



## **Support S.772**

### **The Railroad Antitrust Enforcement Act of 2007**

*Restore fairness and competition to the freight rail marketplace*

**The Problem:** Freight rail customers from a broad cross-section of the economy are subject to abusive practices without the protection of our nation's antitrust laws – the basic defense against the accumulation of monopoly power and resulting uncompetitive markets. Indeed, the overly broad exemptions enjoyed by the railroads simply protect the railroad industry's continuing anti-competitive conduct while large volumes of the nation's crucial freight commodities are held hostage to railroad monopoly service, increasing consumer prices, costing American jobs, reducing farm income and harming the competitiveness of much of the nation's economy.

- The Surface Transportation Board (STB), which is supposed to ensure competitive markets and reasonable prices for rail customers without access to competition, is not doing its job. In fact, rulings from the STB have actually enhanced the market dominance of the railroads, leaving rail customers with no legal recourse.
- The broad antitrust exemptions enjoyed by the railroads prevent customers and state Attorneys General from pursuing legal action against alleged monopolistic behavior.
- Unlike most industries, railroad mergers and acquisitions are not subject to DOJ/FTC review. The STB approves mergers and acquisitions on a simple "public interest" test. The result is a highly consolidated rail industry operating in non-competitive markets, often charging high rates and providing poor service.

#### **A Solution – Under S. 772:**

- The railroads would be given six months to review their anticompetitive practices to bring them into compliance with the nation's antitrust laws. After that date, a plaintiff with standing could bring an antitrust action in federal district court to enjoin railroad practices that do not comply with the nation's antitrust laws.
- The Attorney General, state attorneys general, and private persons are empowered, where they have antitrust standing, to file suit in federal district court to enjoin railroad actions that violate the nation's antitrust laws.

S. 772 is a first and fundamental step toward ensuring fair competition, guarding national economic and security interests, and protecting rail customers.

**PLEASE SUPPORT S. 772!**