



# RAIL REPORT

**AUGUST 2008**

**In This Issue**

[Rail Reform Coalition  
Grows](#)

[Midwestern States  
Encourage Reform](#)

[Meet Your Reps in August](#)

[STB Nomination Blocked](#)

**Cosponsor Update**

**S. 953**

Sen. Russell Feingold  
(D-WI)

[Click here](#) to thank  
Sen. Feingold for  
supporting S. 953 to  
insert competition into  
the railroad industry.

## Rail Reform Coalition Continues to Broaden

*Unprecedented Alliance of Interests  
Calls for End to Antitrust Exemptions*

Support for Congressional leaders seeking to end railroad antitrust exemptions increased substantially in July as [an unprecedented coalition of 15 groups](#) representing a broad range of interests called upon Congress to end the railroads' antitrust exemptions and pass the Railroad Antitrust Enforcement Act - H.R. 1650 in the House and S. 772 in the Senate.

The organizations include the Consumer Federation of America, the National Association of State Utility Consumer Advocates, and the National Association of Regulatory Utility Commissioners. They comprise a veritable "Who's Who" of groups representing consumers, farmers, utilities, community activists, businesses, state regulators and rail customers, demonstrating the constantly expanding universe of those frustrated with the status quo and hopeful for real change in the very near term.

"This support for reigning in railroad monopoly power is having a real impact," said CURE Executive Director Bob Szabo. "While the rail industry is fighting hard to retain its monopoly power over consumers, every constituent letter the coalition can generate or phone call we can make is getting us one step closer to the final Congressional action."

Szabo noted that many of the 15 groups have state and regional chapters, and suggested that grassroots-to-grassroots collaboration can be a powerful tool in effectively influencing Congress. "Just imagine the impact of our strength in numbers when congressional offices start getting e-mails and phone calls from constituents affiliated with 15 different organizations," he said. "That's the power of this issue to bring people together." For information on state or regional offices of allied organizations, contact a [CURE representative](#).

## Noted and Quoted

"Members of the Surface Transportation Board have to make important decisions affecting our nation's transportation policy from the moment they're sworn in. They don't have time for on-the-job training."

- Sen. Ron Wyden (D-OR), in a [statement](#) opposing Husein Cumber's nomination to the Surface Transportation Board

## Resolved: Midwestern State Governments Support Reform



The Midwestern Legislative Conference of the Council of State Governments passed a [resolution](#) pledging the group's support for passage of both the Railroad Antitrust Enforcement Act and the Railroad Competition and Service Improvement Act.

"The lack of competition has led to an increase in captive shippers, rising rail rates, and deterioration in service quality," the resolution states. "For many products, including grain from some elevators and coal shipped to electric power plants, it is not feasible to ship by any means other than rail, leaving some of the shippers of these products and their consumers 'captive' to the single railroad."

The resolution was sponsored by State Representative Al Juhnke of Minnesota and Representative Clayton Halverson of South Dakota who spoke successfully for its adoption at the group's annual meeting last month. The railroad industry initially opposed the resolution.

"That all fell apart when our members learned about the railroads' surcharges and the lack of response by the STB," Juhnke said. Despite finding in January, 2007 that railroads were overcharging consumers through their fuel surcharge mechanism, the STB has not yet ordered a single refund to a rail customer.

The Conference is a nonpartisan, nonprofit association representing all three branches of state government in eleven states - Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

"We thank all the Midwestern CURE members for their leadership role in moving this issue forward and alerting their state representatives," said Bob Szabo, executive director of CURE.

## Meet Your Representatives in August

The month of August provides a unique opportunity for rail customers to present their story to Washington lawmakers.

Every year Congress adjourns during the month of August so that Members of Congress can return to their congressional districts and meet with constituents. Members of CURE should take this opportunity to interact with their representatives during this month. Assembling a group of CURE constituents is usually most effective to show lawmakers the impact of rail monopoly practices, but even individual meetings are important.

- Contact the Member's office to ask to schedule a meeting while the Member is in his/her home state during the August recess.
- If unavailable, ask if the Member is conducting any town meetings during the break that your group could attend. This information also can usually be found on the Member's official website.
- If these opportunities aren't available, ask to speak to the Washington staff person who handles the Member's transportation issues. Washington offices are much less hectic during the August break and the staff person should have more time to hear your story.
- Contact CURE representatives to inform them of your efforts and for any assistance. [Resources](#) on the CURE website are also a useful tool.

Please lobby your Senators during August in favor of S. 772. A vote for S. 772 is a vote for consumers, American agriculture and American manufacturing. Majority Leader Reid (D-NV) this past week promised Sen. Kohl (D-WI) floor time for S. 772 in the Senate in September, if at all possible. Please ask your Senator to vote for consumers and against railroad monopoly power by voting for S.772.

In the House, Chairman Oberstar (D-MN) is considering some action on H.R. 2125 in the House Transportation and Infrastructure Committee during September. If your Representative serves on this committee, lobby them at home in August to support Chairman Oberstar on H.R.2125, or any other action he takes to advance the cause of rail customers.

For all other House members, please continue their education on the railroad monopoly problem and the proposed solutions: the Railroad Antitrust Enforcement Act, H.R.1650 (S.772) and the Railroad Competition and Service Improvement Act, H.R.2125 (S.953).

## Wyden Places "Hold" on STB Nominee



**Sen. Ron Wyden (D-OR)**

A recent procedural move by a U.S. Senator provides further evidence that Congress is growing short on patience with the Surface Transportation Board (STB) and its protective approach toward the industry it is supposed to regulate, rather than the customers of that industry that are subject to railroad monopoly practices. Sen. Ron Wyden (D-OR) has placed what's known as a "hold" on President Bush's latest nominee to the STB, effectively blocking him from required confirmation by the Senate.

Wyden expressed concern that the nominee, Husein Cumber, does not have the qualifications for the job of STB board member. The Senator's apprehensions are grounded in his efforts to resolve the Central Oregon & Pacific Railroad dispute in his home state. The owners of the line have refused to invest in maintenance required for the railroad to operate, while

attempting to raise rates up to 300% and requesting that the state pay for rail maintenance. Wyden has asked the STB to intervene.

"The President has nominated Mr. Cumber to work on a vital regulatory board with the capacity to impact our economy, our infrastructure, and the wages of hardworking Americans across the nation," Wyden said. "A seat on the Surface Transportation Board shouldn't be a payoff. It's not a prize to be won - it's a job to be done."

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

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