

# Transport Topics **Online**

Updated:

## **New Push by Senate Committee Chairman Focuses on FAA Funding, Rail Competition**

*By Rip Watson, Senior Reporter*

This story appears in the Feb. 7 print edition of Transport Topics.

Two transport issues left over from the last Congress are moving in different directions on Capitol Hill in the early days of the current congressional session.

Long-stalled aviation legislation is moving forward in both houses of Congress, while a long-running Senate initiative to introduce more rail competition faces an uncertain future.

Both the new push to provide multi-year funding for the Federal Aviation Administration and renewed efforts on the rail front emanated from the Senate Commerce Committee, whose chairman, Sen. Jay Rockefeller (D-W.Va.) introduced both measures in recent days.

The aviation funding measure is the same one that was passed 93-0 by the Senate last year. At press time, the aviation measure was awaiting action on the Senate floor.

Last year, the aviation bill stalled because of a dispute over the addition of language in the House measure that would have made it easier for a union to organize non-union workers at Fed Ex Corp.

Rockefeller's bill excludes the FedEx/UPS issue, which could have altered the competitive dynamics between the two largest companies on the Transport Topics Top 100 For-Hire Carriers in the United States and Canada list.

Instead of last year's controversy, the \$38 billion, two-year measure now is being presented as a jobs bill. Senate Majority Leader Harry Reid (D-Nev.) last week touted the measure as saving or creating 280,000 jobs.

"I am glad that we have made the FAA bill the first piece of legislation out of the gate for the 112th Congress," Rockefeller said during on the same Jan. 31 conference call. "We're setting the tone with a bill that will support existing jobs and create new ones. I am committed to getting this bill to the president's desk this year."

Rockefeller's counterpart in the House, Rep. John Mica (R-Fla.), who chairs the Transportation and Infrastructure Committee, also has the FAA issue on a fast track. Hearings have been scheduled for Feb. 8 and 9 in his Committee.

"One of the most important responsibilities of the Committee is writing the legislation authorizing the policy, projects and priorities of the Federal Aviation Administration," Mica said last month.

Meanwhile, Rockefeller continued to campaign for legislation to boost rail competition, an issue he first raised more than a decade ago, by giving shippers the ability to go through the Surface Transportation Board to get service from two

railroads instead of one.

Last year, his committee unanimously approved his bill, but it never reached the Senate floor.

“America is long overdue for a competitive, efficient, and balanced transportation network,” Rockefeller said on Jan. 26, labeling the rail bill as a priority for the committee this year. “It is crucial to the health of our economy.”

In addition to encouraging competition, the rail bill, known as the Surface Transportation Board Reauthorization Act of 2011, also is intended to give that agency power to investigate rate and service disputes on its own. Today, it can only address those issues if there is a complaint.

Some coal, grain and chemicals shippers have complained that their rates are as much as 50% higher when they don't have a choice of railroads to move the same cargo.

The Association of American Railroads responded by saying the legislation would reduce carriers' profits, hurting their ability to fund track and equipment improvements.

With the change to a Republican-controlled House, efforts to alter rail competition face an uncertain future even if the Democrat-controlled Senate passes the bill.

Mica has said he opposes the changes that Rockefeller's bill would make. No companion bill has yet been introduced in the House.

Like the FAA measure, the rail bill affects trucking, but for a different reason: Passage could lead to lower rates for those bulk products shippers, which in turn could raise prices for truck shipments moving via intermodal, according to AAR.