



STRATEGIC PLAN

***Fiscal Years
2018-2022***

Surface Transportation Board

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SECTION I

**ABOUT THE SURFACE
TRANSPORTATION BOARD**

Introduction

The Surface Transportation Board (STB or Board) is 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), Pub. L. No. 114-110, established the Board as a fully independent agency on December 18, 2015.

responsibilities with respect to passenger rail matters, including Amtrak-Host Carrier Compensation Disputes, Amtrak-State Sponsored Short Distance Corridor Funding Disputes, and Passenger Rail Line Construction. The Board’s responsibilities also include certain matters relating to the intercity bus industry, non-energy pipelines, household goods carriers’ tariffs, and rate regulation of non-contiguous domestic water transportation (i.e., freight shipping between mainland United States and Hawaii, Alaska, Puerto Rico, and other U.S. territories and possessions).

The Board has discretion to adjust its regulations to address changing transportation environments or particular circumstances, using the broad exemption authority in 49 U.S.C. §§ 10502, 13541, and 15302.

Vision

As a small and adaptable regulatory agency with a highly skilled workforce, the Surface Transportation Board supports the Nation’s surface transportation system and its stakeholders through timely and impartial Board action, adjudication, and informal dispute resolution.

Mission

The Surface Transportation Board 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.

The Board has regulatory jurisdiction over railroad rate reasonableness, mergers, line acquisitions, new rail line construction, and abandonments of existing rail lines. While most of the Board’s work involves freight railroads, the Board also has certain

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The Board is charged with providing an efficient and effective forum for the resolution of disputes and other matters within its jurisdiction. The Board promotes

private-sector negotiations and resolutions where possible and appropriate, and takes other actions in the public interest as necessary.

Organization

The STB was created by the ICC Termination Act of 1995, and is the principal successor agency to the Interstate Commerce Commission (ICC). In 2017, the Board had 130 FTEs (down from 137 FTEs in 2015 and 149 FTEs in 2010).

The Board requested 142 FTEs in its Fiscal Year (FY) 2018 budget request to Congress to bolster the agency's ability to efficiently manage its complex workload, and made a similar request to the Office of Management and Budget in its FY 2019 funding request.

STB Organization Chart



Offices

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 general 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, and mediation coordination. OPAGAC is also responsible for the management of the Rail Customer and Public Assistance Program, which assists the public with informal rail-related disputes nationwide.

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

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accounting systems. OE 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 (URCS).

The Office of the General Counsel (OGC) is the Board's primary legal counsel 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 as well as 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) serves as the Agency's backbone in providing for a timely, efficient, and decisive regulatory process. The office provides two sets of services. First, OP manages the majority of 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. Second, OP performs administrative services for the Board: 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 the National Environmental Policy Act of 1969 (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) acts as the liaison between the Board and other Federal Agencies such as the Office of Management and Budget and the Office of Personnel Management. OMD also provides a wide range of administrative services in support of the Board's mission, including human resource management, financial services, information technology support, and facilities management.

Stakeholder Engagement

The STB engages with stakeholders through a variety of forums including the Railroad-Shipper Transportation Advisory Council, the Rail Energy Transportation Advisory Committee, the National Grain Car Council, the Board's Rail Customer and Public Assistance Program, public meetings on environmental impact assessments, oral arguments, Congressional hearings, and other public engagement venues.

The STB is in the process of developing a proposal that would modify its rules barring "ex parte" contacts with stakeholders during rulemaking proceedings. Once those changes are finalized, Board Members and

staff should have greater opportunities to directly communicate with stakeholders and obtain information to help promote informed regulatory outcomes.

During 2017, the STB has also adopted the use of internal deadlines for each pending case (nonregulatory) when the record has closed, to the extent possible. This initiative is designed to facilitate the adjudication process and improve the timeliness of Board decisions. The longer-term goal is to make the target deadlines available to parties and interested stakeholders via the Board's website.

SECTION II

STRATEGIC GOALS

Strategic Goal 1: Protect the Public Interest

- **Protect and further the public interest in surface transportation matters.**

Strategic Goal 2: Foster Economic Efficiencies

- **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 Goal 3: Provide a Timely, Efficient, and Decisive Process

- **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 Goal 4: Ensure Proper Agency Structure

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

Congress has established specific policies regarding the surface transportation industry, which guide the Board's mission

and strategic goals. These policies, as set forth in the ICC Termination Act of 1995 and other laws, are listed in Section IV.

