



RAIL REPORT

RAIL CUSTOMER NEWS AND INFORMATION FROM CURE

APRIL 2007

SENATORS CALL ON STB TO REVERSE RECENT DECISION TO INCREASE FILING FEES

In a letter dated April 17, eight cosponsors of S. 953, the Rail Competition and Service Improvement Act of 2007, expressed their outrage over the Surface Transportation Board's (STB) recent decision to increase rate case filing fees and called on the agency to rescind its decision. Beginning May 6, the fee for bringing a formal complaint under the coal rate guidelines, alleging unlawful rates and/or practices by a rail carrier, will be increased to \$178,200. The current fee is \$140,600. This fee applies to rate cases brought on coal movements and unit train movements of grain or any other rate case that the STB determines does not fall under the "small rate case" category. The STB also announced that this fee is still only one-half the cost of processing a rate case, implying that the agency may implement additional fee increases in the future to recover the remaining costs.

"We believe that this level of filing fee for a complaint that, by law, can only be brought to the STB, is simply unconscionable and will for most rail customers stand as an insurmountable barrier to seeking relief from railroad monopoly pricing," the Senators wrote. To put things in perspective, if these cases were jurisdictional to the federal courts, a complainant would only pay \$150 to seek justice.

This decision, which places an undue burden on rail shippers, is just further evidence that the STB continues to erect barriers to rail customer relief from the Board. This should provide compelling evidence to Members of Congress that, unless the rail customer legislation pending in Congress is enacted, shippers will continue to face an unsympathetic and unresponsive STB. To read the Senate letter, please visit our Web site at www.railcure.org. The rate increase decision, STB Ex Parte 542, can be found online at www.stb.dot.gov.

CURE JOINS UTU, ARC IN LETTER TO SENATE SUPPORTING S. 953

In an April 12 letter sent to all 100 U.S. Senators, CURE joined the United Transportation Union (UTU), a broad-based transportation labor union that includes railroad workers across the nation, and the Alliance for Rail Competition (ARC), in expressing support for S. 953, the Rail Competition and Service Improvement Act of 2007. "This legislation is critically important to ensure that rail customers have access to competitive rail service," the letter states, "and that those rail customers without access to competition are protected from unreasonable railroad rates and practices and have access to reliable rail service." To read the joint letter, please visit our Web site at www.railcure.org. **Please contact your Senators today and urge them to cosponsor this important legislation!**

COSPONSORSHIP UPDATE

The following is a list of current cosponsors of rail customer legislation:

S. 953, the Railroad Competition and Service Improvement Act of 2007:

Rockefeller, John D., IV (D-WV)	Tester, Jon (D-MT)
Craig, Larry E. (R-ID)	Landrieu, Mary (D-LA)
Dorgan, Byron L. (D-ND)	Crapo, Mike (R-ID)
Vitter, David (R-LA)	Baucus, Max (D-MT)
Klobuchar, Amy (D-MN)	Cantwell, Maria (D-WA)

S. 772, the Railroad Antitrust Enforcement Act of 2007:

Kohl, Herb (D-WI)	Vitter, David (R-LA)
Coleman, Norm (R-MN)	Rockefeller, John D., IV (D-WV)
Feingold, Russ (D-WI)	Harkin, Tom (D-IA)

H.R. 1650, the Railroad Antitrust Enforcement Act of 2007:

Baldwin, Tammy (WI-02)	Baker, Richard H. (LA-05)
Alexander, Rodney (LA-05)	Kagen, Steve (WI-08)
Pomeroy, Earl (ND-At Large)	Grijalva, Raul (AZ-07)
Walz, Timothy J. (MN-01)	Boren, Dan (OK-02)

Please contact your Senators and Representatives today to urge them to cosponsor these important bills!

HOUSE ANTITRUST TASK FORCE TO HOLD HEARING ON ANTITRUST MODERNIZATION COMMISSION REPORT

The Antitrust Task Force of the House Judiciary Committee is preparing a hearing to examine the findings and recommendations of the Antitrust Modernization Commission. CURE is working with members of the Task Force to help focus attention at the hearing on railroad antitrust exemptions. CURE Chairman Glenn English will also submit a written statement for the record. **Note: Originally scheduled for Thursday, May 3, the hearing has been postponed for a later date. For more information, please contact a member of the CURE staff at (202) 298-1844.**

RAILROAD INVESTMENT TAX CREDIT AGAIN FINDS CHAMPIONS IN SENATE

On April 17, Senator Trent Lott (R-MS), joined by ten cosponsors, reintroduced railroad investment tax credit legislation (S. 1125). The bill, which is identical to the proposal offered during the 109th Congress, would provide a 25 percent tax credit for railroad infrastructure investment. Despite CURE's efforts to promote the inclusion of provisions that would protect rail customers and ensure access to competition, the bill was introduced without any such measures. Cosponsors of the bill currently include: Senators Kent Conrad (D-ND), Gordon Smith (R-OR), Thad Cochran (R-MS), Ben Nelson (D-NE), Lindsey Graham (R-SC), Johnny Isakson (R-GA), Ted Stevens (R-AK), Chuck Hagel (R-NE), Mary Landrieu (D-LA), Mike Crapo (R-ID), Bill Nelson (D-FL) and Ken Salazar (D-CO).

IN WAKE OF INDUSTRY BOOM, WARREN BUFFETT INVESTS IN RAILROADS

Billionaire investor Warren Buffett purchased a significant number of shares of three North American railroads in April, quickly sending stock prices of the rail companies soaring. Buffett's Berkshire Hathaway Inc. disclosed a purchase of 1.65 million shares of the Burlington Northern Santa Fe Railway, bringing the investor's ownership in the railroad to more than ten percent. News of the purchases sent other railroads' stocks climbing as well.

Despite the railroads' financial struggles in the 1970s, deregulation in 1980 and the resulting consolidation has pushed the companies back on the track toward economic prosperity. The four Class I railroads have all enjoyed rising – often record – stock prices in the last few years, and Buffett's purchase is just the latest sign that the industry continues to experience rapid growth. Some have speculated that Buffett's investment is an indication that the industry is preparing for further consolidation, a prospect that causes great concern among rail customers.

PUBLIC SERVICE COMMISSION OF WISCONSIN EXPRESSES SUPPORT FOR STB PROPOSAL TO CREATE RAIL ENERGY TRANSPORTATION ADVISORY COMMITTEE

At its April 5 meeting, the Public Service Commission (PSC) of Wisconsin approved a letter to the STB communicating support for the Board's proposed creation of a Rail Energy Transportation Advisory Committee. According to the proposal, the advisory committee would "provide independent advice and policy suggestions to the Board on issues related to the reliability of rail transportation of resources critical to the nation's energy supply, including, but not necessarily limited to, the rail transportation of coal and ethanol." During the PSC's meeting, Chairperson Dan Ebert noted that he hopes creation of the advisory committee does not supplant prospects for real action on rail customer issues. The proposal, STB Ex Parte No. 670, can be found online at www.stb.dot.gov.