

STATEMENT  
OF  
SENATOR JOHN D. ROCKEFELLER IV

SURFACE TRANSPORTATION BOARD REAUTHORIZATION HEARING  
SURFACE TRANSPORTATION AND MERCHANT MARINE SUBCOMMITTEE  
MARCH 21, 2001

Thank you Mr. Chairman. Welcome to the Committee and to the Surface Transportation Subcommittee. I look forward to working with you on issues of importance to my constituents, and to the entire nation, that will come before this subcommittee. I commend you for beginning to address the state of our country's railroad system so early in your chairmanship, and I applaud you for committing to three hearings on the various issues involved.

Good morning, Chairman Morgan, and welcome back.

As Ms. Morgan knows, and as I suspect Chairman Smith has heard, in the past I have been primarily interested in the workings of the STB, and its predecessor the Interstate Commerce Commission, with regard to these agencies' oversight of the freight rail industry, and in particular, the efforts both agencies have taken to ensure that railroads and rail shippers, not to mention the frequently forgotten end-use consumers, each enjoy the benefits of the competitive rail market that Congress believed it was setting up with the passage of the Staggers Act more than twenty years ago.

I have had the opportunity to discuss this issue with and before Ms. Morgan on a number of occasions. Given that history, I am quite sure she will be happy to hear that after a brief description of the Board's responsibilities regarding rail competition and the current merger moratorium and rulemaking, I intend to refrain from belaboring the point, at least for today.

Mr. Chairman, it is important for all of our Members, especially our new Colleagues, to understand what the STB is called upon to do. When the 104<sup>th</sup> Congress terminated the ICC, we were careful to not leave the rail freight industry operating in a vacuum. We entrusted the STB with the authority to regulate the nation's freight rail carriers, including authority over rail mergers and responsibility for protecting the rights of rail labor. Many people who have followed this issue during the past few Congresses know that I have not always been convinced that the STB has acted with the broadest possible understanding of the power I believe Congress intended it to have.

Two relatively recent actions by the Board that I believe may demonstrate the appropriate level of concern for rail competition are the moratorium and subsequent rulemaking regarding rail mergers. As the industry has moved rapidly toward corporate consolidations that may further reduce the competitive nature of the rail freight hauling, the STB took action that may result in the Board giving a more searching and appropriate inquiry to railroads seeking approval of their mergers. With the rulemaking proceeding set to conclude later this year, I expect to give the Board's recommendations a searching inquiry of my

own, and I look forward to discussing the matter further with Ms. Morgan.

Once again, I want to express my thanks to Chairman Smith for devoting his time and intellect to these important issues. I know that in the months to come, as the Subcommittee considers oversight and reauthorization of the STB, we will continue to look to you for leadership on the issues that will come before us.