



Rail Customer News & Information From CURE



RAIL REPORT

April 2010

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Noted and Quoted

"What happened to competition? What happened to all their competitiveness? Instead of competing, [Class I railroads] monopolize and they merge."

- House Committee on
Transportation and
Infrastructure Chairman James
L. Oberstar (D-MN), *Argus Rail
Business*, 4/5/10

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Rail Customer Day on the Hill Set for May 5th

Rail customers from around the nation will rally for rail relief on Capitol Hill next month.

CURE recently announced that its annual Rail Customer Day on the Hill will take place on Wednesday, May 5th. The day's activities will include a breakfast rally and an evening reception attended by Members of Congress. Throughout the day, rail shippers will be meeting with their Senators, Representatives and their staffs to help build support for rail relief legislation in this Congress.

Please contact CURE at 202-298-1959 if you would like to participate.

CURE Sets the Record Straight in USA Today

In response to an [article](#) on Warren Buffet's confidence in the freight rail system, CURE Chairman Glenn English had a Letter to the Editor published in USA Today on Thursday, April 1st. The letter pointed out that the railroads' big profits are a result of their monopoly pricing power, and urged Congress to address the issue. The full text of the letter as submitted:

Dear Editors,

The recent article on Warren Buffett's purchase of the BNSF Railway ("Warren Buffett sees strong rail system as key to U.S. growth," 3/25/10) failed to mention that a key to the freight

railroads' success has been that, unlike other major industries, the railroads are exempt from anti-trust laws. Because of these monopoly protections, the railroads are able to impose excessively high rates on many of their customers who lack access to competing railroads.

These burdensome costs ultimately hurt the American people. A study by the Consumer Federation of America found that the railroads' excessive rates cost consumers more than \$3 billion annually in higher prices on everything from their utility bill to their groceries.

Fortunately the U.S. Senate seems poised to act on legislation that would remove the railroads' antitrust exemptions, ensuring greater competition and protecting consumers against monopoly pricing. Fairness and competition are two hallmarks of a strong American economy. The nation's freight railroads should not be exempt from these basic tenets.

Mr. Buffett's confidence in the railroads' future should underscore that they have nothing to fear from such common-sense reforms. Railroads are capable of generating profits while participating in a competitive market. That's what our economy is all about.

*Glenn English
Chairman, Consumers United for Rail Equity (CURE)*

Senator Thune Continues to Push for Rail Relief Bill

In a pair of articles in the Journal of Commerce last month, Senator John Thune (R-SD) advocated Senate passage of rail relief legislation that passed the Senate Commerce Committee in December. Senator Thune told the [Journal of Commerce](#) that the rail system needs to be reshaped to give shippers more opportunities to challenge certain anticompetitive rail practices.

Senator Thune is a key sponsor of the Senate bill, S. 2889, as ranking Republican member of the Surface Transportation Subcommittee. The Senator noted broad support on both sides of the aisle for S. 2889.

Freight Railroads to Receive Billions of Dollars in Benefits from Federal Stimulus Bill

More than half of the \$8 billion in 2009 stimulus funds allocated for high speed rail service will benefit the freight rail system.

According to a report in the April 5th Journal of Commerce, Amtrak officials have said that \$4.5 billion in federal funding will go toward upgrading the existing freight rail networks through upgraded track, or additional rail lines. A portion of that funding is the U.S. Department of Transportation's TIGER (Transportation Investment Generating Economic Recovery) grants. Treasury Secretary Ray LaHood has said that the lion's share of those grants went to freight rail improvements that should help "get trucks off the road and unclog some of our highways." See the Illinois Farm Bureau report on the Secretary's comments by clicking here.



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