

**SURFACE TRANSPORTATION BOARD PROPOSES NEW DISCLOSURE & DISCOVERY  
RULES TO ADDRESS CONTRACTUAL INTERCHANGE COMMITMENTS RELATED TO  
RAIL LINE LEASES & SALES**

The Surface Transportation Board (Board) today issued its decision in *Rail Access and Competition Issues Renewed Petition of Western Coal Traffic League*, STB Ex Parte No. 575 concerning contractual interchange commitments, or "paper barriers." Such provisions, sometimes found in rail line lease or sale agreements, restrict either the ability or the incentive of a tenant or purchasing railroad to interchange traffic with carriers other than the lessor or selling carrier.

In its decision, the Board unanimously concluded that it will examine such provisions on a case-by-case basis, given the variations in the terms of such contractual provisions and in the circumstances in which they arise. The Board also is proposing new disclosure rules to ensure advance regulatory scrutiny of any such provisions involving a new sale or lease for which Board authorization is sought, as well as expedited discovery rules to ensure that parties challenging an existing interchange commitment can obtain quick access to the carriers' agreement. The new proposed regulations are set forth in the Appendix to the decision and will be published in the Federal Register. The Board's decision is in response to a renewed petition for rulemaking by the Western Coal Traffic League.

Under the proposed regulations, the Board would require parties to a transaction to identify any interchange commitment and the affected interchange points when they seek Board authorization for the sale or lease and to file the agreement and any related documents with the Board. To obtain discovery of existing interchange agreements in a proceeding, a party would file a motion that must be replied to within 10 days. The Board would consider that motion in an expedited manner. Comments on the proposed regulations must be filed by January 2, 2008. Replies will be due January 22, 2008. Parties wishing to comment on the Board's proposed regulations should refer to the Federal Register Notice for instructions.

Commissioner Mulvey concurred in the result and commented separately.

[The Board's decision today in STB Ex Parte No. 575](http://www.stb.dot.gov) is available for viewing and downloading on the agency's Web site at <http://www.stb.dot.gov> under "E-Library," then under "Decisions & Notices," beneath the date "10/30/07." Printed copies of the Board decision also are available for a fee by contacting **ASAP Document Solutions, 9332 Annapolis Rd., Suite 103, Lanham, MD 20706, telephone (202) 306-4004, or via [asapdc@verizon.net](mailto:asapdc@verizon.net).**

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