

July 26, 2022

The Honorable Peter DeFazio
Chairman
Transportation and Infrastructure Committee
U.S. House of Representatives
2134 Rayburn House Office Building
Washington, DC 20515

The Honorable Donald Payne Jr.
Chairman
Railroads, Pipelines, & Hazardous Materials Subcommittee
U.S. House of Representatives
2165 Rayburn House Office Building
Washington, DC 20515

The Honorable Sam Graves
Ranking Member
Transportation and Infrastructure Committee
U.S. House of Representatives
1135 Longworth House Office Building
Washington, DC 20515

The Honorable Eric A. "Rick" Crawford
Ranking Member
Railroads, Pipelines, & Hazardous Materials Subcommittee
U.S. House of Representatives
529 Ford House Office Building
Washington, DC 20515

Dear Chairman DeFazio, Ranking Member Graves, Chairman Payne Jr., and Ranking Member Crawford:

The undersigned members of the Agricultural Transportation Working Group (ATWG) strongly support the draft Freight Rail Shipping Fair Market Act (FRSFMA) circulated by Chairman DeFazio.

The ATWG is comprised of associations that represent farmers, ranchers, food and beverage manufacturers, processors, package suppliers, farm supply dealers and agricultural product marketers that support and sustain millions of American jobs. Our members provide safe, abundant, affordable, and sustainably produced human and animal food, fiber, and agricultural products essential to the health and well-being of tens of millions of U.S. and global consumers. Competitive and reliable railroad freight transportation is essential to meet these objectives.

With wheat harvest in progress and fall harvest approaching, agricultural stakeholders need our partners in freight rail to be successful in delivering adequate and resilient service. However, already this summer one Class I railroad has implemented a service embargo of ag commodities into California. In a separate case involving another Class I railroad, an agricultural shipper was forced to file an emergency service order with the STB to alleviate severe harm to poultry, dairy, and feed yard livestock.

In addition, according to new data from the American Farm Bureau Federation, rail transportation disruptions continue to persist. Between the second quarter of 2021 and the second quarter of 2022, the number of unfilled grain car orders jumped from 62,000 to 204,000 – a 231% increase. Of these 204,000 unfilled grain car orders that were one or more days overdue, nearly 70% or 140,000 were also 11 or more days overdue. This marks a 348% increase from the second quarter last year and an 82% increase from last quarter.

The status quo is not working for agricultural shippers and consumers, and we urge the House Transportation and Infrastructure Committee to work together to address this significant supply chain problem. The draft FRSFMA would reauthorize the federal Surface Transportation Board (STB) and help address insufficient, unreliable freight rail service for the U.S. agricultural value chain.

The most recent STB Reauthorization expired almost two years ago, and the draft FRSFMA represents an important update to the Staggers Rail Act of 1980 to reflect today's freight transportation needs. The following provisions would provide fair treatment for agricultural shippers and foster more competition in the current freight rail system:

- Section 101 would increase the authorized appropriations levels to \$255.75 million over five years for the STB's abundant workload.

- Section 203 would result in service delivery standards and remedies being included in rail contracts *without* dictating specific terms.
- Section 204 provides for a level of fairness currently lacking in the freight rail system by allowing for shippers that own or lease railcars, not just rail carriers, to charge demurrage to ensure both sides of the transaction are incentivized to perform.
- Significantly, Section 205 further defines the common carrier obligation to establish minimum rail service standards. These updates are sorely needed to enable industries, such as agriculture, to receive reliable and dependable rail service to help drive the U.S. economy forward.
- Section 207 contains a policy statement in support of freight car GPS and other telemetry systems to inform shippers where in the freight rail system their cargo is located. Continued improvement on freight car whereabouts and anticipated arrival is important for shipper planning.

Our associations take immense pride in fulfilling our role within the agricultural value chain to feed people around the world and provide an affordable supply of food and fiber for the American consumer here at home. However, unreliable, inadequate freight rail service harms our ability to deliver on this mission.

The ATWG endorses the draft FRSFMA that includes several sensible and necessary policy measures to level the playing field for agricultural shippers currently operating in a non-competitive system. We urge the House Transportation and Infrastructure Committee to continue to collaborate, introduce and promptly consider a policy solution to deter future rail service failures.

Sincerely,

Agricultural Transportation Working Group

Agribusiness Association of Iowa
 Agribusiness Council of Indiana
 Agricultural Council of Arkansas
 Agricultural Retailers Association
 AgTC -- Agriculture Transportation Coalition
 Amcot
 American Agri-Women
 American Bakers Association
 American Cotton Producers
 American Cotton Shippers Association
 American Farm Bureau Federation
 American Feed Industry Association
 American Sheep Industry Association
 American Soybean Association
 American Sugar Cane League
 Arkansas Rice Federation
 Association of California Egg Farmers
 California Association of Wheat Growers
 California Cattlemen's Association
 California Grain and Feed Association
 California Pork Producers Association
 California Poultry Federation

Consumer Brands Association
Corn Refiners Association
Cottonseed and Feed Association
Georgia Agribusiness Council
Grain and Feed Association of Illinois
Growth Energy
International Dairy Foods Association
International Fresh Produce Association
Iowa Institute for Cooperatives
Kansas Association of Wheat Growers
Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
Laughlin Cartrell Inc.
Midsouth Grain Association
Minnesota Crop Production Retailers
Minnesota Grain and Feed Association
Minnesota Wheat Research & Promotion Council
Mississippi Feed and Grain Association
Montana Agricultural Business Association
Montana Grain Elevators Association
National Aquaculture Association
National Association of State Departments of Agriculture
National Association of Wheat Growers
National Cattlemen's Beef Association
National Corn Growers Association
National Cotton Council of America
National Cotton Ginners Association
National Cottonseed Products Association
National Council of Farmer Cooperatives
National Grain and Feed Association
National Grange
National Milk Producers Federation
National Oilseed Processors Association
National Sorghum Producers
Nebraska Agri-Business Association
Nebraska Cooperative Council
Nebraska Dry Pea and Lentil Commission
Nebraska Wheat Board
Nebraska Wheat Growers Association
New York State Agribusiness Association
North American Meat Institute
North American Millers' Association
North Carolina Agribusiness Council
North Dakota Grain Dealers Association
Northeast Agribusiness and Feed Alliance
Northwest Chicken Council
Ohio AgriBusiness Association
Oklahoma Grain & Feed Association
Oklahoma Wheat Growers Association
Oregon Feed & Grain Association
Oregon Wheat Growers League
Pacific Egg & Poultry Association

Pacific Northwest Grain & Feed Association
Pet Food Institute
Plains Cotton Growers, Inc.
Roquette
South Dakota Agri-Business Association (SDABA)
Soy Transportation Coalition
Specialty Soya and Grains Alliance
Tennessee Feed and Grain Association
Texas Ag Industries Association
Texas Grain and Feed Association
Texas Wheat Producers Association
The Fertilizer Institute
USA Rice
Wisconsin Agri-Business Association
Wyoming Wheat Marketing Commission

CC: Members of the House Transportation and Infrastructure Committee
Members of the House Agriculture Committee