



## **Report of Price Manipulation by Railroads Reason Enough for New Legislation**

### **Corn Growers Will Continue to Fight for Railroad Competition and Service Improvement Act**

**WASHINGTON – Sept. 17, 2007** – Keith Dittrich, Chairman of the American Corn Growers Association (ACGA) Board of Directors, renewed support by his organization for the Railroad Competition and Service Improvement Act of 2007 (H.R. 2125/S. 953) in light of recent reports that five major freight rail companies overcharged customers by more than \$6.5 billion under the guise of fuel surcharges.

“American farmers obviously need more competition in the transportation industry if rail companies are allowed to overcharge their customers for their services,” said Dittrich. “When corn growers asked for a fuel surcharge two years ago, it fell on deaf ears.”

The American Chemistry Council commissioned the economic analysis that found the railroads' fuel surcharges were excessive by more than \$6.5 billion between 2005 and the first quarter of 2007. The study was based on regulatory filings and other estimates for Union Pacific Corp., Burlington Northern Santa Fe Corp., Norfolk Southern Corp., Kansas City Southern and CSX Corp.

“Agriculture has been tapped on the shoulder to produce even more to help fuel America while continuing to supply ample quantities of commodity for our food system and we need everyone to help us in the endeavor,” added Dittrich. “An efficient and competitive transportation system is a must if we are to fulfill the needs of our customers here and abroad. We call on the rail industry to step up to the plate as well and provide the services required with reasonable rates and timely service to help deliver the largest corn crop ever produced in this nation.”

It has been reported by the Associated Press that the five railroad companies involved spent a total of about \$6.3 **million** lobbying the federal government in the first half of 2007. “That is a lot of money trying to buy a lot of influence in Washington,” concluded Dittrich. “But it is less than 1 percent of the \$6.5 **billion** they have taken from America’s farm families and the other industries dependent on rail transportation. We fully intend to make this point to Congress during the deliberation of the rail legislation.”

Last May the ACGA, along with The Alliance for Rural America's thirteen member organizations representing over 750,000 farmers and farm families, endorsed the Railroad Competition and Service Improvement Act.

The American Corn Growers Association represents 14,000 members in 35 states. If you believe in the work of ACGA and want to be a part of the organization, please join and/or find additional details at [www.acga.org](http://www.acga.org).