

Statement of Senator Trent Lott
Surface Transportation and Merchant Marine Subcommittee
Hearing on New Railroad Merger Rules
June 28, 2001

I want to commend my good friend John Breaux for holding this hearing today in his new capacity as Chairman of this Subcommittee.

Railroads are vitally important to both of our neighboring States. Mississippi is served by five class railroads and several short lines. With Mississippi's focus on increasing its manufacturing presence and serving as a gateway for Latin American trade, I am keenly interested in ensuring adequate railroad capacity and service. Generally, the railroads that serve Mississippi have been good partners in meeting the needs of my home State's manufacturers and ports. The State is working with Canadian National and CSX to provide service to the new Nissan manufacturing plant in Madison County, and with KCS to upgrade the track connecting the Port of Gulfport to Hattiesburg.

The previous two hearings held this year on railroad issues made it clear that most railroads are having a hard time meeting their capital requirements to maintain their infrastructure and expand their capacity. As international trade flows increase across the United States, the railroad infrastructure will be under greater strain than ever. As we consider the Surface Transportation Board's recently adopted new merger rules, I urge this Committee to use caution before considering calls by some to legislate additional requirements that will make it even more difficult to maintain and expand the industry's infrastructure.

Aging railroad infrastructure is a problem for other besides the class I railroads. The regional and short line railroads, which feed and connect the class I railroads, are having an even harder time obtaining capital to maintain and upgrade their systems. Historic main line routes through the centers of cities and towns are increasingly encountering conflicts with local motor vehicle traffic and economic development needs. The development of high-speed passenger rail service to relieve increasing highway and airline congestion will require major investments in railroad infrastructure.

The Columbus and Greenville Railroad in Mississippi is a good example of a short line that is struggling to obtain private capital to upgrade a portion of its network, but still has severe problems maintaining other parts of its system. Similar situations exist in almost every State. The House of Representatives may soon consider H.R. 1020, which would help fund the regional railroad and short line infrastructure problem. It is my hope that the Commerce Committee will take up this bill shortly after it comes over from the House.

Senator Kerry and I introduced S. 948, the Community Rail Line Relocation Assistance Act of 2001, to address municipal concerns with existing downtown railroad lines. Relocating those rail lines, including the use of tunnels or bridges, would improve safety, ease traffic congestion, and facilitate economic development. While the bill was referred to the Environment and Public Works Committee, this Committee may have a role in addressing that concern.

Several Senators, including me, cosponsored S. 250, the High-Speed Rail Investment Act of 2001, which was referred to the Finance Committee. While Amtrak's management is struggling with meeting the requirements of the 1997 Amtrak reform legislation, the nation needs to make a decision to either invest in the future of passenger rail to see if a nationwide system will work or get out of the business and let the States organize and finance their own systems.

Addressing infrastructure requirements is complex and requires making difficult trade-offs. All too often, it is easier to respond to the symptoms of inadequate infrastructure by imposing additional performance requirements rather than solving the underlying problem. Although energy, aviation, and railroad transportation are different industries with different regulatory issues and capital funding mechanisms, we are seeing similar effects of inadequate infrastructure and similar calls to treat the symptoms, not the causes, for all three.

I urge my colleagues on this Committee to work together to facilitate the upgrading of our nation's system of private railroad infrastructure to handle the transportation needs of the 21st century. Let us make rational decisions regarding the regulation of the railroad industry. I look forward to listening to and working with today's witnesses, those from our previous hearings, and my colleagues on this Committee and in the Senate to address this nation's railroad needs.