

## Editorial: Competition on rails

**A bill to remove the railroads' antitrust exemptions should get a fair hearing, but customers also need a place to go for a fair hearing when they believe they've been wronged.**

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For months, shippers who depend on rail to get their products to market have griped about spotty service and price-gouging. Farmers, utilities and papermakers also complain that the designated federal referee for rate disputes - the Surface Transportation Board - is a byzantine, virtually worthless venue that is expensive to use.

Congress is looking at two approaches to reform, and it's an opportune time to do so. Thanks to global demand for coal and the ability of the railroads to carry freight more efficiently than trucks, the railroad business is booming.

But lawmakers should take care: Railroad deregulation has been mostly a good thing for shippers and railroads alike. Neither benefits from a return to the bad old days of the late 1970s, when the railroads were feeble and burdened by government rules.

Rep. Tammy Baldwin and Sen. Herb Kohl, both Wisconsin Democrats, propose eliminating the railroads' longstanding antitrust exemptions; Baldwin's bill recently won approval from the House Judiciary Committee.

Perhaps Kohl and Baldwin are right - certainly, declining service and rate spikes on some routes raise questions about railroads' market power. But Congress should do a thorough review of the industry before taking such a drastic step.

Congress must ensure that the STB is an impartial referee. Bills sponsored by Sen. John D. Rockefeller IV (D-W.Va.) and Rep. James L. Oberstar (D-Minn.) would do that by allowing shippers to more easily challenge rates before the board. Right now, a rate challenge is prohibitively expensive and can take years. Among other things, their bill would mandate challengeable rates, create an arbitration process and create an office of "Rail Customer Advocacy."

The railroads call this re-regulation. As Oberstar said at a hearing last year, "That's a cute bumper sticker phrase. . . . The board is not meeting its responsibilities. This legislation will ensure that the board does a better job."

As competition has declined - just four major railroads carry most of the nation's freight - it is time to reassess how these vital transportation links are regulated. Shippers need an easier way to complain when they believe they have a beef.

Consumers ultimately bear the cost of monopoly power, and the Surface Transportation Board must be a fair and reasonable arbiter to ensure that the public is protected.