



May 29, 2009

Legislation

Rail - Prior to the Memorial Day recess, a motion was filed on May 21st in the Senate to proceed to consideration of Senator Herbert Kohl's (D – WI) Railroad Antitrust legislation (S. 146), setting up a cloture vote for Monday afternoon, June 2nd.

However, Senate Commerce, Science, and Transportation Committee Chairman Jay Rockefeller (D – WV) along with Ranking Member Kay Bailey Hutchison (R – TX), Subcommittee on Surface Transportation Chairman Frank Lautenberg (D – NJ) and Ranking Member John Thune (R – SD) wrote a letter May 26th urging their colleagues “to join us in voting **against** cloture” because “we strongly believe that regulation of railroads should be addressed in a comprehensive manner rather than piecemeal fashion focused on one narrow aspect.” (emphasis included in the letter)

Cloture is the only procedure by which the Senate can vote to place a time limit on consideration of a bill or other matter, and thereby overcome a filibuster. Under the cloture rule, the Senate may limit consideration of a pending matter to 30 additional hours, but only by vote of three-fifths of the full Senate, normally 60 votes. Therefore, the above request to vote against cloture is an effort to prevent the legislation from being brought to a vote, and potentially passed.

A previous “Dear Colleague” letter was sent by Chairman Rockefeller on May 14th in which he provided an update on the progress being made drafting the Committee's Surface Transportation Board reform/rail competition legislation. He also expressed his desire to couple this effort with the anti-trust legislation even though he is a cosponsor of S. 146.

Staff representing Kohl and Rockefeller have met today, and plan to meet again tomorrow to see if an agreement can be reached to move forward with all aspects of rail reform in unified legislation.

Surface Transportation Bill – House Transportation Committee Chairman James Oberstar (D – MN) is now planning to release a summary of the highway reauthorization bill next week, which means a mark-up in Committee will be targeted for later in June. As reported before, finding the means to pay for a \$450-500 billion 6-year bill is the major impediment to progress. Each week that goes by without action diminishes the chances of finishing the legislation and getting it to the President's desk for his signature by the time the current authorization expires on September 30th.

Mexican Trucking – Representatives from the coalition of groups affected by the tariffs imposed by Mexico due to the elimination of the Mexican truck pilot program briefed the

National Governor's Association last week. They have asked the governors to weigh in with their Congressional delegations and the President.

The group also sent a representative to attend a meeting of the Department of Transportation's Federal Motor Carrier Safety Advisory Committee, in order to brief them on the issue.

Lastly, an internal fund drive has begun from within the coalition to pay for a communications effort to generate local and national media interest on the issue, highlighting the number of jobs being lost due to the tariff and the negative impact it is having on the overall US economy. Initial contributions have enabled the group to retain a consultant. Groups are being asked to contribute \$2,500, \$5,000 or \$10,000 to pay for a targeted budget of \$100,000 over six months.

Consumer Federation of America (CFA) Rail Study – A study on railroad freight rates has been released by the Consumer Federation of America that shows overcharges are costing consumers \$3 billion annually. The study details how the lack of government oversight has allowed railroads to develop regional monopolies, highlighted by the fact that four dominant Class I railroads now control the bulk of US freight traffic, down from 30 since the passage of the Staggers Act in 1980. In summary, the CFA study calls for congressional action to reform laws governing the Surface Transportation Board oversight of the rail industry.

The 72 page report can be found at: http://www.consumerfed.org/pdfs/rail_report_2009.pdf

Surface Transportation Board

July 8th Hearing – The STB will hold a public hearing to examine the impact, effectiveness, and future of “rail banking” on July 8th at 9 am. The term refers to the preservation of rail right-of-ways on abandoned railways for possible future rail use by using them as recreational trails on an interim basis as mandated by the National Trails System Act. Anyone wishing to testify at the Hearing should notify the Board in writing along with written testimony as soon as possible but before June 29th. Written comments will also be accepted through that date.

Formal notice of the Hearing can be found at:
<http://www.stb.dot.gov/decisions/readingroom.nsf/WebDecisionID/39979?OpenDocument>



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