



Editorial: Bring end to railroad antitrust exemption

Sheboygan Press
May 11, 2008

Recent action by the U.S. House Judiciary Committee is a step forward for dozens of Wisconsin businesses now getting poor service from railroads while paying outrageous shipping costs.

The bill, called the "The Railroad Antitrust Enforcement Act of 2007," would repeal the railroads' antitrust exemption, which the businesses say allows the railroads to engage in anticompetitive and monopolistic practices. This monopoly forces consumers to pay higher prices because these are "captive" to the railroads' exorbitant rates.

Electric utilities, farmers, manufacturers and the paper industry are especially hard hit by the rail monopoly because just four railroads control 90 percent of the shipping rails.

In Sheboygan County, Kettle Lakes Co-op of Adell is one of the businesses held "captive." Like many others, it can't just switch to using trucks or other means to get bulk fertilizer for area farmers because this method is even more cost prohibitive than the railroad rates.

Not only that, but much-needed products are often late in arriving because the railroad has no economic incentive to be responsive to its customers, according to Andy Walsh, agronomy manager at Kettle Lakes.

Also, because of the antitrust exemption, it takes years and lots of money to bring rate-fixing charges for a hearing before the Surface Transportation Board — and rarely does the board find against the railroads.

For these mostly small businesses — and eventually consumers — to be held hostage by an antiquated and patently unfair law is unconscionable.

Removing the antitrust exemption would allow federal government review of rail mergers and rate setting. It would also allow state attorneys general to sue for damages for uncompetitive actions.

In short, it would make the railroads toe the line.

Wisconsin Consumers United for Rail Equity, a coalition of the captive businesses, is carrying the fight to the halls of Congress where Wisconsin lawmakers are with them. Rep. Tammy Baldwin of Madison is a sponsor of the antitrust bill and Rep. James

Sensenbrenner of Menomonee Falls supported it in the Judicial Committee. Sen. Herb Kohl introduced a similar bill in the Senate. It also won a committee OK and awaits action by the full Senate.

We urge Rep. Tom Petri to back the bill when it gets to the House floor.