



# Transportation Communications International Union

*An affiliate of the International Association of Machinists and Aerospace Workers*



God Bless America

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**Robert A. Scardelletti**, *International President*

LEGISLATIVE DEPARTMENT

**Ron Kloos**, *International Vice President and National Legislative Director*

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Dear Senator:

The purpose of this letter is to inform you that the Transportation Communications Union/IAM (TCU) is strongly opposed to S. 49, the Railroad Antitrust Enforcement Act of 2011. This bill, if passed, would cause dual and possibly conflicting oversight of the railroads by the Surface Transportation Board (STB) and the court; thereby, potentially causing the railroads to spend millions of additional dollars. This could cause unwanted problems for the employees of the railroads, including the members that TCU/IAM represents.

Some critics of U.S. freight railroads claim that the railroads are broadly exempt from antitrust laws. It is simply not true that the railroads are exempt from antitrust laws. The railroads do have limited antitrust exemptions which are narrowly applied and only extend to those areas where the railroads' conduct is subject to oversight by the STB. This includes, but is not limited to, certain rate agreements between railroads which set rules and regulations pertaining to fees they pay each other for use of railroad equipment. For example, railroad mergers and consolidations are approved by the STB rather than the Federal Trade Commission or the Department of Justice, however, these agencies have input into the process.

The fact that various shippers may have a problem with the freight rates that are charged by railroads is no reason to attempt to change the limited antitrust exception that the railroads now have. The STB is charged with overseeing the railroads. Changing the antitrust laws would cause dual oversight and confusion in the railroad industry; in doing so, costing the railroads thousands of dollars in additional expense. This is money that more properly could be used to enhance the railroads' business; thereby, creating a more secure workplace for the employees, which include members of TCU/IAM. In addition, the STB is also charged with implementing national rail transportation policies set by Congress. It should be allowed to continue without the disruption that the passage of S. 49 would cause.

We, in TCU/IAM, urge the Senate to vote against these draconian attempts to change the railroads' antitrust exemption and to work together with the railroads and the shippers to find common ground between the parties.

Very truly yours,

Robert A. Scardelletti  
International President