

STB REFORM

MOVING FREIGHT RAIL FORWARD TO GROW A STRONGER ECONOMY

A healthy, efficient and competitive freight rail system is essential to the U.S. economy, which is why our nation's freight rail policies must be updated to remove barriers to competition and improve how the Surface Transportation Board (STB) addresses rail issues.



Rail Rates Continue to Increase

Massive consolidation within the rail industry has left just four railroads in control of 90 percent of the rail traffic in the U.S. Unfortunately, outdated government policies have failed to keep pace with these changes and have left many rail customers without access to competitive transportation options or an effective way to resolve problems with rates and service. As a result, freight rail rates have doubled - more than three times the rate of inflation over the past decade –even though the volume of freight carried by the railroads has barely increased.



Put Competition Back on Track

Competition is the foundation of the free enterprise system and it is what helps drive innovation and cost-savings throughout our economy. At long last the STB has begun to move forward on practical reforms that will remove federal barriers to competition and allow the marketplace to work. Under one of the Board's proposals, rail customers will for the first time have an effective means to seek competitive bids through reciprocal/competitive switching.



Reducing the Cost of Bureaucracy

The Board is also trying to cut red tape out of its procedures for resolving rate issues in markets lacking competitive transportation options. The current system is a bureaucratic nightmare with rate cases taking an average of three and half years and more than \$5 million to complete. This unacceptable regulatory hurdle is one that many rail customers cannot afford.



Broad Support for Reform

Groups representing farmers, steel producers, automobile manufacturers, chemical producers and energy producers across the U.S.—the bulk of freight rail customers—have come together to form the Rail Customer Coalition in support of STB reform. This diverse coalition represents industries that provide 4.7 million jobs, contribute \$2.4 trillion in economic output, and operate in nearly every U.S. congressional district.



STB is on the Right Course

Congress took an important step by passing legislation to help improve how the STB operates, and now the STB is pursuing much needed changes to adopt free market principles and do a better job resolving long-standing freight rail problems. Congress must encourage the Board to keep moving forward on these common sense reforms that will get freight rail polices back on track and back to work for the entire U.S. economy.

Learn more at www.freightrailreform.com.