

SURFACE TRANSPORTATION BOARD**Ex Parte 788****Eliminating Regulatory Barriers to Competition:
Review of Part 1144****Summary of Ex Parte Meeting Between CSX Transportation, Inc.,
and Surface Transportation Member Karen J. Hedlund****March 25, 2026**

ENTERED
Office of Chief Counsel
March 31, 2026
Part of
Public Record

CSXT Attendees:

- Michael Burns, Senior Vice President, Chief Legal Officer
- John Patelli, Vice President and General Counsel

STB Attendees:

- Karen Hedlund, Member
- Chip Vance, Attorney Advisor

Meeting Summary:

The meeting occurred virtually over Zoom.

CSXT thanked Member Hedlund and Mr. Vance for the opportunity to meet.

CSXT acknowledged the Board's concerns that the regulations at 49 C.F.R. Part 1144 have been criticized by shippers and agreed that it would be constructive for the Board to provide more clarity on what factors would support Board-ordered prescriptions for reciprocal switching and through routes. CSXT explained that while it does not oppose repealing Part 1144 in principle, doing so as contemplated in the notice of proposed rulemaking raises significant statutory and reliance issues. Because the underlying statutes are vague, repeal of the anticompetitive conduct standard will leave a void. CSXT emphasized that the Board should provide further guidance on how it will evaluate requests for reciprocal switching and through route prescriptions if it moves forward with repeal of Part 1144.

CSXT briefly summarized its written comments on the proposed rule. CSXT discussed how the company has relied on the Board's longstanding interpretation and application of the competitive access regulations in evaluating when and where to make capital investments to support long-term growth from new and existing customers. CSXT explained how a change in those regulations will undermine existing investments and discourage future investments by creating uncertainty at sole-served locations with respect to future volumes. The capital-intensive railroad industry needs a certain level of predictability to justify the high capital costs associated with rail infrastructure. CSXT also discussed how a key motivation of stakeholders calling for the repeal of Part 1144 is the reduction of rail rates outside Congress and the Board's rate reasonableness framework. CSXT noted how expanding access into sole-served locations will

reduce railroad revenues, which will in turn impact railroads' ability to reinvest in their networks. And CSXT referenced operational challenges that would flow from expanded application of reciprocal switching and through rate prescriptions.

CSXT and Member Hedlund then discussed how the repeal of the Part 1144 regulations would impact Eastern Class I railroads differently than Western Class I railroads. To illustrate how expanded open access disproportionately impacts the Eastern Class I carriers, CSXT provided a map depicting the higher concentration of cross-overs between CSXT and Norfolk Southern as compared to their western counterparts. This map was submitted by AAR and CSXT in prior proceedings. *See* AAR Opening Comments, Verified Statement of W. Rennie at 97, Docket No. EP 711 (filed Mar. 1, 2013); CSXT Opening Comments at 68–69, Docket No. EP 711 (Sub-No. 1) (filed Oct. 26, 2016).

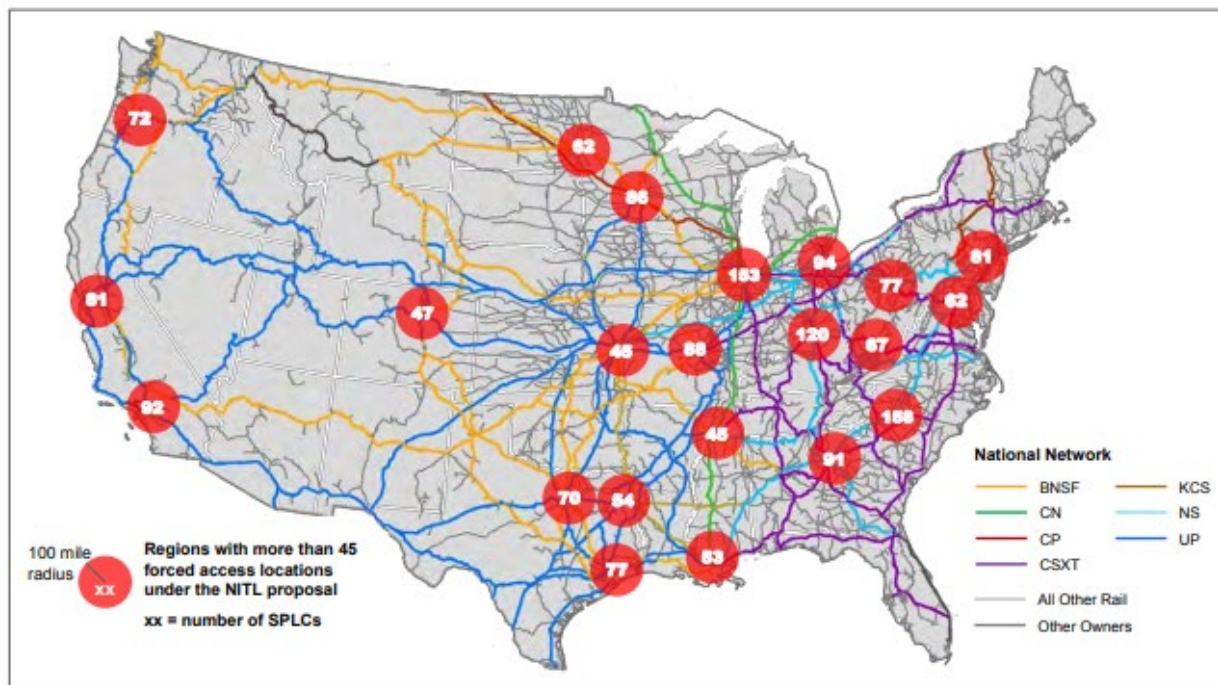
To give a sense of the magnitude of CSXT carload volumes potentially subject to Board-ordered reciprocal switching, CSXT provided a map depicting the carloads that originated or terminated within 30 miles of a Class I interchange location during 2025. The map does not distinguish between sole-served and dual-served customer locations, but was provided to give a directional sense of how many carloads could be impacted due to being within close proximity to another Class I carrier. This map is an updated version of the map CSXT provided during ex parte meetings in Docket No. EP 711 (Sub-No. 1). CSXT is assessing whether it will be able to provide the Board more with insight into dual-served vs. sole-served in CSXT's reply filing.

CSXT concluded by reiterating its support of the Board's desire to address customer concerns and suggested the Board modify rather than repeal the regulations at Part 1144 and provide clearer guidance as to what types of market failure or other railroad conduct would give rise to Board action.

CSXT and Member Hedlund thanked each other for their time and insights and concluded the meeting.

Reciprocal Switch Impact Maps

U.S. Class I Impact Map from AAR EP 711-1 Submission (2013)



CSX Internal Impact Map from EP 711-1 (Updated)

