its IT modernization efforts. Planned improvements include continuous security monitoring efforts of the STB's network, for which the STB will leverage resources of the Department of Homeland Security Continuous Diagnostics and Mitigation Program. In addition, IT staff will continue security and privacy controls assessments of STB's systems to ensure that security controls are applied correctly, operating as intended, and producing the desired outcome.

Budget Data

Dollar Cost: Comparison by Object Classification, FYs 2018–2020

(dollar amounts in thousands)



CATEGORY OF OBLIGATION ¹	FY 2018 Actual		FY 2019 Estimate		FY 2020 Request	
	Dollars	Percent of Total	Dollars	Percent of Total	Dollars	Percent of Total
Personnel Compensation and Benefits	\$19,990	57%	\$24,383	66%	\$25,150	67%
Rent, Utilities, and Security	5,232	15%	4,619	12%	4,345	12%
Services ²	6,381	18%	5,958	16%	5,469	15%
Other ³	3,395	10%	2,140	6%	2,136	6%
TOTAL	\$34,998	100%	\$37,100	100%	\$37,100	100%

¹ Note: Dollars may not add due to rounding in this and subsequent charts.

² Services include, but are not limited to, obligations for contractor staff (IT services; financial management, internal controls, and financial audits), software licenses, and Working Capital Fund;

³ 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 2018–2020

(dollar amounts in thousands)

	FY 2018 Actual Obligations (as of 9/30/18)	FY 2019 Estimate	FY 2020 Request	FY 2019–20 Change	Percentage Change
Personnel Compensation and Benefits	\$19,990	\$24,383	\$25,150	\$767	3%
Non-personnel Obligations					
Rent and Utilities	\$4,157	\$3,647	\$3,400	-247.00	-7%
Security	1,075	972	945	-27.00	-3%
Information Technology	4,155	2,797	2,341	-456.00	-16%
Interagency Agreements and Technical Services	1,734	2,738	2,710	-28.00	-1%
Working Capital Fund	492	423	418	-5.00	-1%
Travel and Transportation	48	126	130	4.00	3%
Training	109	150	150	0.00	0%
Office Supplies and Subscriptions (Legal and Periodicals)	332	401	386	-15.00	-4%
Relocation	1,600	0	0	0.00	0%
Miscellaneous Services (e.g. Health, Employee services, and Security Investigations)	848	213	220	7.00	3%
Reimbursable Obligations (Offsetting Collections)	458	1,250	1,250	0.00	0%
Non-personnel Obligations (Total)	\$15,008	\$12,717	\$11,950	(\$767)	-6%
Total Obligations	\$34,998	\$37,100	\$37,100	0	0%

Supplementary Budget Data

	FY 2018 Actual		FY 2019 Estimate		FY 2020 Request	
	Dollars	FTE	Dollars	FTE	Dollars	FTE
Collections	\$458		\$1,250		\$1,250	
Outlays	34,998		31,623		32,571	
Direct FTE		107		133		133
Reimbursable FTE	458	5	1,250	9	1,250	9

Workload Summary

Workload Category	FY 2018 as of 9/30/2018	FY 2019 Estimate	FY 2020 Estimate
Alternative Dispute Resolution			
Arbitrations	0	0	0
Informal Dispute Resolution	237	240	245
Mediations	5	5	6
Audits	8	7	7
Decisions			
Complaints			
Rate	16	17	17
Non-Rate	30	33	33
Declaratory Orders	53	58	58
Ex Parte Proceeding Decisions			
Rulemakings	21	19	16
Other	22	24	24
Licensing			
Applications/Petitions	57	63	63
Notices of Exemption	185	202	202
Other (incl. Grant Stamps)	68	75	75
Non-Rail Decisions	9	10	10
Other	20	22	22
Defensibility Assessments	75	80	80
Depreciation Studies	9	10	10
Economic Statistical Reports	5	5	5
Environmental			
Categorical Exclusions	99	72	76
Environmental Assessments	26	26	29
Environmental Impact Statements	13	15	14
Ethics Reviews	117	105	105

