



RAIL CUSTOMERS SUPPORT AN IMPROVED NATIONAL RAIL POLICY FOR THE 21ST CENTURY

Rail customers around the nation are encountering serious problems under the current national rail policy. These problems are resulting in unreliable rail transportation, unreasonably high rail rates, concerns about inadequate rail capacity and concerns about whether the nation's major railroads have the ability, both now and in the future, to serve the nation's transportation needs.

Over a quarter of a century ago, Congress adopted legislation that was intended to replace government regulation of the railroads with market competition, while ensuring that those rail customers without access to transportation competition receive reliable rail transportation at reasonable rates. Unfortunately, today rail customers:

- lack access to competitive rail transportation;
- lack access to a fair and workable process for challenging rail rates for movements that lack access to competition;
- are paying steeply higher rail rates while suffering unreliable rail transportation;
- are without adequate remedies for unreliable rail transportation; and
- are concerned about the ability of the rail industry to provide for both current and future transportation needs.

These rail customer concerns were verified by an October 2006 report of the Government Accountability Office entitled "*Freight Railroads: Industry Health Has Improved, but Concerns About Competition and Capacity Should Be Addressed*" – www.gao.gov/new.items/d0794.pdf.

Rail customers believe an effective new national rail policy should:

- increase competition by removing the railroad industry's broad exemption from the nation's antitrust laws;
- reverse the anti-competitive decisions of the Surface Transportation Board (STB) that deprive rail customers access to rail competition;
- create a workable process at the STB for ensuring reasonable rates for customers who have access only to a monopoly railroad;
- clarify the obligation of the railroads to serve the public adequately and be held accountable when they do not; and,
- recognize the railroad industry's need for capital for infrastructure investment.

Rail customers support bipartisan legislation to be introduced in both the House and Senate early in the 110th Congress. This legislation will improve current national rail policy to address critical shortcomings that are adversely affecting the nation's rail customers. The 110th Congress must address this important national security and infrastructure issue.