

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