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## **Congress Calls for Study on Impact of Rail Transport Problems on Rural America**

*Provision in Farm Bill calls for investigation  
into freight rail system's impact on economic growth*

Washington, D.C. (May 14, 2008) — Congress continued its efforts to address railroad monopoly power with the House and Senate passage this week of legislation including a study into the impact of poor rail service and high rail prices on rural America..

The study was authored by Rep. Tim Walz(D-MN) who worked to ensure that the study was included in the final version of the Farm Bill, which passed the House Wednesday and Senate today. It directs the Secretary of Agriculture to study the railroad industry's ability to transport reliably and at reasonable costs resources that are essential to the economic development and sustainability of rural America. These resources include products such as coal used to generate electricity for rural America, fertilizer and other agriculture inputs, agricultural products and domestically-produced renewable fuel.

“Rail customers have believed for years that railroad monopoly power is adversely affecting rural America in a variety of ways from slowing economic growth to overcharging for millions of tons of products shipped each year in the U.S., and we are pleased that a congressionally authorized study will now shed some light on this situation,” said Bob Szabo, Executive Director of Consumers United for Rail Equity (CURE). “Time and again, farmers have watched their crops rot on the ground, seen rising rail rates erode the profits from their labors, paid higher electric bills due to monopoly rates on coal transportation and seen economic development opportunities evaporate in the face of railroad monopoly power. This study will quantify and verify these concerns so that Congress can effectively protect rural America from railroad monopoly power.”

CURE supports Congressional efforts to bring accountability and fairness to the rail industry.

- *Railroad Antitrust Enforcement Act of 2007 (H.R. 1650, S. 772)*: These bills would repeal railroad antitrust exemptions, increase competition in the rail industry and allow the U.S. Department of Justice and the Federal Trade Commission to review mergers under antitrust law. The Senate Judiciary reported out S. 772 in a unanimous bipartisan vote last year and the legislation currently is awaiting action on the Senate floor. The House Judiciary Committee recently also reported by voice vote companion legislation, H.R.1650, to the full House for action in 2008.
- *Railroad Competition and Service Improvement Act of 2007(H.R. 2125, S. 935)*: These bills would require the STB to address rail services problems, streamline the rate challenge process for captive rail customers and remove artificial barriers to competition.

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*Consumers United for Rail Equity (CURE) represents a wide variety of rail customers including public utilities, rural electric coops, agriculture; chemical, ethanol, cement and other manufacturers, forest and paper companies, and their customers.*

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