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Railroad Monopoly Power is a U.S. Job Killer, Survey Shows *Rail Customers Rally in Washington, Call for Rail Reform in Congress*

Washington, D.C. (March 23, 2009) — As captive rail customers converge on Washington, D.C. from around the country to call for rail reform legislation, they arrive armed with new survey data showing railroads are abusing their monopoly power, costing American jobs, raising costs for consumers and pushing more trucks onto already congested U.S. highways.

The survey is the largest of its kind, incorporating answers from 170 businesses that use the railroads to ship their goods. Freight rail customers pointed to the survey as clear evidence that the current system puts too much power in the hands of the railroads and that Congress must enact rail reform legislation to prevent further U.S. job losses and higher prices for consumer goods.

“These jaw-dropping statistics show the results in black and white – the big railroads are using their monopoly pricing power to smother U.S. business productivity with one hand while pick-pocketing American consumers with the other,” said Glenn English, Chairman of Consumers United for Rail Equity (CURE), which sponsored the rail customer rally. “This survey exemplifies how critical it is to enact rail reform legislation as soon as possible.”

The survey was conducted by the rail transportation consulting firm Escalation Consultants, Inc. from February 25 to March 5. It revealed that of the 170 businesses surveyed:

- The high costs of rail transportation caused nearly half (forty-nine percent) of the firms to lose business.
- Eighty-one percent moved shipments off of rail because of increased rates by the railroads, mostly switching to truck traffic.
- Sixteen percent of the firms reported the high costs of rail shipping contributed to employee layoffs.
- Seventy-five percent said the railroads’ lack of consistent service is a primary problem for their business.

“The survey shows that the large increase in rail rates in 2008 have had far-reaching implications on companies shipping by rail,” said Jay Roman, President of Escalation Consultants. “High rail costs have forced many shippers to move their goods via truck, which is less fuel-efficient and increases highway congestion.”

Rail customers will meet with members of the U.S. House and Senate and their staffs this week to seek support for rail reform initiatives. Other rail customers who are unable to make it to Washington are contacting their Congressional delegations from back home.

Rail customers seek legislation to place the railroads under the nation’s antitrust laws, from which they are largely exempt. This legislation - the Railroad Antitrust Enforcement Act (H.R. 233, S. 146) - passed

the Senate Judiciary Committee March 5 on a bipartisan 14-0 vote. Companion legislation is awaiting consideration in the House Judiciary Committee. CURE also supports enactment of legislation to reform the Surface Transportation Board (STB), the railroads' federal regulatory agency, in order to create a more level playing field for customers and consumers.

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Consumers United for Rail Equity (CURE) represents a wide variety of rail customers including public utilities, rural electric coops, agriculture; chemical, ethanol, cement and other manufacturers, forest and paper companies, and their customers.

For more information about CURE visit: www.railcure.org