



RAIL REPORT

RAIL CUSTOMER NEWS AND INFORMATION FROM CURE

JANUARY 2007

CURE LAUNCHES ROBUST EFFORT FOR IMPROVED NATIONAL RAIL POLICY

With the new year and a new Congress, CURE has launched its enhanced campaign to push for significant improvements in national rail policy. Rail customers are making regular visits to Congressional offices to convey the importance of the issues and emphasize the need for rail policy reform. Energized by the momentum of these constituents, leaders on Capitol Hill are preparing to introduce rail customer legislation in both the House and Senate during the first quarter of 2007.

MEMBERSHIP UPDATE

CURE is pleased to welcome these new members in 2007:

American Coalition for Ethanol

Tri-State Generation & Transmission Association, Inc.

Interested in joining the CURE effort? Visit www.railcure.org or call us at (202) 298-2844.

New Committee Leadership

Committees in the 110th Congress have filled the following leadership positions that will be important to the CURE effort:

Senate Committee on Commerce, Science and Transportation

Daniel Inouye (D-HI), Chairman

Ted Stevens (R-AK), Ranking Member

House Committee on Transportation and Infrastructure

James Oberstar (D-MN), Chairman

John Mica (R-FL), Ranking Member

Senate Subcommittee on Surface Transportation and Merchant Marine Safety, Infrastructure and Security

Frank Lautenberg (D-NJ), Chairman

Gordon Smith (R-OR), Ranking Member

House Subcommittee on Railroads, Pipelines and Hazardous Materials

Corrine Brown (D-FL), Chairwoman

Bill Shuster (R-PA), Ranking Member

Senate Committee on the Judiciary

Patrick Leahy (D-VT), Chairman

Arlen Specter (R-PA), Ranking Member

House Committee on the Judiciary

John Conyers, Jr. (D-MI), Chairman

Lamar Smith (R-TX), Ranking Member

Senate Subcommittee on Antitrust, Competition Policy and Consumer Rights

Herb Kohl (D-WI), Chairman

Orrin Hatch (R-UT), Ranking Member

For a full list of Members on these committees, please contact Beckie Whitehead at rcw@vnf.com or visit the House and Senate Web sites at www.house.gov and www.senate.gov, respectively.

Support for Rail Customer Legislation

By CURE's Third Annual Rail Customer Day on March 15, we hope to at least double the support we received from Congressional Members in 2006 for rail policy reform. **We need your help! Please contact your Member(s) of Congress today to request that they support rail customer legislation.**

REMINDER: THIRD ANNUAL RAIL CUSTOMER DAY ON MARCH 15, 2007

Thursday, March 15: Save the date! Planning for CURE's Third Annual Rail Customer Day is currently underway. In

Consumers United for Rail Equity

Robert Szabo, Executive Director

(202) 298-1920

rgs@vnf.com

1050 Thomas Jefferson St. NW, Suite 600
Washington, D.C. 20007

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Beckie Whitehead, Editor

(202) 298-1959

rcw@vnf.com

addition to the schedule of visits to Congressional offices, the day will include a breakfast rally and evening reception for rail customers, Members of Congress and their staffs. We had a tremendous turnout in 2006, with over 250 rail customers visiting their Congressional offices and raising awareness of the importance of rail policy reform. We hope to exceed 350 attendees this year. **If you would like to participate in Rail Customer Day or would like additional information, please contact Beckie Whitehead at rcw@vnf.com or (202) 298-1959. Please stay tuned for further developments!**

CURE ELECTS NEW OFFICERS AND EXECUTIVE COMMITTEE

CURE is pleased to announce its officers and executive committee members for 2007. Glenn English, CEO of the National Rural Electric Cooperative Association (NRECA), continues to serve as Chairman of CURE. Donald W. Kimball, CEO of Arizona Electric Power Cooperative, Inc., has been elected president of the coalition for 2007. Mr. Kimball has been a leading voice in the power industry, serving as chairman of the NRECA's Power & Generation Standing Committee; chairman of the Southwest Public Power Resources Group Management Committee; president of the Western Power Producers, Inc.; and a director on ACES Power Marketing Board of Managers.

Joining Mr. English and Mr. Kimball as coalition officers are Joe Maher, General Manager of the UPM/Blandin Paper Company, who will serve as the coalition's Vice President, and Alan Cramer, Administrative Manager--Bayport, of Total Petrochemicals USA, Inc., who will serve as the CURE Treasurer. New members of the executive committee for 2007 include: Ronald Harper, CEO and General Manager of Basin Electric Power Cooperative; William Mohl, Vice President of Entergy Services, Inc.; Shelley Sahling-Zart, Vice President and Assistant Counsel of Lincoln Electric System; and, Thomas Heller, CEO of Missouri River Energy Services.

STATE LEADERS GATHER IN WASHINGTON, D.C. TO DISCUSS GRASSROOTS CAMPAIGN

On January 18, CURE hosted a group of nearly 30 state grassroots coordinators to discuss plans for the enhanced effort in 2007. Participants included leaders from the state CURE groups already established and organizers from other state groups that are in the early formative stages. Representatives from Wisconsin's Badger CURE, Minnesota's Gopher CURE, Arkansas CURE and the rail customer group in Louisiana were on hand to share their success stories and highlight effective strategies. The meeting provided participants with the opportunity to meet one another and discuss the importance of state-based activities in the overall campaign. In addition to the established efforts in Wisconsin, Minnesota, Arkansas and Louisiana, state-based groups are also being organized in a number of other states, with more to come soon. These grassroots groups have proven tremendously effective at educating their Congressional delegations and state officials about the problems with current rail policy and the impact of those problems on their states. **If you would like to be involved in a state CURE group or would like information on grassroots organization strategies, please contact Burke Jensen at (202) 261-2892 or burke.jensen@mslpr.com.**

STB FINDS RAILROAD FUEL SURCHARGE PRACTICES ABUSIVE AND UNSUPPORTABLE; PARTIAL VICTORY FOR RAIL CUSTOMERS

In a long-awaited ruling on fuel surcharge practices, the Surface Transportation Board (STB) on January 29 criticized the railroads for the method by which they calculate and collect these revenues from customers. The STB ruled that the current practice of "double dipping" – assessing price increases on shipments to which other fuel surcharges have already been applied – is unfair and unreasonable, requiring the railroads to change these methods within 90 days. The STB did not mention refunding any portion of the excess charges that have already been incurred, however. While the ruling represented a partial victory for rail customers, the failure of the STB to suspend this practice earlier or to address the issue of refunds underscores the need for Congress to improve the practices of the STB.