Fee Waiver Determinations	11	12	12
Advisory Committee Meetings (incl. Federal Advisory Committee Act Committees)	6	8	8
Filings	1,841	2,000	2,000
Freedom of Information Act (FOIA) Requests	32	40	40
Investigations (pursuant to 49 U.S.C. § 11701)	0	1	1
Judicial Review	9	10	10
Outreach & Communication			
Conferences	21	20	20
Environmental Meetings	19	26	23
Ex Parte Meetings	12	10	10
Stakeholder Meetings	85	60	60
Public Forum			
Hearings	0	1	1
Listening Sessions	1	0	0
Oral Arguments	0	0	0
Other	0	0	0
Rail Service Data Reports	44	52	54
Recordations	1,575	1,600	1,600
Section 5 Collaborative Discussions	2	5	5
Technical Conferences	1	2	3
Waybill Requests	120	130	136

Strategic Goals and Annual Performance Measures

Summary of Strategic Goals, Objectives, and Performance Measures			
STRATEGIC GOAL 1: Protect the public interest in surface transportation matters.			
Performance Goal 1: Facilitate greater understanding among and between carriers, shippers, and other stakeholders by supporting and participating in the work of the National Grain Car Council, the Railroad-Shipper Transportation Advisory Council, and the Rail Energy Transportation Advisory Committee.	2018 Actual	2019 Target	2020 Target
Performance Measure 1: Facilitate formal outreach efforts to promote effective compliance programs by hosting a minimum of seven collaborative meetings a year to discuss emerging challenges and industry trends with various stakeholder groups.	Met	Meet	Meet
Performance Goal 2: Encourage the voluntary resolution of rail operational and service-related issues involving shippers, railroads, state and local governments, and the public by providing informal access to the Board through the Rail Customer and Public Assistance Program (RCPA).	2018 Actual	2019 Target	2020 Target
Performance Measure 1: Informal inquiries and complaints from stakeholders and the public are responded to by RCPA within 3 days of receipt.	Met	Meet	Meet
Performance Goal 3: Conduct responsive, impartial, and timely adjudications.	2018 Actual	2019 Target	2020 Target
Performance Measure 1: Use resources efficiently to issue timely Decisions that are responsive to the needs of the public and are consistent with applicable laws and precedent greater than 90% of the time.	Met	Meet	Meet
Performance Measure 2: Board decisions are responsive to the comments, evidence, and argument, such that court decisions fault the agency for failing to address issues raised less than 25% of the time.	Met	Meet	Meet
Performance Measure 3: Board decisions are substantively supported, such that court decisions set aside agency rulings as beyond the agency’s authority, or arbitrary, capricious, or an abuse of discretion, less than 25% of the time.	Met	Meet	Meet

Summary of Strategic Goals, Objectives, and Performance Measures (continued)			
<p>Performance Goal 4: Ensure early and continuing opportunities for public participation and stakeholder input for projects that trigger review under NEPA and other related environmental laws by conducting public outreach, and informational meetings to inform and educate the public, and managing rail-related information databases for public use. Provide consistent, coordinated, and predictable environmental reviews and authorization processes for infrastructure projects.</p>	2018 Actual	2019 Target	2020 Target
<p>Performance Measure 1: Prepare environmental service lists and conduct public outreach through meetings, webinars, and websites, as appropriate, at least 80% of the time in cases requiring environmental review.</p>	Met	Meet	Meet
<p>Performance Measure 2: Process environmental reviews and authorization decisions for major infrastructure projects within 2 years to the maximum extent practicable consistent with Executive Order No. 13807, greater than 80% of the time.</p>	Met	Meet	Meet
<p>Performance Goal 5: Ensure that the public, through efficient FOIA processing, can obtain information about the Board, the programs it administers, and the actions it takes.</p>	2018 Actual	2019 Target	2020 Target
<p>Performance Measure 1: To promote transparency and public confidence in the Board's programs, Board staff will respond to requests under the FOIA, within the statutory time frame of 20 business days, excluding statutory-authorized extensions.</p>	Met	Meet	Meet
<p>STRATEGIC GOAL 2: Foster economic efficiencies through reliance, where possible, on marketplace factors to encourage the development and continuation of economically sound, efficient, and reliable surface transportation systems that have adequate capacity to meet the needs of our economy.</p>			
<p>Performance Goal 1: Collect and publish statistical data permitting the public to better understand trends in traffic volumes, rates, and the financial health of the rail industry.</p>	2018 Actual	2019 Target	2020 Target
<p>Performance Measure 1: Publish Monthly, Quarterly, and Annual Statistical Reports within 30 days of receiving all needed inputs.</p>	Met	Meet	Meet
<p>Performance Measure 2: Collect and publish rail service metrics within 24 hours of receipt.</p>	Met	Meet	Meet

