

# Congress of the United States

# **NEWS RELEASE**

---

*For Immediate Release Tuesday, May 3, 2005*

*Attn: National Desk, Congressional Affairs, Transportation, Railroads*

## **Bipartisan Bill Enhances Rail Competition**

### ***Oberstar, Baker introduce STB reform bill***

WASHINGTON—A bipartisan coalition led by Rep. James L. Oberstar (D-Minn.) and Rep. Richard H. Baker (R-La.) has introduced legislation aimed at protecting shippers from unfair practices due to lack of competition in freight rail transportation.

*The Railroad Competition Improvement and Reauthorization Act of 2005* was introduced Tuesday with 13 cosponsors. The bill reauthorizes the Surface Transportation Board and increases protections for shippers who now have few options for challenging rail rates and improving rail service.

“Since 1980, more than 40 Class I railroads have consolidated into just seven serving the entire North American continent. Four of them – two in the West (Union Pacific and BNSF Railway) and two in the East (CSX and Norfolk Southern) – control over 95 percent of the railroad business,” said Oberstar, Ranking Democratic Member of the House Transportation and Infrastructure Committee. “Because of this consolidation, entire states, regions, and industries are now captive to a single Class I railroad. This, in turn, has led to complaints from shippers over high costs and poor service by the railroads.”

Oberstar said the shippers have received little relief from the government agency responsible for rail commerce, the Surface Transportation Board (STB).

“Captive shippers have found that there is no realistic possibility of meaningful relief from the STB,” Oberstar said. “This is hardly the competitive environment envisioned when Congress voted to deregulate the railroad industry.”

“In states like Louisiana, in which ports, trade, and shipping routes play such a pivotal role in the economy, fair and efficient rail transportation is an essential component of growth,” said Baker, a senior Member of the Transportation and Infrastructure Committee. “Consumers benefit from greater competition, and rail customers deserve the same protections of a level playing field that free-market forces provide.”

**MORE...**

**RAIL COMPETITION  
ADD ONE  
May 3, 2005**

The bill would promote rail competition and require carriers to provide service at reasonable rates to captive shippers. It would provide Class II and Class III railroads with greater ability to interchange freight with Class I carriers, and directs STB to take steps to address areas of the country that are found to have inadequate rail competition.

The Surface Transportation Board was created in 1995 to oversee rail service following the abolition of the rate-setting Interstate Commerce Commission and the deregulation of the rail industry. The STB has not been reauthorized since 1998. The Oberstar-Baker bill reauthorizes the agency and provides a total of \$78 million for the board's operation over the next three years.

**###**

*Contacts: Jim Berard (Oberstar), 202-225-6260  
Michael DiResto (Baker), 202-225-3901*