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NEW REPORT SHOWS ABSENCE OF COMPETITIVE RAIL SERVICE COSTS SHIPPERS BILLIONS OF DOLLARS

Study Covered Chemicals and Plastics, But Problem Extends Across Economic Sectors

WASHINGTON- The American Chemistry Council issued new research today documenting how a lack of freight rail competition is costing U.S. chemical companies billions of dollars in excess shipping costs each year. Showing shipping rates that often exceed 300% of the Revenue-to-Variable Cost (RVC) ratio, the ACC study estimates that if the \$3.9 billion premium on chemical shipments were reduced, the chemical sector could create up to 25,000 additional American jobs, with \$1.5 billion in new wages, and \$6.8 billion in new economic output.

Glenn English, Chairman of Consumers United for Rail Equity (CURE), a coalition of rail dependent shippers that includes the American Chemistry Council, issued the following statement about ACC's findings:

"This new research provides critical data about a problem that is costing American companies billions of dollars and American workers tens of thousands of jobs. While these new findings focus on chemical and plastic shipments, the problem is just as dire for farmers, electric utilities, lumber and other manufacturers who depend on rail for shipping and who together make up a broad swath of the U.S. economy.

"Congress can fix this problem. Acting to guarantee competitive rail service, giving freight rail shippers the same antitrust protections relied on by all other U.S. industries to ensure competitive markets and ensuring the Surface Transportation Board has the tools to enforce the law would be enormous steps toward strengthening the U.S. economy, enhancing the competitiveness of American companies and creating good jobs here at home.

"Armed with the research released today, freight rail shippers will be working closely with members of Congress and the Obama Administration to enact these common sense reforms."

To learn more about CURE, please visit www.railcure.org.

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