Summary of Strategic Goals, Objectives, and Performance Measures (continued)			
Performance Goal 2: Support the maintenance and development of adequate surface transportation systems to sustain the Nation’s economic growth.	2018 Actual	2019 Target	2020 Target
Performance Measure 1: Recordations are entered into the Board’s public database within one business day, at least 90% of the time.	Met	Meet	Meet
Performance Measure 2: The Board issues licensing authority within the required statutory and/or regulatory timeframe, at least 95% of the time.	Met	Meet	Meet
STRATEGIC GOAL 3: Provide a Timely, Efficient, and Decisive Process			
Performance Goal 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.	2018 Actual	2019 Target	2020 Target
Performance Measure 1: Prepare, post, and provide delivery to Congress quarterly reports on status of rate reasonableness cases, formal complaints, informal complaints, and pending regulatory proceedings.	Met	Meet	Meet
Performance Measure 2: Publishes the Semi-annual Regulatory Agenda.	Met	Meet	Meet
STRATEGIC GOAL 4: Ensure Proper Agency Structure			
Performance Goal 1: Identify and alleviate current and future skills gaps by succession planning and by providing appropriate training to staff to prepare for impending retirements of senior staff.	2018 Actual	2019 Target	2020 Target
Performance Measure 1: The Board will assess annually the training and development needs of staff, at least 90% of the time.	Met	Meet	Meet
Performance Goal 2: Ensure that Board members and staff are properly trained on, and abide by, applicable ethics rules, so that they can maintain the public’s trust in impartial Board decisions issued without conflicts of interest.	2018 Actual	2019 Target	2020 Target
Performance Measure 1: Conduct yearly ethics training.	Met	Meet	Meet
Performance Measure 2: Provide initial response to employee’s ethic inquiries within 48 hours, at least 80% of the time.	Met	Meet	Meet

Administrative and Organizational Data

Board Members

The Board is comprised of five members nominated by the President and confirmed by the Senate for five-year terms⁴. As of September 30, 2018, there were two members serving on the Board and three vacancies⁵. Each member serves a term of five years, unless appointed to fill an unexpired term. If a member departs the STB before the end of his or her term, a successor is appointed to the vacant seat for the remainder of the departing member's 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

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

The Office of Public Assistance, Governmental Affairs, and Compliance (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 news media. OPAGAC's mission is to aid the public in participating in matters before the STB, 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, as well as internal operations such as rail operations analysis, monitoring and analysis of certain passenger rail matters, tariffs, the Board's library, records management, and mediation coordination. OPAGAC is also responsible for the management of the RCPA program, which assists 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 wherever possible.

⁴ The STB Reauthorization Act expanded the Board's membership from three to five Board members.

⁵ Deb Miller's term expired on December 31, 2017, and she remained at the Board for one year, through December 31, 2018, as permitted under the statute. Patrick Fuchs was sworn in as a member on January 17, 2019, and Martin Oberman was sworn in as a member on January 22, 2019.

The Office of Economics (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 Rail Costing System.