Strategic Goal 1: Protect the Public Interest

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.

PERFORMANCE GOALS:

- ✓ Encourage carriers to meet their statutory responsibilities through voluntary compliance but, when needed, address problems through appropriate Board action;
- ✓ 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;
- ✓ 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;
- ✓ Conduct responsive, impartial, and timely adjudications;

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- ✓ 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, informational meetings to inform and educate the public, and managing rail-related information databases for public use;
- ✓ Ensure that the public, through efficient FOIA processing, can obtain information about the Board, the programs it administers, and the actions it takes;
- ✓ Broadly disseminate information about Board activities and permit stakeholders, the public, and government agencies to participate in Board proceedings, as appropriate; and
- ✓ Ensure that the Board's rules, practices, and proceedings are open and transparent.

Strategic Goal 2: Foster Economic Efficiencies

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.

PERFORMANCE GOALS:

- ✓ Monitor the service and operations of carriers and take appropriate action where conditions warrant;
- ✓ Collect and publish statistical data permitting the public to better understand trends in traffic volumes, rates, and the financial health of the rail industry;
- ✓ Monitor the impact of railroad financial transactions on the economy and take appropriate regulatory action where conditions warrant; and
- ✓ Support the maintenance and development of adequate surface transportation systems to sustain the Nation’s economic growth.

Strategic Goal 3: Provide a Timely, Efficient, and Decisive Process

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.

PERFORMANCE GOALS:

- ✓ Develop adjudicative procedures that balance the needs of carriers for efficient operations and a sufficient return on their investments with the needs of shippers for reasonable transportation rates and services;
- ✓ Offer alternative dispute resolution services that facilitate private sector solutions to problems;
- ✓ 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; and
- ✓ 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.

Strategic Goal 4: Ensure Proper Agency Structure

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.

PERFORMANCE GOALS:

- ✓ Monitor performance and annually evaluate the agency's success in meeting its goals, making refinements as necessary;
- ✓ 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;
- ✓ Promote a culturally diverse workforce that maximizes effective utilization of human capital;
- ✓ 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;
- ✓ Enhance the security of the data furnished to the Board by its workforce, other agencies, carriers, shippers, and the public;
- ✓ Enhance the productivity of the Board's workforce by replacing the STB's current on-site enterprise platform with a cloud-based platform that utilizes state-of-the-art hardware/software capabilities to manage information and improve the agency's interface with stakeholders and the public; and
- ✓ Refine performance measures to establish baselines against which future performance can be measured.

Relationship Between Strategic Goals, Strategic Objectives, and Performance Goals

The strategic goals broadly enunciate the purposes for which the Board was created and shape how the Board goes about its mission. The Board's strategic objectives establish check points by which the Board may determine how successful it has been in accomplishing its mission and its strategic goals. The performance goals provide a

system to evaluate the results of the Board's activities by setting objectives and establishing benchmarks to determine the Board's progress. The performance goals also incorporate measurements of the Board's activities to allow assessment of the timeliness and responsiveness of Board actions.

External Factors that Could Affect the Achievement of Strategic Objectives

The following factors could affect, or require changes to, the Board's strategic objectives:

- Changes in the Board's budget, staffing and resource limits, and authorization;
- Changes in market demand and strategic direction in the surface transportation industries under the Board's jurisdiction;
- Unanticipated nationwide or regional economic growth or recession;
- Major changes in the ability of surface transportation carriers to compete effectively and/or provide responsive and reliable service; and
- The impact of ongoing homeland security activities on the surface transportation industry.

