October 5, 2015

The Honorable Bill Shuster  The Honorable Peter Defazio
Chairman  Ranking Member
Committee on Transportation and Infrastructure  Committee on Transportation and Infrastructure
2165 Rayburn House Building  2163 Rayburn House Building
Washington, DC  20515  Washington, DC  20515

The Honorable Jeff Denham  The Honorable Michael E. Capuano
Chairman  Ranking Member
Subcommittee on Railroads, Pipelines,  Subcommittee on Railroads, Pipelines,
and Hazardous Materials and Hazardous Materials
B-376 Rayburn House Building  2163 Rayburn House Building
Washington, DC  20515  Washington, DC  20515

Dear Chairman Shuster, Ranking Member Defazio, Subcommittee Chairman Denham, and Ranking Member Capuano:

On behalf of our members and the agriculture community, we write to express our strong support for H.R. 3651, the Positive Train Control Enforcement and Implementation Act.

Congress required rail carriers to install PTC technology by the end of this year. While progress has been made, the American Association of Railroads, Government Accountability Office, and the Federal Railroad Administration have made it clear that the vast majority of rail carriers will not meet this deadline. What makes this issue so urgent is statements made by rail carriers that, absent a PTC deadline extension, they will not ship certain materials on lines where PTC technology is not yet implemented. Failure to secure an extension by October 31, 2015, will have severe and far-reaching consequences. We want to highlight how this could impact agriculture and the farmers who rely on the safe and timely delivery of products that help them grow the food that feeds the world.

One of the products that would be negatively impacted is anhydrous ammonia, a nitrogen fertilizer and one of the most widely used crop nutrients. In 2014, about 16,000 tank cars, each carrying 80 tons of anhydrous ammonia, shipped in the United States. There are not enough tank trucks in existence to handle this volume.

Anhydrous ammonia is applied directly to crops, used in the production of phosphate fertilizers, and is the building block of all nitrogen fertilizers. Approximately 80 percent of all fertilizer used in the U.S. is affected. Farmers, by extension, will be hurt by the lack of availability of these necessary crop inputs. Research confirms that 40-60 percent of crop yields are attributable to the nutrient inputs of fertilizers. Hence its value to the farmer. The inability to produce or deliver crop nutrients to farmers will negatively impact crop yields and food supply.

A service stoppage would also force fertilizer manufacturers to curtail or cease production. Manufacturers have only limited storage capacity at their facilities, and therefore must ship anhydrous ammonia and other products year-round to continue production and "work within the capacity constraints of the transportation network." Without access to rail transportation, on-site storage would quickly reach capacity. Because

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1 Office of the Chief Economist and the Agricultural Marketing Service, “Rail Service Challenges in the Upper
facilities typically operate at full capacity, these production losses cannot be made up at a later date, and could result in nationwide shortages of crop nutrients.

As farmers at the April 10, 2014, Surface Transportation Board (STB) hearing on rail service testified, timely fertilizer shipments are a very serious concern. An effective rail transportation system is critical each and every day to ensure farmers have what they need, when they need it.

We encourage all of your colleagues in the House to support H.R. 3651 and to enact this legislation no later than October 31st. Serious logistical decisions, including manufacturing facility closures and removal of tank cars from the rail system, must be made well before December, requiring that this issue be addressed as soon as possible.

Sincerely,

The Fertilizer Institute
Agricultural Retailers Association
Agriculture Transportation Coalition
American Farm Bureau Federation
American Malting Barley Association
American Soybean Association
Corn Refiners Association
National Association of State Departments of Agriculture
National Association of Wheat Growers
National Barley Growers Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Farmers Union
National Onion Association
National Pork Producers Council
National Sunflower Association
U.S. Dry Bean Council
AgriBusiness Association of Kentucky
Agribusiness Council of Indiana
Alabama Agribusiness Council
Alabama Crop Management Association
Delaware-Maryland Agribusiness Association
Far West Agribusiness Association
Florida Fertilizer & Agrichemical Association
Georgia Agribusiness Council
Illinois Fertilizer & Chemical Association
Kansas Agribusiness Retailers Association
Michigan Agri-Business Association
Minnesota Agri-Growth Council
Minnesota Crop Production Retailers
Missouri Agribusiness Association
Montana Agricultural Business Association

Midwest: Implications for Agricultural Sectors – Preliminary Analysis of the 2013-2014 Situation,” United States Department of Agriculture, January 2015
North Dakota Agricultural Association
Ohio AgriBusiness Association
Oklahoma Agribusiness Retailers Association
Oregonians for Food & Shelter
Rocky Mountain Agribusiness Association
South Carolina Fertilizer & Agrichemicals Association
South Dakota Agri-Business Association
Washington Farm Bureau
Washington Friends of Farms & Forests
Western Plant Health Association
Wisconsin Agri-Business Association
Wyoming Ag-Business Association

Cc: U.S. House of Representatives