

SURFACE TRANSPORTATION BOARD**Ex Parte 788****Eliminating Regulatory Barriers to Competition:
Review of Part 1144**

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**Summary of Ex Parte Meeting Between CSX Transportation, Inc.,
and Surface Transportation Member and Chairman Patrick J. Fuchs****March 25, 2026**CSXT Attendees:

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

STB Attendees:

- Patrick Fuchs, Member and Chairman
- Lisa Novins, Chief of Staff
- Thomas Quinn, Attorney Advisor
- Sharon Clark, Senior Advisor
- Rob Reilly, Senior Advisor
- Chris Bertram, Senior Advisor
- Terry McDermott, Senior Advisor
- Martin Schlenker, Senior Advisor

Meeting Summary:

CSXT thanked Chairman Fuchs and STB staff for the opportunity to meet. CSXT stated that it 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. CSXT expressed uncertainty regarding the standard that would apply going forward, stating its view that the statutory standard itself is vague. CSXT emphasized that the Board should provide further guidance on how it would evaluate prescription requests for reciprocal switching and through routes if it moves forward with repeal of Part 1144.

Chairman Fuchs thanked CSXT for its constructive posture, and asked about the reliance interests involved in investments and how the Board should be thinking about these interests on a case-by-case basis. CSXT discussed how the company has relied on a 40-year balanced regulatory regime in evaluating when and where to make capital investments to support long-term growth from new and existing customers. CSXT posited a disproportionate impact on the Eastern Class I carriers, referencing a map (attached) submitted by AAR and CSXT in prior

proceedings.¹ CSXT explained its reliance on long-haul rates, and its perspective that changed regulations could create uncertainty with respect to the availability of future volumes and undermine those investments while discouraging future capital expenditures. CSXT expressed concern about operational challenges, revenue losses, and stranded assets that could result. And CSXT noted the resulting reduction in revenue could impact railroads' ability to reinvest in their networks. Chairman Fuchs asked questions about the potential for stranded assets, considering case-by-case evidence and argument that could be submitted, the statutory provision concerning carriers' setting conditions and compensation on first instance, and—if the carriers could not agree—the Board's possible compensation methodologies, among other factors.

CSXT also referenced a map (attached) depicting the carloads that originated or terminated within 30 miles of a Class I interchange location during 2025 and suggested that it shows the magnitude of CSXT carload volumes potentially subject to Board-ordered reciprocal switching.²

Chairman Fuchs asked CSXT for its views on how a switching arrangement should be defined, and asked for how the Board should read 49 U.S.C. 11102, which contains language on “terminal facilities” in the heading and subsections (a) and (b) but not (c). CSXT referred to prior AAR testimony on the topic.³ CSXT noted that, while it varies from city-to-city, there are public reciprocal switching tariffs available from each Class I railroad that help to paint the picture of what constitutes a terminal area today, and suggested current locations could be a better gauge than definitional terms. Chairman Fuchs asked questions about whether evidence and argument about currently accepted switching arrangements could provide guidance on what constitutes a switch under subsection (c). Chairman Fuchs also asked a question concerning whether parts of the network would raise fewer operational issues than others.

One of Chairman Fuchs' Senior Advisors asked whether the opportunity to use the regulations to win more traffic would create an incentive to invest for the competing carrier. CSXT responded that it likely does not, explaining that a perceived lowering of the standard for these prescriptions could be used at the negotiation table as a mechanism to drive down rates, as can be done in Canada. CSXT stated that, if a customer files a petition, the competing railroad would be in a reactionary posture and typically would not have already made any form of additional investment to facilitate the new business.

Chairman Fuchs asked questions about the grounds for a switching order, including questions involving rates and services. Chairman Fuchs and CSXT discussed how rates or pricing issues were considered in prior cases and also discussed hypothetical examples involving railroad service.

¹ 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).

² 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).

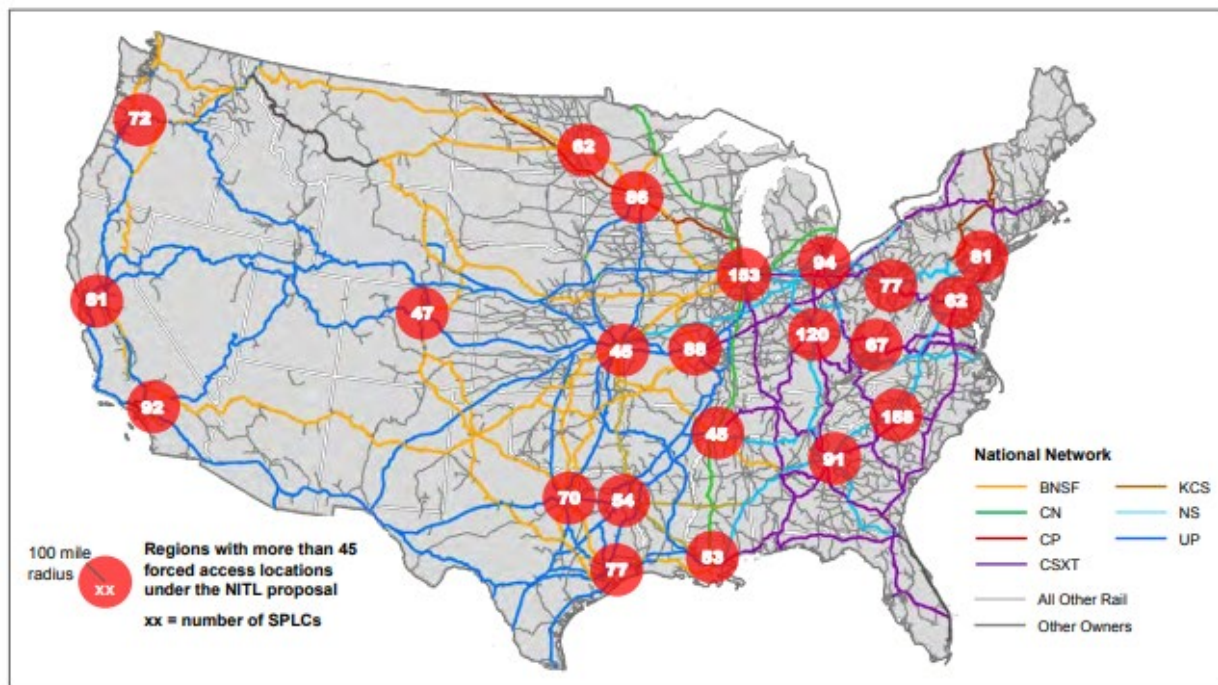
³ See AAR Supp. Comments at 16–17, Docket No. EP 711 (Sub-No. 1) (filed Apr. 4, 2022); AAR Opening Comments at 28–29, Docket No. EP 711 (Sub-No. 2) (filed Nov. 7, 2023).

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

CSXT and Chairman Fuchs thanked each other for their time and insights and concluded the meeting.

Appendix 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)

