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**SURFACE TRANSPORTATION BOARD ISSUES PROPOSED PROCEDURES FOR ITS
CONSIDERATION, WITH FEDERAL RAILROAD ADMINISTRATION, OF SAFETY
INTEGRATION PLANS IN CERTAIN BOARD TRANSACTIONS**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board and the Federal Railroad Administration (FRA), working in conjunction, have jointly issued proposed regulations designed to enable each agency to ensure adequate and coordinated consideration of safety integration issues in covered rail transactions.

In the recent *Conrail Acquisition* [FOOTNOTE 1: *CSX Corporation and CSXT Transportation, Inc., Norfolk Southern Corporation and Norfolk Southern Railway Company—Control and Operating Leases/Agreements—Conrail Inc. and Consolidated Rail Corporation*, STB Finance Docket No. 33388] proceeding, the two agencies recognized the need to work together to ensure that the proposed merger transaction would be safely implemented. At the request of FRA and rail labor interests, the Board required the applicants to file detailed Safety Integration Plans (SIPs), developed within guidelines set by FRA, explaining how each step in implementing the proposed acquisition would be performed safely. The Board has required the same type of showing in the proposed merger between the "Canadian National" and "Illinois Central" railroads, which is now pending before the Board. In addition, in an advanced notice of proposed rulemaking issued in December 1997, the Board requested comments on the extent to which railroads should be required to provide information pertaining to how they intend to provide for the safe implementation of authority granted by the Board.

In response to that notice of proposed rulemaking issued by the Board, the Department of Transportation suggested a joint rulemaking. Accordingly, the Board proceeded to work with FRA to formalize their partnership in regulating future rail consolidation transactions among Class I, Class II, commuter and intercity passenger railroads by issuing a joint notice of proposed rulemaking (joint NPR). The scope of the transactions covered by the rules each agency is proposing would be identical, except that FRA would also require carriers engaged in certain "start up" transactions to prepare SIPs. The Board's proposed rule establishes a procedure for Board consideration of SIPs in those transactions where it believes consideration of a SIP is necessary, and for FRA participation in that process. In such cases, a SIP containing the information required by the FRA rules would be filed with the Board, as well as FRA. The SIP would be required to be submitted to the Board, and FRA, no later than the date an application or exemption for authority to execute such a transaction is filed with the Board. As the joint NPR explains, the proposed rules are intended to accomplish the safety objectives of both agencies, avoid gaps and inconsistencies in the agencies' regulatory requirements, and impose as little burden as possible on participating parties.

The Board's decision was issued in *Regulations on Safety Integration Plans Governing Railroad Consolidations, Mergers, Acquisitions of Control, and Start Up Operations And Procedures For Surface Transportation Board Consideration of Safety Integration Plans In Cases Involving Railroad Consolidations, Mergers, and Acquisitions of Control*, FRA Docket No. SIP-1, Notice 1, and in STB Ex Parte No. 574.

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