



What is BadgerCURE?

The over 40 businesses and organizations that joined together to form BadgerCURE represent key state industries such as manufacturing and agriculture, as well as investor-owned electric utilities, municipal and cooperative utilities, energy customer groups and union utility workers. The group formed out of a shared concern over the impact high freight rail rates and declining service is having on energy prices and the cost of doing business in our state. (BadgerCURE roster on reverse side)

What is a “Captive Shipper”?

The term captive shipper refers to a rail customer with no other option except to transport their product via a single railroad. These rail customers normally transport commodities -- such as coal, grain, forest products, chemicals and other commodities -- that cannot be shipped economically by truck or other means. BadgerCURE believes that because captive shippers have few or no alternatives, they are paying unreasonably high rates and receiving poor service.

Railroad consolidation plays a role.

In the last 25 years, consolidation and mergers in the railroad industry have reduced the number of Class 1 railroads serving North America from 41 to six, with only four railroads controlling the traffic for 95 percent of the industry. For example, only two railroads deliver coal from the western U.S. Powder River Basin. The control railroads have over key lines has allowed them to set monopolistic rates and offer what amounts to take-it-or-leave-it terms for captive rail customers.

What are the impacts on the Wisconsin economy and consumers?

Rail transportation problems can cost Wisconsin businesses and consumers big money. When rail shipments of Powder River Basin coal were disrupted last year, the Public Service Commission of Wisconsin (PSCW) estimates that utilities had to spend an extra \$50 million to purchase power to replace the electricity that would have been produced by the state’s less expensive coal-fired power plants. The problem persists as Wisconsin utilities have been forced to conserve their reduced coal supplies and use, or purchase, more costly electricity generated by plants burning natural gas. Agriculture is highly dependent on transportation to move products to markets and some grain shippers have seen their rail costs more than double. Major Wisconsin employers like the paper industry are experiencing not only steep cost increases to transport forest products, but unreliable service as well.

Who’s guarding the henhouse?

Congress has put the Surface Transportation Board (STB) in charge of overseeing the railroads and making sure that captive shippers are not charged unreasonable rates. Unfortunately, the time consuming, complex and costly proceedings used by the STB to review complaints of captive shippers have allowed railroads to keep the upper hand.

Wisconsin policymakers are recognizing the problem.

Members of Wisconsin’s Congressional delegation led by Representatives Mark Green (R-Green Bay) and Tammy Baldwin (D-Madison) and Senator Herb Kohl are sponsoring legislation that would repeal the anti-trust exemption enjoyed by railroads. Congress is also considering proposals that would reform the decision-making process of the STB. The PSCW and the Wisconsin Department of Agriculture, Trade and Consumer Protection have expressed their concern about captive shipper problems to the STB.

Alliant Energy Madison, Wisconsin	Procter & Gamble Green Bay, Wisconsin
American Chemistry Council St. Paul, Minnesota	Sadoff Iron & Metal Company Fond du Lac, Wisconsin
Checker Logistics, Inc. Neenah, Wisconsin	Stora Enso Wisconsin Rapids, Wisconsin
Chippewa Valley Bean Co., Inc. Menomonie, Wisconsin	Timber Producers Association of Wisconsin & Michigan
Citizens Utility Board Madison, Wisconsin	We Energies Milwaukee, Wisconsin
Customers First! Coalition Madison, Wisconsin	Wisconsin Agri-Service Association Madison, Wisconsin
Dairyland Power Cooperative La Crosse, Wisconsin	Wisconsin Cast Metals Assoc. Neenah, Wisconsin
Domtar Industries Port Edwards/Nekoosa, Wisconsin	Wisconsin Corn Growers Association Palmyra, Wisconsin
Georgia Pacific Green Bay, Wisconsin	Wisconsin Farm Bureau Federation Madison, Wisconsin
Green Bay Area Chamber of Commerce Green Bay, Wisconsin	Wisconsin Farmers Union Chippewa Falls, Wisconsin
Green Bay Packaging Green Bay, Wisconsin	Wisconsin Federation of Cooperatives Madison, Wisconsin
IBEW Local 2150 Waukesha, Wisconsin	Wisconsin Fertilizer & Chemical Assoc. Madison, Wisconsin
Leicht Transfer & Storage Green Bay, Wisconsin	Wisconsin Industrial Energy Group Madison, Wisconsin
Louisiana-Pacific Hayward, Wisconsin	Wisconsin Manufacturers & Commerce Madison, Wisconsin
Madison Gas & Electric Madison, Wisconsin	Wisconsin Merchants Federation Madison, Wisconsin
Manitowoc Public Utilities Manitowoc, Wisconsin	Wisconsin Paper Council Neenah, Wisconsin
Midwest Food Processors Assoc. Madison, Wisconsin	WI Professional Loggers Association Rhineland, Wisconsin
Municipal Electric Utilities of Wisconsin Sun Prairie, Wisconsin	Wisconsin Public Power Inc. Sun Prairie, Wisconsin
Neenah Foundry Neenah, Wisconsin	Wisconsin Public Service Corp. Green Bay, Wisconsin
Ort Lumber New London, Wisconsin	Wisconsin Utilities Association Madison, Wisconsin
Packaging Corporation of America Tomahawk, Wisconsin	Wolf River Lumber, Inc. New London, Wisconsin