



## **21 Attorneys General Endorse Bill That Would Remove Antitrust Exemptions for Railroads**

By Dan Caterinicchia  
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WASHINGTON (AP) -- Attorneys general from 20 states and Guam are supporting legislation that would subject railroads to stiffer antitrust standards, according to a letter sent this month to congressional leaders.

The attorneys general are backing legislation that would remove antitrust exemptions railroads have operated under since 1980. The legislation has passed the Senate Judiciary Committee and is pending before its House counterpart.

"Rail customers in our states in a variety of industries are suffering from the classic symptoms of unrestrained monopoly power: unreasonably high and arbitrary rates and poor service, and this legislation is a part of the solution," according to the letter signed by 21 attorneys general and delivered Nov. 19 to House and Senate leaders.

The American Chemistry Council, which represents about 90 percent of the nation's chemical makers, and other trade groups have thrown their support behind the bill.

In January, federal regulators banned excessive fuel surcharges and imposed strict rules on the fees. Many rail companies openly credited the surcharges with bolstering earnings. Five major freight rail companies are being sued for allegedly fixing prices for fuel surcharges with no relationship to actual fuel costs.

The railroad industry contends it is subject to antitrust laws, with a few narrow exemptions. "Most attorneys general know that," which is why fewer than half of them signed the letter, said Peggy Nasir, a spokeswoman for the Association of American Railroads.

The Surface Transportation Board in September awarded a \$1 million contract to a consulting firm to assess competition in the freight railroad industry. A Government Accountability Office report expressing concerns on the matter prompted the study, expected to be complete by fall 2008.

The AGs aren't waiting for the report to tell them the state of railroad competition.

"We understand from our citizens that the Surface Transportation Board has failed in its responsibility to restrain railroad monopoly power," according to the attorneys general letter.