



# **RAIL REPORT**

*RAIL CUSTOMER NEWS AND INFORMATION FROM CURE*

**SEPTEMBER 2006**

## **TRANSPORTATION LABOR BLASTS STB, RAILROADS; PLEDGES TO SUPPORT SHIPPERS**

In a statement released on September 12, the United Transportation Union (UTU), which represents over 125,000 transportation employees in the U.S. and Canada, berated the Surface Transportation Board (STB) for being in lock step with the railroads and taking no action to address captive rail shipper concerns. The statement, titled "STB 'wholly owned' by rails," is the latest in a series of harshly worded statements from the UTU criticizing the railroads for the treatment of their customers and workers, as well as proclaiming the union's support for the captive rail shippers' reform efforts.

The UTU released the statement in advance of the Association of American Railroads' (AAR) annual North American Railroads' Customer Forum that was held on September 13 in St. Louis, Missouri. The UTU noted that, according to captive shippers, "so-called railroad regulation by the STB, previously the Interstate Commerce Commission, is largely a sham." The union stated that while workers have for years aided the

### **MEMBERSHIP UPDATE**

CURE is pleased to welcome its newest member:

The American Chemistry Council

railroads in reaping record profits, the employees have been awarded layoffs and harsh

discipline policies in return. With little protection from abuse at the hands of the largely unregulated monopoly railroads, the UTU has pledged to stand with captive rail shippers in their quest for meaningful reform. As the union's international president, Paul Thompson, recently declared, "Rail labor's solidarity with shippers will continue so long as railroads continue to use us – then abuse us."

To read the full statement, visit: [http://www.utu.org/worksite/detail\\_news.cfm?ArticleID=30392](http://www.utu.org/worksite/detail_news.cfm?ArticleID=30392)

## **AFL-CIO RAIL LABOR DIVISION CALLS ON SENATE COMMITTEE TO PASS ANTITRUST BILL**

Echoing the UTU's concerns over the railroads' monopoly power, the AFL-CIO's Rail Labor Division submitted a letter to the Senate Judiciary Committee in August requesting passage of the antitrust legislation introduced by Senator Herb Kohl (D-WI). Without accountability under the nation's antitrust laws, the group says, the railroads have grown in profitability, often at the expense of their customers and their employees. The Railroad Antitrust Enforcement Act of 2006 (S. 3612), they note, will "eliminate exemptions from [these] laws that are contrary to the public interest." The Senate antitrust bill was introduced in June and was subsequently referred to the Judiciary Committee.

## **CONGRESSIONAL UPDATE**

With the November 7 elections looming, the House and Senate have adjourned for the month of October. They will return for a lame-duck session after the elections, but no legislative activity beyond annual appropriations bills is expected. CURE will be following the elections and gauging the political outlook for the 110<sup>th</sup> Congress.

### **COSPONSOR UPDATE**

CURE is pleased to announce the following new cosponsors:

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

Rep. Mark Souder [R-IN]  
Rep. Curt Weldon [R-PA]

Total Cosponsors of H.R. 2047: 39

[H.R. 3318, The Railroad Antitrust and Competition Enhancement Act of 2005:](#)

Rep. Curt Weldon [R-PA]  
Rep. Mark Souder [R-IN]

Total Cosponsors of H.R. 3318: 10

## **IN THE NEWS...**

In late September, the *Chicago Tribune* ran a major national piece that took a more in-depth look at the captive rail issue. A good portion of the article focused on the cozy relationship between the railroads and government officials, with the Surface Transportation Board and in the current administration. CURE Executive Director Bob Szabo was quoted with sharp words for the railroads' business practices.

### KEY MEDIA COVERAGE:

**"Shippers say they're getting railroaded; In recent years, federal board that handles rate disputes has been friendly to the rail industry"**

*Chicago Tribune*

Andrew Martin

September 26, 2006

This piece focused on the problem shippers have with getting fair hearings before the STB, noting that shippers lose most of their cases before the Board and are discouraged from filing complaints in the first place. The reporter took an "it figures" approach in outlining the broad and deep relationships the railroad industry has with the public officials on whom shippers and Americans depend for fairness.

**Shippers feel railroaded:**

**"Train service for Midwestern goods poor, some industry leaders tell state officials"**

*Milwaukee Journal Sentinel*

Rick Romell

September 26, 2006

Coverage of the first of three public hearings in Wisconsin was quite balanced, given that the railroads did not testify/participate in the discussion. Instead, they used their time in the lobby pushing their agenda with reporters, and that content did make up almost half of the story. Barry McNulty of We Energies, a member of Wisconsin's Badger CURE, was quoted highlighting the unfair, costly and "very burdensome" rail rate complaint process at the STB.

**"Keep 'sur' in surcharges"**

*Gulf Shipper*

Janet Plume

September 11, 2006

This was an editorial focusing on the upcoming STB hearing on surcharges, which will surely generate a healthy amount of media coverage. The author's final sentences provide insight to the tone and the point of view of the publication: "The STB's proposed rules are a good move toward transparency in rail rates. Let's hope the healthy economy and tight freight capacity don't give railroads too much leverage to buck these changes."

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