

STB PROPOSES REVISED ARBITRATION PROCEDURES FOR CONFORMANCE WITH STB REAUTHORIZATION ACT REQUIREMENTS

The Surface Transportation Board today announced its proposal to amend existing procedures for the arbitration of disputes before the Board to make those procedures conform to statutory requirements of the Surface Transportation Reauthorization Act of 2015, P.L. 114-110 (2015) (STB Reauthorization Act).

The Board's existing regulations governing the use of arbitration are generally consistent with the requirements of the STB Reauthorization Act. However, the Board is proposing modifications to 49 C.F.R. §§ 1108 and 1115.8, and other minor clarifications. The most significant proposed changes involve:

- The addition of rate disputes to the list of matters eligible for arbitration;
- The modification of arbitration procedures, including the process for initiating arbitration and time frames;
- Arbitration commencement procedures that allow parties to use arbitration even if a dispute is not pending before the Board;
- Replacing the \$200,000 cap on damages with a \$2,000,000 limit for practice disputes (including demurrage, accessorial charges, and misrouting/mishandling rail cars, among other issues) and a \$25,000,000 limit for rate disputes; and
- The establishment of a process for creating and maintaining a roster of arbitrators, procedures for selecting arbitrators; and standards for qualifications to become an arbitrator.

"We appreciate Congress' attention to improving our arbitration procedures and we hope that the changes being proposed today will lead to greater use of arbitration as an alternative to litigation before the agency," noted STB Chairman Daniel R. Elliott III.

Comments regarding the rules proposed today are due by June 13, 2016, and replies are due by July 1, 2016.

The Board's proposal in Revisions to Arbitration Procedures, EP 730, may be viewed and downloaded at the STB's website, www.stb.dot.gov, under "E-LIBRARY / Decisions & Notices / 5/ 12 / 2016 " .