



September 7, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

Via Electronic Mail

Re: Rail Operations and Service

Dear Speaker Pelosi, Majority Leader Schumer, Leader McConnell, and Leader McCarthy:

I write on behalf of the U.S. fertilizer industry regarding urgent matters pertaining to freight rail operations and service.

The Fertilizer Institute (TFI) represents companies that are engaged in all aspects of the fertilizer supply chain in the United States. Over half of all fertilizer moves by rail year-round throughout the United States and the timeliness and reliability of fertilizer shipments is absolutely critical. If farmers do not receive fertilizer, it results in lower crop yields¹, higher food prices, and more inflation for consumers. [Fertilizer markets](#) have been experiencing extreme challenges for nearly two years, and this includes poor rail service, which is the worst it has been in decades. A [comprehensive approach](#) on rail service and operational efficiencies is needed in the short- and long-term.

Rail-labor contract negotiations

A railway strike or lockout could happen as soon as Sept. 16. This follows the July appointment by President Biden of a Presidential Emergency Board (PEB), which has completed its work and posted [its non-binding recommendations](#) for a contract settlement. Overall, the PEB recommendations appear to fall in the middle of carriers' and unions' contract proposals. TFI understands that rail carriers reached tentative agreements (TAs) with five unions representing nearly 20% of the rail labor workforce. These agreements reflect what appears to be fair and reasonable PEB recommendations.

With less than two weeks to go, carriers and shippers have already begun contingency planning, which is disruptive on its own. Moreover, rail shipments will have to wind down many days prior to Sept. 16 to allow carriers to carefully clear their networks, especially to ensure hazardous materials are safely secured.

¹ 50% of crop yields are attributable to fertilizer

TFI respects the positions of carriers and their labor unions, and it is urgent that Congress be prepared to act this week or early next week to prevent a railway strike and work stoppage.

- *Request:* Congress should urgently begin preparations to implement the [PEB recommendations](#).

Rail service and support for *Freight Rail Shipping Fair Market Act*

As previously mentioned, rail service has struggled tremendously this year. Rail networks did not erode overnight; nor will they be fixed overnight. Moreover, there are [structural reasons](#) for these challenges, but there are ways to help. In particular, the *Freight Rail Shipping Fair Market Act*, H.R. 8649, makes market-based incentives and improvements, including enhancement of rail-to-rail competition and performance reciprocity when unreasonably poor rail service hurts shippers and American consumers. H.R. 8649 also clarifies that reasonable rail service is part of the common carrier obligation.

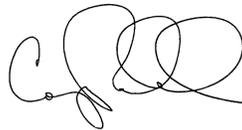
- *Request:* TFI respectfully urges support for H.R. 8649, the *Freight Rail Shipping Fair Market Act*.

Conclusion

Inflation is hurting all Americans. Poor rail service is a contributing factor and a complete halt to all freight rail operations would make inflation drastically worse, especially for those who can least afford it. TFI respectfully requests your assistance to avoid a catastrophic disruption to freight rail operations and to implement long-term solutions that help modernize freight rail operations and oversight.

Thank you for your attention to these timely matters. Please reach out to [me](#) or [Justin Louchheim](#) of my staff should you have any questions.

Sincerely,



Corey Rosenbusch
President and CEO
The Fertilizer Institute

Cc: U.S. Congress
The White House

Enclosures (3)

[Fertilizer Markets](#)
[Rail service and efficiencies](#)
[TFI Statement](#) before Surface Transportation Board