

The Railroad Antitrust Enforcement Act of 2007 (S.772 and H.R.1650)

On March 6, 2007, Senators Herb Kohl (D-WI), Norm Coleman (R-MN), Russ Feingold (D-WI), David Vitter (R-LA) and John D. Rockefeller, IV (D-WV) introduced bipartisan legislation, The Railroad Antitrust Enforcement Act of 2007 (S.772), to address the monopolistic practices within the freight rail industry by removing their antitrust exemption.

In the House of Representatives on March 22, 2007, Representatives Tammy Baldwin (D-WI), Rodney Alexander (R-LA), Earl Pomeroy (D-ND), Richard H. Baker (R-LA) and Timothy J. Walz (D-MN) introduced identical legislation, the Railroad Antitrust Enforcement Act of 2007 (H.R.1650).

The railroads' antitrust exemption is one of the broadest remaining antitrust exemptions. It has no public policy justification and simply protects the railroad industry's anti-competitive conduct.

Why We Need S.772 and H.R.1650:

- Utilities, paper mills, chemical companies, agricultural groups and others have been subject to declining and unreliable service and unreasonably high rates from the freight railroads.
- The broad antitrust exemption enjoyed by the railroads prevents these customers, or a state Attorney General, to take legal action against alleged monopolistic behavior.
- In August 2006, the state Attorneys General of seventeen states sent a joint letter to the House and Senate Judiciary Committees asking Congress to remove the railroad antitrust exemption.

What the Railroad Antitrust Enforcement Act Does:

- Repeals the railroad exemptions in the antitrust and transportation statutes, so that antitrust law fully covers railroads just as it covers other industries.
- Permits the Justice Department and the Federal Trade Commission to review mergers under antitrust law.
- Allows state Attorneys General and other private parties to sue for treble damages and sue for court orders to halt anticompetitive conduct, both of which are not currently allowable under federal law.

This legislation is a first and fundamental step toward ensuring competition in the consolidated rail industry.