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ALLIANCE FOR RAIL COMPETITION CALLS RAIL BILL "STEP IN THE RIGHT DIRECTION"

WASHINGTON, DC – Terry Whiteside, Chairman of the Alliance for Rail Competition, praised a bipartisan bill introduced today in the Senate to reauthorize the Surface Transportation Board (STB), the federal agency that oversees the railroad industry. The bill includes several provisions supported by rail customers that would increase competition in the rail industry.

"The recent consolidation in the railroad industry has left little competition, so railroads can charge high prices, provide poor service and leave rail customers with no realistic transportation options," said Whiteside. "This bill reinforces the pro-competitive language of the existing statute, removes regulatory barriers to competition and gives equal consideration to the interests of both the railroads and their customers. It is a definite step in the right direction."

The bill is cosponsored by Senators Byron Dorgan (D-ND), Jay Rockefeller (D-WV), Conrad Burns (R-MT) and Pat Roberts (R-KS), contains many of the provisions introduced by a coalition of rail customers at a hearing earlier this month before the Senate Subcommittee on the Surface Transportation and Merchant Marine. Specifically, the legislation:

- requires the STB to give priority to ensuring effective competition among rail carriers; maintaining reasonable rates where there is no competition; maintaining consistent and efficient service to shippers;
- overturns the STB's so-called bottleneck decision by requiring rail carriers to quote a rate for transportation over a segment of line upon the request of a shipper. If the rail carrier refuses, the STB shall establish the rate;
- eliminates the requirement that evidence of anti-competitive conduct be produced when the STB determines the outcome of requests to allow another railroad access to rail customer facilities within an area served by the tracks of more than one railroad;
- provides certain agricultural shippers with a simple benchmark test for rate and service cases and allow them to request service from another railroad or file for damages when their carrier fails to honor railcar orders;
- simplifies the market dominance test to minimize the regulatory burdens confronting captive rail shippers;
- repeals the revenue adequacy test, an annual determination by the STB of the financial fitness of the railroads;
- requires the railroads to submit service performance reports to the Department of Transportation.

"ARC commends these senators for their leadership on this vital economic issue," said Whiteside. "They recognize that Congress must include language in the STB reauthorization that compels the agency to stand for competition. Only competition will create greater efficiency and innovation, increase investment in infrastructure, lower costs and increase productivity. That's not just good for rail customers, it's good for the railroads and for our economy."

The bill is introduced as more than 200 rail customers from across the nation prepare to come to Washington to meet with Members of Congress. The Rail Customer Forum begins Wednesday, March 17th with a series of discussions with key Congressional and government agency leaders and concludes on Thursday with the shippers meeting individually with Members and staff to lobby on behalf of the bill.

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The Alliance for Rail Competition is a diverse coalition of shippers, representing companies from many rail dependent industries, including agriculture, coal, chemicals, consumer products, forest and paper products, industrial products, minerals and petrochemicals. ARC was formed in March 1997 to develop a consensus plan for achieving rail-to-rail competition.