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SUPREME COURT OF THE UNITED STATES

Syllabus

NATIONAL RAILROAD PASSENGER CORPORATION ET
AL. V. BOSTON & MAINE CORP. ET AL.
CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE
DISTRICT OF COLUMBIA CIRCUIT
No. 90-1419. Argued January 13, 1992—Decided March 25,
1992¹

The Rail Passenger Service Act of 1970 (RPSA) created petitioner National Railroad Passenger Corporation (Amtrak), a private corporation, to provide intercity and commuter rail passenger service. The Act permits Amtrak to enter into "trackage rights" agreements to use tracks owned and used by freight railroads, 45 U.S.C. §562(a); and allows Amtrak to ask petitioner Interstate Commerce Commission (ICC) to condemn railroad property "required for intercity rail passenger service" if Amtrak and the railroad cannot agree upon sale terms, §562(d). For purposes of the ICC's condemnation order, Amtrak's "need for the property" "shall be deemed to be established" unless the conveyance will significantly impair the railroad's ability to carry out its obligations as a common carrier and unless Amtrak's obligations can adequately be met by the acquisition of alternative property. *Ibid.* Amtrak had a trackage rights agreement with respondent Boston and Maine Corporation (B&M) to operate its "Montrealer" train between Washington, D. C., and Montreal. Amtrak claims it was forced to discontinue this service because of B&M's poor maintenance of its track segment. Subsequently, Amtrak entered into an agreement with petitioner Central Vermont Railroad (CV) which provided that, among other things, Amtrak would acquire the B&M track and reconvey it to CV, and CV would grant trackage rights to

¹Together with No. 90-1769, *Interstate Commerce Commission et al. v. Boston & Maine Corp. et al.*, also on certiorari to the same court.

Amtrak and usage rights to B&M. When B&M did not accept Amtrak's purchase offer for the track, Amtrak sought and received an ICC order compelling conveyance for just compensation. The ICC found, among other things, that §562(d) created a statutory presumption of Amtrak's need for the track, which B&M failed to rebut. The Court of Appeals remanded the case for further proceedings, concluding that, because Amtrak did not intend to retain the track, it needed only its use, not its ownership. While petitions for rehearing were pending, §562(d) was amended to allow Amtrak to subsequently convey title to acquired property to a third party if the ICC finds the reconveyance furthers the RPSA's purposes. Nonetheless, the court denied rehearing, holding that the condemnation was not valid because the property was not ``required for intercity rail passenger service."

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Held:

1. The ICC's decision was based on a reasonable interpretation and application of §562(d). Pp.8-15.

(a) The ICC's interpretation of the word "required" is due deference as a reasonable interpretation of an ambiguous term in a statute that the ICC administers. See, e. g., *Chevron U. S. A. Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837. The existence of alternative dictionary definitions for "required" indicates that the statute is open to interpretation. The ICC's interpretation gives effect to §562(d)'s presumption of need. In contrast, the Court of Appeals' view—that "required" establishes a separate condition that Amtrak's condemnation authority is limited to property that is indispensable to its operations—is in clear tension with the presumption. In addition, §562(d)'s amendment confirms the ICC's definition, while the Court of Appeals' strict rule would make the amendment superfluous by barring condemnation whenever Amtrak's purpose is to reconvey property. Pp.8-12.

(b) The ICC was not required to make specific findings regarding Amtrak's actual need for the condemnation because its oversight responsibility is limited to ensuring that condemned property will be used in Amtrak's rail operations. The statute's structure and its presumption of need create a strong inference that it authorizes Amtrak to make a reasonable business judgment that condemnation is advisable, unless the statutory presumption is rebutted. P.12.

(c) B&M's several arguments against the ICC's interpretation are rejected. The eminent domain power has been given to the ICC, not a private entity, and thus is not limited as suggested by cases such as *United States v. Carmack*, 329 U.S. 230, 243, n.13. Furthermore, this case turns on the need for deference to the agency, not to Amtrak. The ICC's interpretation of §562(d) also did not violate the "public use" requirement of the Fifth Amendment's Takings Clause, since the agency's determination that the condemnation will serve a public purpose by facilitating Amtrak's rail service was not irrational. See, e. g., *Hawaii Housing Authority v. Midkiff*, 467 U.S. 229, 240-241. Moreover, the agency did not err in concluding that the statutory prerequisite that the parties were "unable to agree upon terms for the sale" mandated nothing more than a factual determination that they would be unable to reach agreement through further negotiations. Nor did it make inadequate factual findings in concluding that B&M had not rebutted the presumption of need. The ICC was not unreasonable in considering the effect of trackage rights and the just compensation award in assessing whether the conveyance would signif-

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icantly impair B&M's ability to carry out its obligations, or in interpreting the availability-of-alternative-property provision as referring only to whether Amtrak could provide service using an alternative route, not whether a lesser interest in property would suffice to meet Amtrak's needs. Pp.13-15.

2.The parties' challenges to the ICC's just compensation finding as well as certain other issues should be resolved on remand. Pp.15-16.

286 U.S. App. D.C. 1, 911 F.2d 743, reversed and remanded.

KENNEDY, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and STEVENS, O'CONNOR, SCALIA, and SOUTER, JJ., joined. WHITE, J., filed a dissenting opinion, in which BLACKMUN and THOMAS, JJ., joined.