

THE KANSAS CITY STAR.

AS I SEE IT GLENN ENGLISH ON RAILROAD COMPANIES

POOR OVERSIGHT OF MONOPOLIES COSTS CONSUMERS

Anyone who's ever played Monopoly knows there are four railroads on the board and that owning them all is one key to winning the game.

What players of the classic board game may not realize is just how true to life this is — and why today's real-life railroad monopolies are bad for consumers.

Today there are just a handful of major U.S. railroads — including Kansas City Southern — that have divided the country into their own regional monopolies. These monopolies carry more than 90 percent of all rail freight shipped in the U.S., which means they can charge customers just



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prices trickle down to us in the form of higher electric bills, costlier cereal and pricier lumber.

So who's protecting consumers against the robber barons of the railroads? In theory, that should be the Surface Transportation Board, or

about anything they want, and they do!

These inflated transportation prices mean consumers pay more for everything shipped on the railroads, from coal to grain to newsprint. These jacked-up

STB, which just held a field hearing in Kansas City. You're not alone if you think the STB sounds more like a gasoline additive than a regulatory agency of the federal government.

In reality, the Surface Transportation Board is ineffective and subservient to rail interests. Take for example a recent ruling it made that the nation's largest railroads had gouged their customers by \$2 billion in illegal fuel surcharges.

You'd think the Surface Transportation Board would tell the railroads to return the money. But you'd be wrong. Instead, the board allowed the railroads to keep collecting the illegal

fuel surcharges for three additional months and ordered no refunds.

Our nation's rail system is unreliable, unresponsive and unaffordable, yet the Surface Transportation Board has fallen asleep at the switch.

Field hearings like the one in Kansas City are no substitute for good oversight. The board is supposed to fairly mediate disputes between shippers and railroads, yet the board process is fatally skewed in the railroads' favor.

For example, customers have to fork over \$178,200 in fees just to file a complaint with the Surface Transportation Board. That's like saying

you have to pay \$10,000 just to challenge a parking ticket. Who's going to do that? That's right, nobody.

So while the board is trying to show its relevance with field hearings like the one in Kansas City, in Washington legislation is being introduced to strengthen this paper tiger and ensure the monopoly railroads are playing by the rules.

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