



H.R. 2047, The Railroad Competition Improvement and Reauthorization Act

EXPLANATION

Clarification of National Rail Policy: Clarifies that the Surface Transportation Board (STB) has the following primary objectives: (1) ensuring effective competition among rail carriers at origins and destinations; (2) maintaining reasonable rates in the absence of effective competition; (3) maintaining consistent and efficient rail transportation service for rail shippers, including the timely provision of rail cars; and (4) ensuring that small carload and intermodal shippers are not precluded from accessing the rail system.

Requirement that Railroads Must Quote Rates to Their Customers: In order to increase rail customer access to competition, railroads must quote rates between any two points on their systems where freight movements can originate, terminate or be transferred, when requested by the customer.

Arbitration of Certain Rail Rate, Service and Other Disputes: As an alternative to the discredited rate challenge process at the STB, provides “final offer” arbitration (baseball arbitration), at the choice of the non-rail party to a dispute, for all rail rate matters and other disputes at the STB involving a railroad charge.

Removal of “Paper Barriers:” Prohibits including “paper barriers” in future sales or leases of rail line to short line or regional railroads and allows the STB to invalidate such provisions that have been in existence for 10 years.

Removal of “Anti-Competitive Conduct” Test from Terminal Area and Switching Agreements Policy of ICC/STB: Changes the “antitrust” test added in mid-1980s by the former Interstate Commerce Commission to the statutory “public interest” test included in the terminal area and switching agreement provisions of the ICC Termination Act.

Cap on Filing Fees: Caps filing fees in STB rate cases involving the “coal rate guidelines” and in other formal complaint proceedings to the level of federal district court filing fees, rather than the current fees that range from \$10,100 to \$102,000.

Tri-Annual DOT Study of Extent of Rail-to-Rail Competition

Areas of Inadequate Rail Competition: On petition of a State, the STB may declare all or part of a State to be an area of inadequate rail competition. Special rail customer remedies apply in such areas.

Rail Customer Advocacy Office Established at Department of Agriculture

Reauthorizes the STB