



## SPECIAL BULLETIN

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### Railroads Dial Up Rhetoric to Protect Monopoly Power

With calls for rail reform now louder than ever, the major freight railroads are throwing the truth onto the tracks in their ongoing campaign to protect their special exemptions from the nation's antitrust laws and their lucrative monopoly status. The railroads enjoy what amounts to a hidden tax on consumers and they're willing to say, spend or do just about anything to keep it. The latest installment of this misinformation campaign can be found on the Association of American Railroads web site. It's titled "The REAL Truth About Railroads, Re-regulation and Antitrust: What CURE Doesn't Want You To Know."

**Click here** to learn the truth about the claims being made by this misinformation campaign.

**Click here** to understand why it's important to support the Railroad Antitrust Enforcement Act.

**Click here** to learn why it's important to support the Railroad Competition and Service Improvement Act.

Let's set the record straight. The railroads still enjoy good old 19th century style monopoly power over some of their customers. They are still exempt from the nation's antitrust laws. And the Surface Transportation Board (STB), which was charged by Congress to protect rail customers, still refuses to step in and prevent railroad monopoly power abuses.

In fact, the STB actually facilitates these abuses. Two separate STB rulings have allowed the railroads to prevent rail customer access to a competing railroad. The U.S. Department of Justice has stated that if the antitrust laws applied to the railroads, these two practices would violate the nation's antitrust laws.

The irony of all this, of course, is that today's antitrust laws were enacted largely in response to the heavy handed tactics deployed by the railroads. That this industry has been able to weasel its way out from under the very laws it was largely responsible for creating is no small feat.

Today's freight railroads have carved the country up into their own regional monopolies. In fact, over 90 percent of freight rail traffic is transported by just 4 railroads. These railroads are exempt from the antitrust laws while enjoying unprecedented freedom to operate thanks to a complacent and

accommodating regulatory agency - the STB. What this boils down to for consumers is higher prices on everything from cereal to electricity.

The CURE solution for American consumers: Pass pro-consumer legislation in the U.S. House and Senate to extend the nation's antitrust laws to the railroads and reform the practices of the STB. The CURE solution is pro-consumer, not re-regulatory. Let's stick to the facts and extend the full benefits of competition to our nation's freight rail system. Then we might get the REAL truth instead of the RAIL truth.

**Consumers United for Rail Equity (CURE) represents a wide variety of rail customers including public utilities, rural electric co-ops, agriculture groups, as well as chemical, ethanol, cement, forest and paper companies, and other manufacturers.**

**For more information about CURE visit: [www.railcure.org](http://www.railcure.org)**