



# ARC

## Alliance for Rail Competition

412 First St. S.E., Suite One, Washington, DC 20003  
Phone (202) 484-7133, Fax: (202) 484-0770 [www.railcompetition.org](http://www.railcompetition.org)

### Federal News Update June 1, 2007

#### **NITL Proposal Divides Shippers Effort Appears to Be Led by Railroad Members**

The National Industrial Transportation League (NITL), in concert with the American Association of Railroads, is considering opposing the rail competition legislation, which has recently been introduced by a broad bipartisan group of U.S. Representatives and Senators and is strongly supported by ARC, CURE, American Chemistry Council, National Rural Electric Cooperative Association, glass producers, multiple national agricultural groups, as well as other rail customer interest groups including the United Transportation Union of rail labor.

In an email notice distributed on May 24, 2007, NITL Rail Committee Chairman Doug Kratzberg presented a "Proposed Comprehensive Rail Compromise Agreement." According to Kratzberg, the proposed agreement is the result of an effort by NITL to "develop solutions that would help move all parties beyond the debates that have been raging for years between shippers and carriers, and begin working collaboratively on longer term issues that would generate benefits for all concerned." The six-page **agreement proposes, among other things, that NITL oppose S.953 and H.R. 2125.**

The email notice further states that the agreement had been presented to senior management of most of the Class I railroads and will be the primary topic of discussion at the upcoming NITL Rail Committee meeting, which will be held on June 6<sup>th</sup> in Houston, TX.

Several years ago, NITL allowed railroads to become members of their organization. Over the last few years, the rest of the rail shipper community worked tirelessly to garner support for and develop solid legislative solutions to *permanently* solve massive rail concentration problems. Meanwhile, NITL chose to be neutral on rail competition legislation during the 109<sup>th</sup> Congress.

ARC leadership believes that the proposed NITL agreement does not benefit utilities, agriculture shippers, chemical, glass producers, or any other major bulk shippers. We believe it focuses instead on benefits to carriers, while ignoring the interest of rail shippers. Among the issues that are of a major concern to ARC are:

- Absence of effective or competitive remedies for shipping constituency in large areas of the country – resulted from unacceptably low maximum level thresholds on rate and service cases;
- Absence of bottleneck captivity solutions;
- Ignoring areas of inadequate rail competition;
- Paper barrier solutions that do not increase competition;
- The agreement provides a 5-year resolution with no proposal for renewal. In contrast, S. 953 / H.R. 2125 provides a *permanent* solution for shipper interests.

**ARC leadership urges all shippers to express their serious concern about NITL proposing to oppose S. 953 / H.R. 2125.**