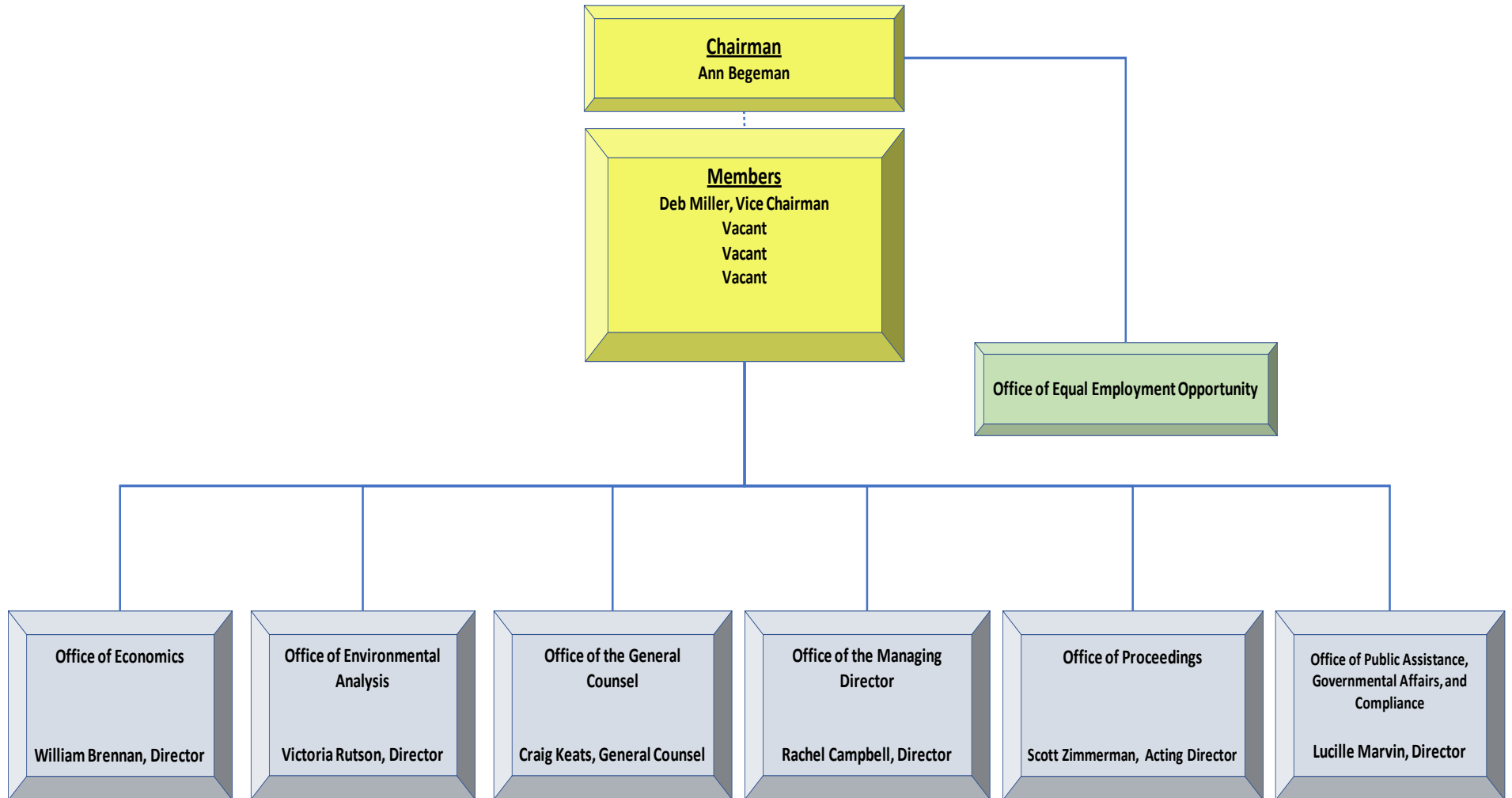
The Office of the General Counsel (OGC) is legal counsel to the Board and provides two main services: enhancing the defensibility of the agency's decisions and defending those decisions in court. The OGC also advises the Board on various mission-related matters, including government ethics requirements and matters involving the Freedom of Information, Privacy, Paperwork Reduction, Sunshine, and Equal Employment Opportunity Acts. Finally, the OGC assists both the Department of Justice in responding to ancillary litigation related to Board proceedings and the Solicitor General in transportation-related Supreme Court litigation.

The Office of Proceedings (OP) has primary responsibility for managing the public record in formal cases (or proceedings) filed with the Board, making recommendations regarding the resolution of issues presented in those cases, and preparing the decisions issued by the Board. Specifically, OP oversees the Board's caseload, which includes developing the public record, 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 to be issued by the Board. OP also performs administrative services for the Board, including receiving and processing formal filings from the public; administering the Board's voting process; serving as a clearinghouse for final decisions; coordinating with the Federal Register for publication of decisions; and tracking the Board's casework to provide status updates to senior leaders about the agency's interim progress and create reports measuring the agency's performance. In addition, OP maintains a database for recording and perfecting secured transactions involving interstate rail equipment.

