



State of Louisiana

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September 22, 2004

The Honorable John McCain, Chairman  
Committee on Commerce, Science & Transportation  
254 Russell Senate Office Bldg.  
Washington, D.C. 20510-6125

The Honorable Don Young, Chairman  
Committee on Transportation & Infrastructure  
2165 Rayburn House Office Bldg.  
Washington, D.C. 20515-6256

Dear Senators McCain and Young:

I am writing to express my strong support for legislation pending in your committees, the Railroad Competition Act of 2003, S.919 and H.R. 2924. This legislation addresses a serious problem in our state that is costing us jobs and is imposing unnecessary costs on our electricity consumers.

The chemical industry is one of the largest employers in our state. The industry depends on railroads for the delivery of their products to customers. Unfortunately, many chemical plants in Louisiana are served by a single rail carrier that is allowed, under current interpretations of the law, to deny their customers access to railroad competition. The high rail rates and poor service that results from railroad captivity is threatening the economic viability of some of our plants. In addition, a number of the coal-fired electric generating facilities in our state are also served by single rail carriers. These plants are paying high captive rail rates that are reflected in the cost of electricity.

On March 31, 2004, the president of one of the chemical companies with a plant in our state and the director of utilities for one of our municipalities both testified on the captivity problem at a hearing of the House Railroad Subcommittee. These constituents share my belief that the Railroad Competition Act will improve their rail transportation situation by ensuring access to rail competition.

Our nation is engaged in an extremely competitive global economy. We cannot afford a policy that denies major industries and basic service providers access to competitive transportation services. The Railroad Competition Act of 2003 will ensure that the deregulation that Congress enacted in 1980 will reach to all rail customers. I ask you to ensure that the provisions of the Railroad Competition Act of 2004 are enacted at the earliest possible date. Thank you for your attention to this important matter.

Sincerely,

Kathleen Babineaux Blanco  
Governor

kdb