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## **Rail Customers to Promote Rail Reform Legislation on Capitol Hill**

*Rail Customer Day pushes Congress to reform STB, remove rail antitrust exemptions*

Washington, D.C.(March 11, 2008)—Rail customers from across the nation will converge tomorrow on Washington, D.C. to urge Congress to finally put an end to unfair, harmful and anticompetitive practices in the freight rail industry.

Customers representing diverse industries ranging from power generators to paper companies will meet with their Members of Congress to push for enactment of legislation that would reform the railroads' rubber-stamp regulator, the Surface Transportation Board (STB), and ensure that the railroad industry complies with the same antitrust laws as their customers and all other American industries.

Sponsored by Consumers United for Rail Equity (CURE), Rail Customer Day is an opportunity for local rail customers to bring back-home voices and faces to Members of Congress. CURE supports the enactment of the Railroad Competition and Service Improvement Act (HR 2125, S. 953) that would reform the STB and the Railroad Antitrust Enforcement Act (S. 772, HR 1650) that would bring the railroads under the nation's antitrust laws.

“Captive customers have been severely disadvantaged by a rubber-stamp Surface Transportation Board that has blatantly and repeatedly ignored the intent of Congress when it partially deregulated the railroads in 1980,” said Glenn English, Chairman of CURE and CEO of the National Rural Electric Cooperative Association. “The STB talks a good game, but when it comes down to actually solving customers’ problems and outrageous rail practices, this government bureaucracy is all hat and no cattle. For consumers, passage of reform legislation will mean an end to the surcharges they ultimately pay on every manner of purchase from electricity to baked goods because of unreasonable shipping rates.”

When Congress partially deregulated the railroad industry in 1980, Congress failed to remove the exemptions from the antitrust laws that the railroads had obtained during the era of regulation. Congress charged the Interstate Commerce Commission—now the STB—with overseeing the railroads to prevent potential monopoly abuse and to give rail customers an outlet for relief. But the STB has failed in its mission, as verified by a Government Accountability Office study published in October, 2006, which was supplemented in an August, 2007 report.

“This legislation will bring fairness to an industry that has been profiting for too long at the expense of our farmers, small businesses and hard working families,” said English. “It’s time for Congress to take the reins and open the doors to competition – just as Congress intended in 1980.”

CURE-supported legislation has already gained momentum during the 110<sup>th</sup> Congress. The House Judiciary Committee Antitrust Task Force held a hearing on the Railroad Antitrust Enforcement Act (HR 1650) on February 25<sup>th</sup>. A companion Senate bill (S. 772) was reported by the Senate Judiciary Committee on September 25<sup>th</sup> without objection and placed on the calendar of the Senate on December 19, 2007. Earlier this month, Senator Herb Kohl (D-WI), along with six other Senators, sent a letter to Senate Majority Leader Harry Reid (D-NV) urging him to bring S. 772 to the Senate floor for consideration in 2008. Already, 21 States Attorneys General have signed a letter urging Congress to pass S. 772.

The Railroad Competition and Service Improvement Act (HR. 2125 and S. 953) has also seen movement in the House and Senate. House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN), lead sponsor of HR 2125, held a full committee hearing on September 25, 2007 to address railroad competition issues. He has indicated that he plans to schedule his bill for full committee consideration in April. The Senate Commerce Committee’s Subcommittee on Surface Transportation also held a hearing on the rail issue and S.953 on October 23, 2007.

“The time is now to remedy the abuses rail customers continue to face at the hands of a do-nothing STB that has helped put in place anti-competitive practices,” said English. “I think we can all agree that when railroads compete, everyone wins. The rail customers moving the 25% of rail traffic that is captive suffer every day Congress delays action on this critical legislation.”

CURE supports Congressional efforts to bring accountability and fairness to the rail industry.

- *Railroad Antitrust Enforcement Act of 2007 (H.R. 2125, S. 772)*: These bills would repeal railroad antitrust exemptions, increase competition in the rail industry and allow the U.S. Department of Justice and the Federal Trade Commission to review mergers under antitrust law. The Senate Judiciary reported out S. 772 in a unanimous bipartisan vote last year and the legislation currently is awaiting action on the Senate floor.
- *Railroad Competition and Service Improvement Act of 2007 (H.R. 1650, S. 935)*: These bills would require the STB to address rail services problems, streamline the rate challenge process for captive rail customers and remove artificial barriers to competition.

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*Consumers United for Rail Equity (CURE) represents a wide variety of rail customers including public utilities, rural electric coops, agriculture; chemical, ethanol, cement and other manufacturers, forest and paper companies, and their customers.*

**For more information about CURE visit: [www.railcure.org](http://www.railcure.org)**