SECTION III

***AREAS OF STATUTORY
RESPONSIBILITY***

Rail

- Common Carrier Obligation
- Exemptions from Regulation
- Rail Mergers
- Line Transfers, Leases, and Trackage Rights
- Line Sales to Noncarriers
- Labor Protection
- Rate Regulation for Common Carriage, including--
 - Public Disclosure of Rates and Service Terms
 - Advance Notice of Rate Increases or Changes in Service Terms
 - Maximum Rate Reasonableness for Captive Traffic
- Contracts for Transportation of Agricultural Products requirements, including:
 - Filing of Summaries
 - Protest and Matching Rights
 - Equipment Limitations
- Rail Cost Adjustment Factor (RCAF) Computation
- Reasonableness of Practices
- Rate Discrimination
- Car Supply and Interchange
- Emergency Service Orders
- Competitive Access
- Line Constructions, including Line Crossings
- Line Abandonments, including--
 - Financial Assistance
 - Rails-to-Trails
 - Public Use for Rights-of-way
- Feeder Line Development Program
- Collective Ratemaking (and Antitrust Immunity)
- Interlocking Officers and Directors
- Recording Liens
- Data Collection and Oversight
- Passenger Rail Oversight
 - Amtrak-Host Carrier Compensation Disputes
 - Amtrak-State Sponsored Short Distance Corridor Funding Disputes
 - Passenger Rail Line Construction

Motor Carriers

- Common Carrier Obligation
- Rate Reasonableness for--
 - Residential Household Goods Moves
 - Joint Motor-Water Rates in Noncontiguous Domestic Trade
 - Collectively set Rates
- Collective Ratemaking (and Antitrust Immunity)
- Pooling
- Undercharges
 - Household Goods Operations, including--
 - Tariffs (not filed)
 - Antitrust Immunity for Agent-Van Lines
- Preemption of Intrastate Regulation
- Bus Company Mergers
- Bus Company Through-Route Requirements

Pipelines

- Common Carrier Obligation
- Rate Regulation, including--
 - Public Disclosure of Rates and Service Terms
 - Advance Notice of Rate Increases or Changes in Service Terms
 - Reasonableness
- Reasonableness of Practices
- Rate Discrimination

Domestic Water Carriage

Tariff Filing and Rate Reasonableness Requirements for Noncontiguous Domestic Trade

Intermodal

Rail-Water Connections for Non-Contiguous Domestic Trade

SECTION IV

**STATUTORY
TRANSPORTATION POLICIES**

Rail

49 U.S.C. § 10101. Rail Transportation policy

In regulating the railroad industry, it is the policy of the United States Government--

- (1) to allow, to the maximum extent possible, competition and the demand for services to establish reasonable rates for transportation by rail;
- (2) to minimize the need for Federal regulatory control over the rail transportation system and to require fair and expeditious regulatory decisions when regulation is required;
- (3) to promote a safe and efficient rail transportation system by allowing rail carriers to earn adequate revenues, as determined by the Board;
- (4) to ensure the development and continuation of a sound rail transportation system with effective competition among rail carriers and with other modes, to meet the needs of the public and the national defense;
- (5) to foster sound economic conditions in transportation and to ensure effective competition and coordination between rail carriers and other modes;
- (6) to maintain reasonable rates where there is an absence of effective competition and where rail rates provide revenues which exceed the amount necessary to maintain the rail system and to attract capital;
- (7) to reduce regulatory barriers to entry into and exit from the industry;
- (8) to operate transportation facilities and equipment without detriment to the public health and safety;
- (9) to encourage honest and efficient management of railroads;
- (10) to require rail carriers, to the maximum extent practicable, to rely on individual rate increases, and to limit the use of increases of general applicability;
- (11) to encourage fair wages and safe and suitable working conditions in the railroad industry;
- (12) to prohibit predatory pricing and practices, to avoid undue concentrations of market power, and to prohibit unlawful discrimination;

- (13) to ensure the availability of accurate cost information in regulatory proceedings, while minimizing the burden of rail carriers of developing and maintaining the capability of providing such information;
- (14) to encourage and promote energy conservation; and
- (15) to provide for the expeditious handling and resolution of all proceedings required or permitted to be brought under this part.

Motor and Water Carriers

49 U.S.C. § 13101(a)(1). Transportation policy

(a) IN GENERAL -- To ensure the development, coordination, and preservation of a transportation system that meets the transportation needs of the United States, including the United States Postal Service and national defense, it is the policy of the United States Government to oversee the modes of transportation and--

- (1) in overseeing those modes—
 - (A) to recognize and preserve the inherent advantage of each mode of transportation;
 - (B) to promote safe, adequate, economical, and efficient transportation;
 - (C) to encourage sound economic conditions in transportation, including sound economic conditions among carriers;
 - (D) to encourage the establishment and maintenance of reasonable rates for transportation, without unreasonable discrimination or unfair or destructive competitive practices;
 - (E) to cooperate with each State and the officials of each State on transportation matters; and
 - (F) to encourage fair wages and working conditions in the transportation industry;
- (2) in overseeing transportation by motor carrier, to promote competitive and efficient transportation services in order to--
 - (A) encourage fair competition, and reasonable rates for transportation by motor carriers of property;
 - (B) promote efficiency in the motor carrier transportation system and to require fair and expeditious decisions when required;
 - (C) meet the needs of shippers, receivers, passengers, and consumers;
 - (D) allow a variety of quality and price options to meet changing market demands and the diverse requirements of the shipping and traveling public;
 - (E) allow the most productive use of equipment and energy resources;

