



RAIL REPORT

RAIL CUSTOMER NEWS AND INFORMATION FROM CURE

MARCH 2007

THIRD ANNUAL RAIL CUSTOMER DAY BRINGS MORE THAN 270 PARTICIPANTS TO WASHINGTON, DC

On March 15, more than 270 rail customers from around the nation descended on Capitol Hill to meet with their Members of Congress and discuss the problems they are experiencing as a result of the railroads' unrestrained monopoly power. Participants met with about 170 Congressional offices, representing all or part of 35 states.

The day's events were kicked off with a breakfast rally led by Glenn English, Chairman and CEO of the National Rural Electric Cooperative Association and Chairman of CURE. Mr. English seamlessly hosted the event, and he gave an enthusiastic address in which he exhorted the participants to be firm in their appeals to their Congressional Members.

The rally featured addresses by seven Members of Congress and four leaders of national trade associations, each of whom emphasized the need to enact both the STB reform and the antitrust reform legislation. They included: Senators Herb Kohl (D-WI), Byron Dorgan (D-ND), Craig Thomas (R-WY), Larry Craig (R-ID) and John D. Rockefeller, IV (D-WV); Congressmen Marion Berry (AR-01) and Earl Pomeroy (ND-At Large); Jack Gerard, President and CEO of the American Chemistry Council; Tom Kuhn, President of the Edison Electric Institute; Steve Brobeck, Executive Director of the Consumer Federation of America; and, Jim Kerr, President of the National Association of Regulatory Utility Commissioners.

A Noon press conference spotlighted the introduction of S. 953, the Railroad Competition and Service Improvement Act of 2007, and featured Senators Byron Dorgan (D-ND), David Vitter (R-LA), Amy Klobuchar (D-MN) and Jon Tester (D-MT). Also addressing the press were Jack Gerard, Jim Kerr and Scott Parsley, Member of the Board of the American Coalition for Ethanol. The event generated good press coverage around the nation and we anticipate continued coverage in the weeks to come.

Rail Customer Day participants met with their senators and representatives throughout the day, emphasizing the need for national rail policy reform and urging their Congressional Members to support the new rail customer legislation. Participants reported that the Members and their staff were much better educated about rail customer issues than they have been in the past, representing the progress made on the overall campaign.

The day concluded with a reception in the Rayburn House Office Building for all rail customers, Members of Congress and their staff. Despite the fact that Congress had adjourned early that day, we were pleased to have Senator Craig Thomas (R-WY), along with a number of Congressional staffers, join us for the event and reflect on a tremendously successful day.

It is important that you follow up with each office you visited on March 15 and encourage the Member to cosponsor the rail customer legislation (listed in the blue box above). If you would like a template thank you letter to send to the offices, please contact Beckie Whitehead at (202) 298-1959 or rcw@vnf.com.

A sincere thank you goes out to each and every one of you who attended the day's events – you all made Rail Customer Day March 2007 a resounding success!

RAIL CUSTOMER BILLS INTRODUCED IN SENATE, HOUSE

The antitrust legislation in both the House and Senate, as well as the STB reform legislation in the Senate, were

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RAIL CUSTOMER LEGISLATION IS INTRODUCED!

Please contact your Members of Congress today to urge them to support the following rail customer bills:

Senate:

- S. 953, the Railroad Competition and Service Improvement Act of 2007
- S. 772, the Railroad Antitrust Enforcement Act of 2007

House:

- Oberstar-Baker Railroad Competition and Service Improvement Act of 2007 (bill number not yet assigned)
- H.R. 1650, the Railroad Antitrust Enforcement Act of 2007

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introduced in March. Below is a list of each bill and its current list of cosponsors:

STB Reform

S. 953, the Railroad Competition and Service Improvement Act of 2007 – Introduced on March 21, S. 953 lists the following Senators as original cosponsors:

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

House Bill (number unassigned), the Railroad Competition and Service Improvement Act of 2007 – While this bill has not yet been introduced, the bill's sponsors, House Transportation and Infrastructure Committee Chair James Oberstar (MN-08) and Congressman Richard Baker (LA-06) have already gathered a significant bipartisan list of cosponsors, and their effort to gather a critical mass of cosponsors prior to introduction is continuing.

Antitrust Reform

S. 772, the Railroad Antitrust Enforcement Act of 2007 – Introduced on March 6, S. 772 lists the following Senators as cosponsors:

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

H.R. 1650, the Railroad Antitrust Enforcement Act of 2007 – Introduced on March 22, H.R. 1650 lists the following Members as cosponsors:

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|----------------------------------|----------------------------------|-------------------------------------|
| Rep. Baldwin, Tammy [D, WI-2] | Rep. Alexander, Rodney [R, LA-5] | Rep. Pomeroy, Earl [D, ND-At Large] |
| Rep. Baker, Richard H. [R, LA-6] | Rep. Walz, Timothy J. [D, MN-1] | Rep. Kagen, Steve [D, WI-8] |
| Rep. Grijalva, Raul [D, AZ-7] | | |

Please contact your senators and representatives to urge them to cosponsor these important bills! For a copy of the legislation, introductory statements, or any additional information, please contact a member of the CURE staff at (202) 298-1844.

UNITED TRANSPORTATION UNION SUPPORTS STB REFORM LEGISLATION

On March 28, the United Transportation Union (UTU), the 125,000-member transportation union that represents the crews on trains, issued a statement in support of S. 953, the Railroad Competition and Service Improvement Act of 2007. "The regulatory playing field has been so tilted toward the railroads that captive shippers and labor are at a severe disadvantage," said UTU President Paul Thompson. The UTU urged all of its members, retirees and their families to call on their Senators to support the Senate bill. To read the statement, visit www.utu.org.

MONTANA CONSIDERS TAX SOLUTION TO RAIL CAPTIVITY

The Montana State Legislature is considering a proposal to increase taxes on any railroad that raises its shipping rates. Supporters of the bill argue that the railroads are unfairly overcharging their shippers and some kind of mechanism is needed to force them to lower their rates. To ensure that fair rates are being assessed, shipping costs in Montana will be monitored and compared with those in other states. This push for greater transparency in the industry is being pursued in other states as well, such as Minnesota. As reported previously in *Rail Report*, the Minnesota Legislature is considering legislation that would force class 1 railroads to disclose important information that is currently unavailable to the public.