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Contact: Diane Duff
202-216-9270

ALLIANCE FOR RAIL COMPETITION SAYS INCREASED COMPETITION NOT CONRAIL SPLIT WILL STRENGTHEN RAILROADS

Following is a statement by Diane Duff, executive director of the Alliance for Rail Competition (ARC), on the division of Conrail by the Norfolk Southern and CSX railroads.

"Rail customers hope the transition goes smoothly. But memories of the Union Pacific meltdown that cost billions of dollars remain strong. Rail customers are concerned because even minor service disruptions can have a staggering impact – delaying commuter trains, halting shipment of raw materials and farm products, and raising transportation costs for a wide range of consumer goods.

More importantly, the transaction leaves only two carriers controlling the vast majority of rail traffic east of the Mississippi River. Consequently, many rail customers in the eastern U.S. are likely to face reduced competition, higher transportation costs and eroding rail service.

Increased competition rather than more consolidation is the way to strengthen the railroads. Competition will increase innovation, improve service, reduce rates and grow the railroads' business. That's why Congress must act to remove barriers to competition."

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The Alliance for Rail Competition is a diverse coalition of shippers, representing 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.