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- (F) enable efficient and well-managed carriers to earn adequate profits, attract capital, and maintain fair wages and working conditions;
 - (G) provide and maintain service to small communities and small shippers and intrastate bus services;
 - (H) provide and maintain commuter bus operations;
 - (I) improve and maintain a sound, safe, and competitive privately owned motor carrier system;
 - (J) promote greater participation by minorities in the motor carrier system;
 - (K) promote intermodal transportation;
- (3) in overseeing transportation by motor carrier of passengers--
 - (A) to cooperate with the States on transportation matters for the purpose of encouraging the States to exercise intrastate regulatory jurisdiction in accordance with the objectives of this part;
 - (B) to provide Federal procedures which ensure the intrastate regulation is exercised in accordance with this part; and
 - (C) to ensure that Federal reform initiatives enacted by section 31138 and the Bus Regulatory Reform Act of 1982 are not nullified by State regulatory actions; and
 - (4) in overseeing transportation by water carrier, to encourage and promote service and price competition in noncontiguous domestic trade.

Pipelines

49 U.S.C. § 15101. Transportation policy

- (a) In General. - To ensure the development, coordination, and preservation of a transportation system that meets the transportation needs of the United States, including the national defense, it is the policy of the United States Government to oversee the modes of transportation and in overseeing those modes -
 - (1) to recognize and preserve the inherent advantage of each mode of transportation;
 - (2) to promote safe, adequate, economical, and efficient transportation;
 - (3) to encourage sound economic conditions in transportation, including sound economic conditions among carriers;
 - (4) to encourage the establishment and maintenance of reasonable rates for transportation without unreasonable discrimination or unfair or destructive competitive practices;
 - (5) to cooperate with each State and the officials of each

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State on transportation matters; and
(6) to encourage fair wages and working conditions in the transportation industry.

(b) Administration To Carry Out Policy. - This part shall be administered and enforced to carry out the policy of this section.

Trails Act

National Trails Systems Act, 16 U.S.C. § 1247(d), Interim Use of Railroad Rights-of-Way: The . . . Chairman of the Surface Transportation Board . . .in administering the Railroad Revitalization and Regulatory Reform Act of 1976 . . . shall encourage State and local agencies and private interests to establish appropriate trails using the provisions of such programs. . . . in furtherance of the national policy to preserve established railroad rights-of-way for future reactivation of rail service, to protect rail transportation corridors, and to encourage energy efficient transportation use

Environmental

National Environmental Policy Act, 42 U.S.C. § 4321, Congressional declaration of purpose: The purposes of this Act are: To declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the Nation

Endangered Species Act, 16 U.S.C. § 1531(c), Policy: (1) It is further declared to be the policy of Congress that all Federal departments and agencies shall seek to conserve endangered species and threatened species and shall utilize their authorities in furtherance of the purposes of this Act; and (2) It is further declared to be the policy of Congress that Federal agencies shall cooperate with state and local agencies to resolve water resource issues in concert with conservation of endangered species.

Clean Water Act, 33 U.S.C. § 1251(a), Goals and Policy: The objective of this chapter is to restore and maintain the chemical, physical, and biological integrity of the Nation's waters.

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Clean Air Act, 42 U.S.C. § 7401(c), Pollution prevention: A primary goal of this Act is to encourage or otherwise promote reasonable Federal, State, and local governmental actions, consistent with the provisions of this [the Clean Air and Water] Act, for pollution prevention.

Historic Preservation

National Historic Preservation Act, 16 U.S.C. § 470(b)(7), Policy: . . . it is . . . necessary and appropriate for the Federal Government to accelerate its historic preservation programs and activities, to give maximum encouragement to agencies and individuals undertaking preservation by private means, and to assist State and local governments and the National Trust for Historic Preservation in the United States to expand and accelerate their historic preservation programs and activities.