

1 **COMMITTEE: NATURAL RESOURCES AND**  
2 **INFRASTRUCTURE**

3 **COMMUNICATIONS, FINANCIAL SERVICES AND**  
4 **INTERSTATE COMMERCE**

5 **POLICY: SUPPORTING RAILROAD ANTITRUST**  
6 **ENFORCEMENT LEGISLATION**

7 **TYPE: POLICY RESOLUTION**

8 **SPONSOR: SENATOR SCOTT DIBBLE (MINNESOTA)**

9

10 WHEREAS, the railroad industry was originally granted exemptions and immunities from  
11 antitrust laws because at the time of adoption of antitrust laws, railroad companies  
12 operated in a highly regulated environment under the authority of the Interstate  
13 Commerce Commission; and

14 WHEREAS, the Interstate Commerce Commission lost its power to regulate railroads  
15 and their mergers and acquisitions, routes, and rates, with the passage of the Staggers  
16 Rail Act in 1980, giving railroads power to set their own rates and conduct mergers with  
17 the go-ahead of the Surface Transportation Board; and

18 WHEREAS, the United States railroad industry has been extensively consolidated. In  
19 1976, there were 63 Class I railroads operating in the United States. Now there are only  
20 six Class I freight railroad companies operating in the United States, the largest four of  
21 which control nearly 90 percent of the market's revenues; and

22 WHEREAS, consolidation and lack of competition have allowed the largest railroad  
23 companies to increase rates beyond inflation and significantly increase their profit  
24 margins, to the detriment of shippers, an increasing number of which are captive to the  
25 services of a single railroad company. Additional unchecked railroad mergers will bring  
26 about further consolidation in the industry, subjecting shippers to the power of railroad  
27 monopoly; and

28 WHEREAS, National Conference of State Legislatures (NCSL) has adopted a policy  
29 that favors an efficiently managed and well-maintained national freight railroad system,  
30 with the federal government ensuring a competitive environment for the transport of  
31 freight; and

32 WHEREAS, changes in federal law are needed in order to subject railroad company  
33 mergers to the antitrust laws and rules that apply to other industries, thus promoting  
34 fairness to shippers and competition in the railroad industry; NOW, THEREFORE,

35 BE IT RESOLVED THAT the National Conference of State Legislatures urges the  
36 United States Senate and House of Representatives to pass the Railroad Antitrust  
37 Enforcement Act of 2013, sponsored in the Senate by Senators Klobuchar, Vitter,  
38 Franken, Leahy, Baldwin, and Tester, or similar legislation having the effect of  
39 subjecting railroad company mergers to antitrust laws and rules.

40 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of  
41 the United States and to all the members of Congress.