



Surface Transportation Board

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Meeting under Section 5, STB Reauthorization Act

September 7, 2017

Present: Members Begeman, Elliott, and Miller

Members' Staff: James Boles, Alison Graab, Janie Sheng, Brian O'Boyle

Agency Staff: Craig Keats, Rachel Campbell, Amy Ziehm, Onika Williams,
Chip Vance

Topic: FD 36112, *Los Angeles County Metropolitan Transportation Authority
Petition for Declaratory Order*

Summary of the Matters Discussed, Prepared by General Counsel Craig Keats:

The matter arises from ICC findings in the early 1990s that the control over freight rail operations that LACMTA's predecessor obtained when it took over railroad property made it a common carrier. In subsequent decisions the agency has confirmed LACMTA's continuing status as a rail common carrier. The California State Board of Equalization (SBOE), however, has apparently concluded that LACMTA is not a rail carrier providing transportation subject to STB jurisdiction because it provides only mass transportation services, and therefore it wants to impose a sales tax on LACMTA's purchase of rail passenger cars and associated parts.

At this meeting staff briefed Board Members on:

- LACMTA's rail carrier status and current operations.
- The provisions of 49 U.S.C. 11501(b)(4), which prohibit discriminatory taxes on rail carriers.
- Recommendations on how to resolve the matter.