

Department of Justice

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AT (202) 616-2771

JUSTICE DEPARTMENT WILL NOT CHALLENGE PROPOSAL BY RAILROAD COMPANIES TO EXCHANGE RATE INFORMATION

WASHINGTON, D.C. -- The Justice Department's Antitrust
Division has approved a proposal to allow a railroad association
to serve as a clearinghouse for the exchange of rate information
between railroad companies that act together to move freight
along their connecting rail systems.

The Western Railroad Traffic Association (WRTA),

Consolidated Rail Corporation and CSX Corporation proposed that

WRTA accept and publish any railroad's rate changes and

communicate rate changes proposed by one railroad for freight

movements that use its system but originate or end on another

system.

The Department declined to review the parties' proposal for WRTA to perform other price collection and dissemination functions. WRTA's membership comprises the major railroads operating in the western United States.

The Department's position was stated in a business review letter from Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division.

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Bingaman's letter stated that the Division would not challenge the information exchange on joint-line rates in light of the parties' representations on its structure and limits.

Bingaman's letter cautioned, however, that the competitive effects of fare collection and dissemination ventures often depend on the way they are actually operated and used by participants.

The letter also stated that an additional aspect of the proposal appears to embrace conduct in which WRTA is already engaged, such as collecting and disseminating rate information, and that, under the Department's business review procedure, the Division does not consider business review requests concerning on-going conduct.

WRTA serves primarily as a tariff publishing agent, collecting and publishing rates for both regulated and unregulated traffic.

Under the Department's business review procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the Division would challenge the activity under the antitrust laws.

A file containing the business review request and the Department's response will be made available in the Legal Procedure Unit of the Antitrust Division, Room 3233, Department of Justice, Washington, D.C. 20530. After a 30-day waiting

period, the documents supporting the business review request will be added to the file.

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