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**BEFORE THE  
SURFACE TRANSPORTATION BOARD**

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**STB DOCKET NO. EP 724**

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**UNITED STATES RAIL SERVICE ISSUES**

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**WRITTEN COMMENTS OF  
THE FERTILIZER INSTITUTE**

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The Fertilizer Institute (“TFI”) hereby submits these written comments in response to the Notice served by the Surface Transportation Board (“Board”) in the above-captioned proceeding on April 1, 2014. Although TFI did not testify at the public hearing held on April 10, 2014, TFI submits these written comments for the record. TFI appreciates the Board’s decision to hold this hearing to examine recent service problems in the U.S. rail network, particularly the operations of the BNSF Railway Company (“BNSF”) and the Canadian Pacific Railway Company (“CP”).

TFI is the national trade association of the fertilizer industry. TFI, which traces its roots back to 1883, includes fertilizer producers, wholesalers, retailers and trading firms. TFI’s full-time staff, based in Washington, D.C., serves its members through legislative, educational, technical, economic information and public communications. TFI’s members depend heavily on railroads to transport their fertilizers to the farming regions where they are consumed. U.S. farmers consumed over 23,000 tons of nutrients in 2011-12. Fertilizer shippers are customers of all Class 1 railroads and many shortline railroads. Fertilizer shippers also utilize the service of other modes of transportation, but at some point nearly all the fertilizer shipped in North America touches a railroad. Because much of the recent service problems on the BNSF and CP

systems are in major agricultural regions, TFI members have a particularly strong interest in this proceeding.

TFI members prefer commercial solutions to any problems that arise between shippers and carriers. This year, however, they have encountered significant challenges. It has been nearly a decade, at least since 2004, since TFI members last experienced such service issues. . The issues TFI members have experienced include lack of cars, lack of power, lack of manpower, slow velocity, and high cycle times. Extreme winter weather, coupled with capacity issues on BNSF and CP, have been major contributing factors.<sup>1</sup>

As the Spring planting season quickly approaches, it is absolutely critical to get fertilizer from production and storage facilities to the fields. There is typically a narrow 60-90 day window in which to do so. But the significant service slow-downs on BNSF and CP have made these seasonal shipping patterns much more difficult. Transit times are taking longer, which has decreased equipment utilization. TFI and its members are genuinely concerned that the fertilizer industry will not be able to deliver the fertilizer needed for crop production, particularly in major agricultural areas served by BNSF and CP. If the necessary supply of fertilizer is not available, those crops, and thus food production, will be reduced. That in turn can lead to higher food prices for consumers.

As the testimony of many farmers and agricultural cooperatives at the April 10 hearing demonstrates, this is a very serious concern for them because they may not be able to plant their fields this year at all. That would seriously threaten the financial viability of many of our nation's agricultural producers and, by extension, our nation's agricultural independence.

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<sup>1</sup> Although this proceeding is focused upon BNSF and CP rail service problems, which have been the most substantial, TFI members have experienced a higher degree of problems across all of the Class I railroads.

Because the window of time for fertilizer application is so short, a “wait-and-see” approach to these rail service problems is untenable.

TFI members have been shifting fertilizer movements from rail to truck wherever possible. But the limited truck capacity is exhausted, not to mention more costly, at the longer distances typically handled by rail. Also, rail transportation is the safest and most secure mode for transporting anhydrous ammonia, which is the most efficient source of Nitrogen fertilizer. But anhydrous ammonia also is one of the highest volume toxic inhalation hazard (“TIH”) commodities transported by rail. Because every rail tank car of anhydrous ammonia would require four truck shipments, shifting TIH shipments from rail to truck unnecessarily is undesirable and not in the public interest.

TFI and its members want BNSF and CP to provide shippers with a clearly defined plan as to how and when they expect to correct existing service problems and what they are doing to avoid a recurrence in the future. It also is imperative to know what is being done to ensure the delivery of fertilizer to farmers in time for this planting season. Some form of oversight is essential to benchmarking railroad progress in meeting their plans and timelines, and to inform the shipping public of any implementation delays. The information provided by the railroads to date has been wholly inadequate.

Respectfully submitted,



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