



Statement

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NEW REPORT CALLS FOR CHANGES TO OUTDATED FREIGHT RAIL POLICIES

WASHINGTON (June 11, 2015) – A [new report](#) urges Congress and the Surface Transportation Board (STB) to enact a series of reforms that would modernize freight rail policies and help create a more competitive and reliable freight rail system. The study was sponsored by the U.S. Department of Transportation and conducted under the auspices of the National Research Council (NRC), an independent scientific research organization.

ACC President and CEO Cal Dooley said the report provides even more proof that freight rail reform is long overdue. “There is a growing consensus and mounting evidence that something is wrong with how the freight rail system operates and the policies governing it,” said Dooley. “The conclusions outlined in the expert report make it very clear that the STB’s current freight rail policies are broken and are not able to address rising rates and declining service.”

The NRC’s Transportation Research Board (TRB) listened to all stakeholders, including shippers and freight rail companies, before reaching its definitive [conclusions](#).

“While the U.S. freight railroad industry has become modernized and financially stable since the Staggers Rail Act of 1980, some of the industry’s remaining economic regulations have not kept pace and should be replaced with practices better suited for today’s modern freight rail system,” according to the report’s summary. “More appropriate, reliable and usable procedures are needed for resolving rate disputes; better data are required to assess railroad service quality; and certain functions left over from the previous regulatory era, such as regulators having responsibility for merger approvals, serve purposes that are no longer valid.”

Specifically, the report recommends that policymakers:

- Adopt more appropriate and reliable rate relief procedures
- Replace current STB rate reviews with arbitration hearings to provide faster, more economical resolutions of rate cases
- Stop issuing annual reports on the “revenue adequacy” of individual railroads and replace them with more useful studies of economic and competitive conditions in the railroad industry
- Ensure that railroad mergers are subject to the same antitrust principles and procedures that apply to other industries

Earlier this year, The Senate Committee on Commerce, Science and Transportation unanimously approved the “Surface Transportation Board Reauthorization Act of 2015,” which would address



many of the issues raised in the TRB report. “The findings in the TRB report support the reforms outlined in the Senate legislation for building a more efficient, competitive and reliable freight rail system,” Dooley said.

“We strongly urge Congress and the STB to carefully review this new important report and enact meaningful reforms that will foster a more competitive and reliable freight rail system,” Dooley concluded.

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