Freight Rail and Economic Regulation

Freight Rail Policy Stance: Freight railroads support a continuation of existing balanced regulatory policies.

Why This Matters: The current regulatory framework protects rail customers against unreasonable railroad actions while allowing railroads to earn enough to make massive investments in their private 140,000-mile network. These investments ensure freight rail remains America's critical connector.

America's freight railroads demonstrate that market-based solutions can help build a successful industry that drives economic prosperity from coast-to-coast.

A broad and bipartisan coalition in Congress passed the Staggers Rail Act in 1980. The law, which partially deregulated the industry, initiated a rail renaissance. Freight railroads responded with one of the greatest economic turnarounds in modern history. That, in turn, has benefited thousands of American businesses and millions of consumers through low shipping rates and a stellar safety record.

Similar to the web of regulations that drove the industry to the brink of financial ruin in the 1970s, current proposals under review at the U.S. Surface Transportation Board would undermine the ability of freight railroads to invest in their network and ultimately disrupt service.

At a Glance

- Forced Access
  A pending proposal would require railroads to turn over their traffic to competitors — potentially at below-market rates. This radical approach would significantly compromise the efficiency of the nation's rail network.

- Differential Pricing
  Differential pricing has enabled railroads to make the record investments required to build the network that serves as the foundation for the U.S. economy.

- Revenue Adequacy
  Larger corporations are asking the STB to cap rates that railroads charge them, a step that is essentially government price control.