



North Carolina Electric Membership Corporation Joins Rail Customers on Capitol Hill to Promote Rail Reform Legislation

March 11, 2008

RALEIGH, N.C., March 11 -- Representatives from electric cooperatives and other rail customers from across the country will converge tomorrow, March 12, in Washington, D.C., to urge Congress to pass rail reform legislation aimed at preventing the abuses that have become commonplace in the freight rail industry.

Sponsored by Consumers United for Rail Equity (CURE), Rail Customer Day is an opportunity for local rail customers to bring important railroad issues to the attention of their Representatives in Washington, D.C. Rail customers will address the railroads' outrageous rail rates and unreliable service as well as the complacent attitude of the Surface Transportation Board (STB), the industry's regulatory body.

"For too long the STB has turned a blind eye to the railroads' monopolistic behavior that affects not only rail customers but also the consumers they serve," said Rick Thomas, chief executive officer of North Carolina Electric Membership Corporation (NCEMC). "Our community's schools, families and small businesses are dealing with higher electric bills and increased prices for goods and services because the STB is not effectively dealing with a railroad industry that has become out of control on its watch."

In 1980, Congress passed the Staggers Rail Act with the intent of reinvigorating the railroad industry through market competition. At the same time, the legislation charged the Interstate Commerce Commission -- now the STB -- with protecting rail customers from unreasonable rates and practices where transportation competition does not exist. However, the STB has consistently handed down policy decisions that favor the railroads' bottom lines instead of fairness to rail customers and consumers.

"STB policy is putting our community's money in the pockets of the railroads that would be better spent on improving our school systems or a family's bottom line," said Thomas. "It's time that the STB started protecting customers instead of the railroads' profit margins."

NCEMC and CURE support Congressional efforts to bring accountability and fairness to the rail industry. Legislation includes:

-- The Railroad Antitrust Enforcement Act of 2007 (S. 772/H.R. 1650): These bills would repeal railroad antitrust exemptions and allow the U.S. Department of Justice and the Federal Trade Commission (FTC) to review mergers under antitrust law. The Senate Judiciary reported S. 772 in a unanimous bipartisan vote last year and the legislation is currently awaiting action on the Senate floor.

-- The Railroad Competition and Service Improvement Act of 2007(S. 935/H.R. 2125): These bills would require the STB to address rail services problems, streamline the rate challenge process and remove barriers to competition.

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

North Carolina's electric cooperatives provide energy to 2.5 million people in 93 of 100 counties, primarily in rural parts of the state.