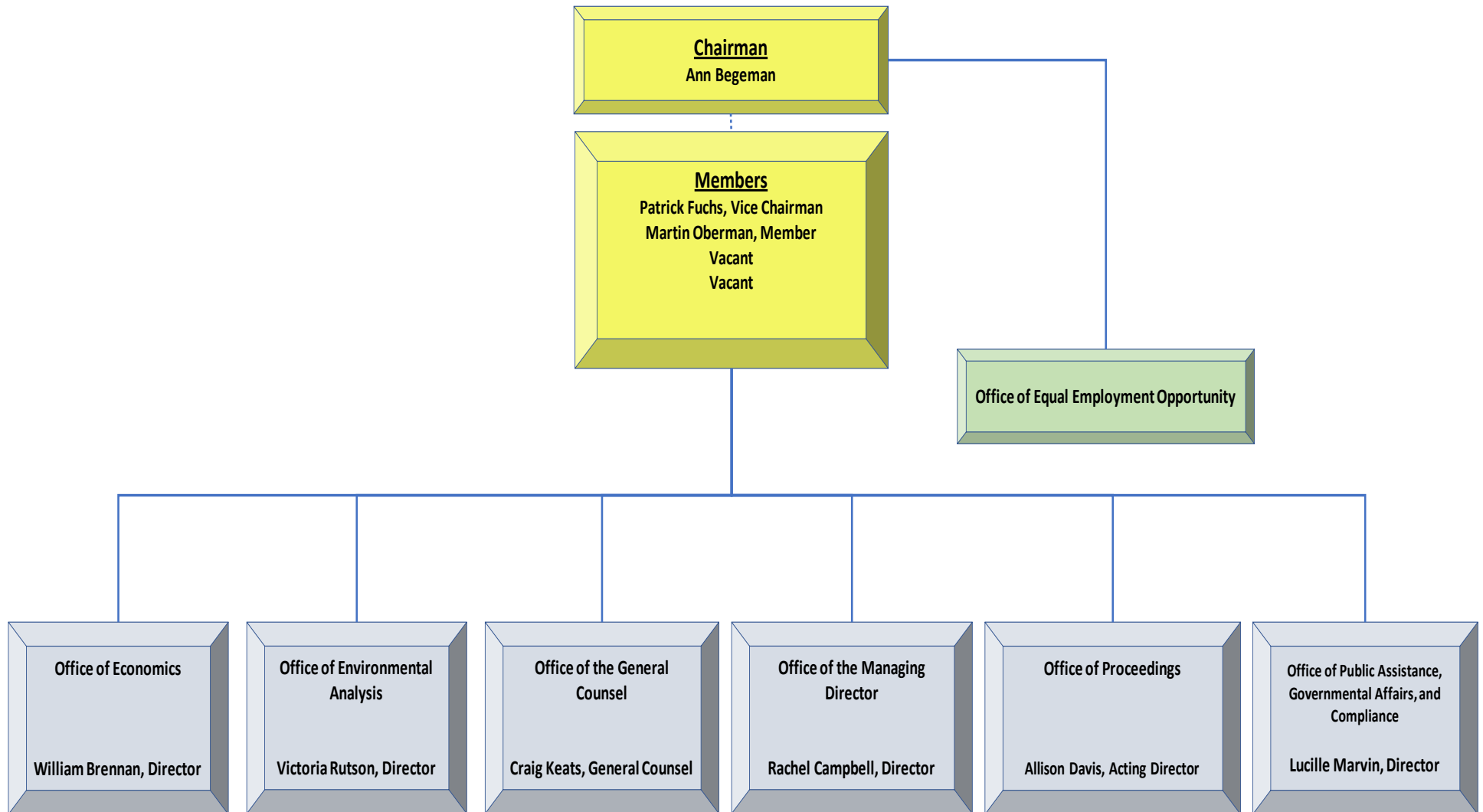
The Office of Environmental Analysis (OEA) assists the Board in meeting its responsibilities under NEPA, and other related federal statutes. NEPA requires the Board to consider the potential environmental impacts before making its final decision in certain cases. OEA conducts an independent environmental review of cases filed with the Board; prepares any necessary environmental documentation; conducts public outreach to inform the public about proposals before the Board and invites stakeholders' comments; and provides technical advice and recommendations to the Board on environmental matters.

The Office of the Managing Director (OMD) provides a wide range of administrative services in support of the Board’s mission, including human resource management, financial services, IT support, and facilities management.

Surface Transportation Board Office—Organization Chart (as of September 2018)



Surface Transportation Board Office—Organization Chart (as of March 2019)



Current Staffing Plan and Vacancies

Office	FY 2018		
	Permanent and Term Positions in Staffing Plan	Permanent and Term on Board (as of 9/30/18)	Vacancies
Members' Offices	13	6	7
Equal Employment Opportunity*	0	0	0
Subtotal Independent Offices	13	6	7
Office of Economics	27	23	4
Office of Environmental Analysis	10	8	2
Office of the General Counsel	17	13	4
Office of the Managing Director**	19	16	3
Office of Proceedings	41	36	5
Office of Public Assistance, Governmental Affairs, and Compliance	15	11	4
Subtotal Operational Offices	129	107	22
Board Total	142	113	29

* The STB through an Interagency agreement with FMC 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.

** The OMD is continuously evaluating the Board's workload and aligning resources to meet organizational needs.



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