



# RAIL REPORT

RAIL CUSTOMER NEWS AND INFORMATION FROM CURE

OCTOBER 2006

## UNITED TRANSPORTATION UNION PLEDGES TO SUPPORT CAPTIVE RAIL CUSTOMER BILL

Fed up with the railroads' treatment of employees and customers throughout the nation, the United Transportation Union (UTU) has unleashed its harshest attack on the railroads to date, vowing to align with captive rail shippers and support rail competition legislation in the 110<sup>th</sup> Congress. In a strongly worded statement released on October 25, the UTU, which represents over 125,000 transportation employees in the U.S. and Canada, indicted the railroads for their long record of monopolistic practices and berated the system that has allowed that monopoly to flourish.

In the statement, titled "UTU aligns with rail captive shippers," the union asks why "railroads have been permitted to eliminate effective competition through mergers, abuse their resulting market power, insert monkey wrenches into the gears of regulatory agencies, and thumb their noses at labor agreements, public safety and national security." A string of events that has allowed the railroads to consolidate, forgo most federal antitrust regulation and earn record profits – what railroad executives themselves termed a "perfect storm" of circumstances – is what has brought the UTU and captive rail customers together. "As a new Congress is organized next year," the union asserts, "the UTU will be working with captive shippers to develop an effective campaign to level the playing field for shippers and labor."

### COSPONSOR UPDATE

CURE is pleased to announce the following new cosponsors:

[H.R. 2047, The Railroad Competition Improvement and Reauthorization Act of 2005:](#)

Rep. Betty McCollum [D-MN]

**Total Cosponsors of H.R. 2047: 40**

[S. 919, The Railroad Competition Act of 2005:](#)

Sen. Mary Landrieu [D-LA]

**Total Cosponsors of S. 919: 11**

### MEMBERSHIP UPDATE

CURE is pleased to welcome its newest members:

Alliant Techsystems, Inc.

South Dakota Rural Electric Association

The UTU's pledge of support for captive rail customers and rail competition legislation is the latest in a long string of attacks the union has made publicly against the railroads. As President Paul Thompson recently said, "[N]either shippers nor labor intend any longer to be victims of 21st century robber-baron railroads. We're mad as hell and we're not going to take it any longer."

To read the full UTU statement, please visit:

[http://www.utu.org/worksite/detail\\_news.cfm?ArticleID=31306](http://www.utu.org/worksite/detail_news.cfm?ArticleID=31306)

## CURE LAUNCHES NEW WEB SITE

The new CURE Web site is live! After months of planning and legwork, CURE has a new, more comprehensive and user-friendly Web site for its members and the general public. CURE is proud of this new site and believes it will help better educate users on the importance of captive rail customer issues. We will continue to expand the content of the Web site in coming months. Please visit the site at [www.railcure.org](http://www.railcure.org) and take a look around!

## GAO RELEASES FINAL REPORT ON RAILROAD CAPACITY AND COMPETITION

The Government Accountability Office (GAO), the independent agency that studies government programs and expenditures, this month released the final report of its study on railroad capacity and industry competition. The report was commissioned by Members of Congress to study changes in the rail industry since the passage of

the Staggers Rail Act of 1980, the role of the Surface Transportation Board (STB) in addressing capacity and competition concerns, and the demand for freight rail transportation and resulting capacity constraints.

Among the recommendations made in the report, the GAO called for increased oversight and resources for the STB, and for the federal Department of Transportation to consider ways to level the playing field for all modes of freight transportation. The report also notes the potential that rail competition legislation has for eliminating rail customer captivity and reducing shipping costs. Overall, the report makes a strong case for substantial change in the freight rail industry. To read the full report, please visit: <http://www.gao.gov/new.items/d0794.pdf>.

## **GRASSROOTS EFFORTS GROW AS LOUISIANA GROUP SECURES SUPPORT FROM LANDRIEU**

Thanks to the terrific work of a dedicated group of captive rail customers in Louisiana, led by Louisiana Chemical Association (LCA) President Dan Borné, Senator Mary Landrieu (D-LA) publicly announced at the annual meeting of the LCA her support of S. 919, the Rail Competition Act, and any similar legislation that will be introduced in the 110<sup>th</sup> Congress. The group, which is considering becoming an official state chapter of CURE, met with Senator Landrieu earlier this month to share their concerns and ask for her support of captive rail customer issues. The announcement of her cosponsorship a few weeks later is an important development for captive rail customers both in Louisiana and throughout the nation, something that could not have been possible without the tremendous work of Mr. Borné and the captive rail customer community in Louisiana.

Elsewhere, CURE grassroots efforts continue to grow at a rapid pace. A number of southern and Midwestern states are actively organizing groups and planning inaugural meetings. These efforts will strengthen the national CURE effort when the 110<sup>th</sup> Congress convenes in January. Stay tuned for future developments.

## **WISCONSIN AGENCIES EXAMINE ROLE OF RAILROADS IN FUEL COSTS**

In an effort to investigate the rising cost of fuel and its impact on the local economy, the Wisconsin Public Service Commission (PSC) and the state's Department of Agriculture, Trade and Consumer Protection (DATCP) held three separate hearings across the state in September to hear rail customers' concerns and to assess the role the railroads play in this era of rising fuel costs. Among those who testified in the Milwaukee, La Crosse and Green Bay hearings were representatives of the state's electric utilities, manufacturing industry and agricultural community. Witnesses testified to the horrors they have encountered in rail service cutbacks and unmet delivery obligations, among other rail problems. The testimony will be reviewed and incorporated into the PSC's and DATCP's continued investigation into the practices of railroads operating in Wisconsin. The agencies have established a Web site where they have posted the witness testimony and will post additional information on their findings. Please visit the site at: <http://psc.wi.gov/railroadHearings/index-railroadHearings.htm>.

## **CURE ANNUAL MEETING TO BE HELD IN WASHINGTON, DC ON THURSDAY, DECEMBER 7**

Please mark your calendars! CURE will host its 2006 annual Membership meeting on Thursday, December 7, from 9:00 a.m. to 2:00 p.m. at 1050 Thomas Jefferson Street, N.W., Seventh Floor, Washington, D.C. We will wrap up the year by reviewing our progress to date and by looking forward to 2007 and the next Congressional session. We have many positive developments to discuss, including a robust plan of action for 2007. We invite all CURE Members and interested parties to attend.

To RSVP, or for additional information, please contact Beckie Whitehead at (202) 298-1959 or [rcw@vnf.com](mailto:rcw@vnf.com). We hope to see you there!

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