publication of this notice has elapsed, whichever is later.'' This correction makes the dates consistent within the Federal Register Notice itself and aligns the dates with the correct dates specified in the signed agreement between SSA and CMS.

Matthew Ramsey,

Head of Privacy and Disclosure Policy, Law and Policy.

[FR Doc. 2026–12354 Filed 6–18–26; 8:45 am]

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SURFACE TRANSPORTATION BOARD

[Docket No. EP 290 (Sub-No. 5) (2026–3)]

Quarterly Rail Cost Adjustment Factor

AGENCY: Surface Transportation Board.

ACTION: Approval of rail cost adjustment factor.

SUMMARY: The Surface Transportation Board has adopted the third quarter 2026 Rail Cost Adjustment Factor and cost index filed by the Association of American Railroads.

DATES: *Applicability Date:* July 1, 2026.

FOR FURTHER INFORMATION CONTACT: Dylan Richmond, (202) 915–0962. If you require an accommodation under the Americans with Disabilities Act, please call (202) 245–0245.

SUPPLEMENTARY INFORMATION: The rail cost adjustment factor (RCAF) is an index formulated to represent changes in railroad costs incurred by the nation's largest railroads over a specified period of time. The Surface Transportation Board (Board) is required by law to publish the RCAF on at least a quarterly basis. Each quarter, the Association of American Railroads computes three types of RCAF figures and submits those figures to the Board for approval. The Board has reviewed the submission and adopts the RCAF figures for the third quarter of 2026. The third quarter 2026 RCAF (Unadjusted) is 1.096. The third quarter 2026 RCAF (Adjusted) is 0.417. The third quarter 2026 RCAF–5 is 0.396. Additional information is contained in the Board's decision, which is available at *www.stb.gov.*

Decided: June 16, 2026.

By the Board, Board Members Fuchs, Hedlund, Kloster and Schultz.

Regena Smith-Bernard,

Clearance Clerk.

[FR Doc. 2026–12476 Filed 6–18–26; 8:45 am]

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SURFACE TRANSPORTATION BOARD

[Docket No. FD 36847]

Laredo Gateway Industrial Railway—Construction and Operation Exemption—In Webb County, Tex.

On December 8, 2025, Laredo Gateway Industrial Railway, LLC (LGIR), a noncarrier subsidiary of Kraus Development (Kraus), filed a petition for exemption under 49 U.S.C. 10502 from the prior approval requirements of 49 U.S.C. 10901 to construct and operate a new rail line in Webb County, Tex. (the Line). According to LGIR, the Line would extend approximately 13,707 feet from a switch off the Union Pacific Railroad Company (UP) Laredo Subdivision and terminate within the Gateway Industrial Park (the Park), a new industrial park being developed by Kraus. LGIR explains that although it is seeking operating authority over the Line, it intends to hold only a residual common carrier obligation, as it has entered into an agreement with Iron Horse Resources, Inc. (IHR), to operate the Line. LGIR states that IHR will separately seek Board authority to operate on the Line.

On March 5, 2026, the Board instituted a proceeding under 49 U.S.C. 10502(b). *Laredo Gateway Indus. Ry.—Constr. & Operation Exemption—in Webb Cnty., Tex,* FD 36847 (STB served Mar. 5, 2026).

The Board's Office of Environmental Analysis (OEA) prepared an Environmental Assessment (EA) analyzing the potential environmental impacts of construction and operation of the Line, as required by the National Environmental Policy Act (NEPA), 42 U.S.C. 4321–4370m-11. OEA issued a Draft EA on April 10, 2026, providing a 30-day period for public comments, and a Final EA on May 27, 2026, responding to the comments received and recommending two environmental conditions to avoid, minimize, or mitigate the potential environmental impacts of the proposed construction and operation of the Line.

After considering both the rail transportation merits and the potential environmental impacts, the Board will grant LGIR's petition for exemption, authorizing LGIR to construct and operate over the Line, subject to the environmental mitigation measures set forth in the Appendix to this decision.

Background

According to LGIR, the Line would extend approximately 13,707 feet from a switch off of UP's Laredo Subdivision and terminate within the Park. (Pet. 1–2.) LGIR notes that Kraus is developing the Park to create warehousing for the logistics industry. (*Id.*) The Park is approximately 3,300 acres and is bisected by I–35 and UP's Laredo Subdivision mainline. (*Id.* at 3.) Another segment of the park is divided by state highway 255. (*Id.*) LGIR states that the Line will not cross any public rights-of-way, will be supported by sidings, and will connect with customers via private industrial tracks. (*Id.*) LGIR further notes that it has entered into an agreement with IHR to be the common carrier operator on the Line and granted IHR the right to conduct ancillary railroad operations depending on available commercial opportunities. (*Id.*)

LGIR argues that construction and operation of the Line would ''serve shippers utilizing the port-of-entry at Laredo.'' (*Id.* at 2.) According to LGIR, the Laredo Port of Entry has the largest freight volume of the ports of entry along the southern border and is the fastest growing in terms of rail and truck traffic. (*Id.*) LGIR states that over half of the current Laredo truck traffic utilizes local warehouses and transloads commodities from truck to truck before transporting commodities across the U.S.-Mexico border, and that it would like to construct the Line to provide shippers with a rail alternative at the Park so that commodities may be transloaded between truck and rail and interchanged with UP. (*Id.*) LGIR posits that the Class I rail carriers in the area are not primarily focused on serving local traffic in the region because they are primarily focused on their own respective cross-border rail traffic in the region; therefore, it ''sees a gap in the marketplace for local rail freight accessibility and local rail/truck transloading capacity that will produce manifest carloads of rail traffic.'' (*Id.* at 2–3.)

A letter supporting LGIR's petition was filed by Webb County Judge Tano E. Tijerina on December 10, 2025. (*See* Tijerina Ltr., Dec. 10, 2025.)

Discussion

Rail Transportation Policy Analysis. The construction and operation of new railroad lines requires prior Board authorization, either through a certificate under 49 U.S.C. 10901 or, as requested here, an exemption under 49 U.S.C. 10502 from the prior approval requirements of section 10901. ''In either case, the [statute] expresses a clear presumption in favor of approving railways.'' *Seven Cnty. Infrastructure Coal.* v. *Eagle Cnty.,* 605 U.S. 168, 194 (2025) (Sotomayor, J., concurring); *see also N. Plains Res. Council* v. *STB,* 668 F.3d 1067, 1091–92 (9th Cir. 2011)