



National Grain and Feed Association

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March 24, 2022

The Honorable Martin Oberman
Chairman
Surface Transportation Board
395 E St., S.W.
Washington, DC 20423-0001

Dear Chairman Oberman:

The National Grain and Feed Association (NGFA) greatly appreciates the Surface Transportation Board's (STB) oversight of rail service issues and its interest in updates. I write to relay serious complaints from NGFA member companies about significant rail service disruptions for the Union Pacific (UP), Burlington Northern Santa Fe (BNSF) and Norfolk Southern (NS).

The NGFA, established in 1896, consists of more than 1,000 grain, feed, processing, exporting and other grain-related companies that operate more than 8,000 facilities handling U.S. grains and oilseeds. Its membership includes grain elevators; feed and feed ingredient manufacturers; biofuels companies; grain and oilseed processors and millers; exporters; livestock and poultry integrators; and associated firms that provide goods and services to the nation's grain, feed, and processing industry. The NGFA also consists of 27 affiliated State and Regional Grain and Feed Associations.

NGFA's preference is to seek commercial solutions between individual rail customers and their rail carriers. However, the service issues that our member companies are raising indicate that the problem is a network problem affecting entire regions of the country.

For example, at rail origins, NGFA members are unable to purchase grain from farmers because they are full while awaiting loaded trains to be moved out by the railroad. Conversely, at rail destinations, NGFA members have run out of grain and have been forced to shut down flour mills and feed mills and cut off sales to customers while awaiting grain deliveries. In some instances, it has left NGFA members unable to deliver feed to livestock producers that may not have alternative feed sources. In an effort to continue service for customers during the rail service disruptions, NGFA members have done as much as possible to keep animals fed, but the ability to stretch resources is exhausted and growing more tenuous with each additional day of service delays.

One NGFA member has spent an additional \$3 million on secondary freight in the last month to try and keep animals fed. This is additional freight they should not have to purchase, and this reduces available freight to others and makes the secondary freight market even more expensive. Another example is an NGFA member that had to stop selling feed while it waited on a train that sat loaded at origin for 7 days due to a lack of available rail crews. Many other NGFA members have similar ongoing rail service-related issues.

NGFA understands that a variety of circumstances have contributed to the rail service disruptions, but we believe the impact is much more drastic and prolonged due to rail carrier decisions to overly adopt certain principles of precision scheduled railroading and due to significant reductions in crew numbers. The ability to recover when normal rail operations are stressed has decreased significantly in the era of precision scheduled railroading and reduced crews, and rail customers and our nation's supply chains are negatively impacted.

Current rail service indicates rail customers are not being adequately served, and NGFA feels forced to ask STB to step in. In the short run, NGFA asks STB to request plans from these rail carriers to bring rail service up to an acceptable level and to request weekly rail service updates. In the long run, NGFA requests for STB to have rail carriers provide annual service assurance plans to help reduce the probability of future widespread rail service disruptions.

Thank you for the much-needed attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Seyfert". The signature is written in a cursive, flowing style.

Michael J. Seyfert
President and Chief Executive Officer

cc: The Honorable Michelle Schultz, Vice Chairman
The Honorable Robert Primus
The Honorable Karen Hedlund
The Honorable Patrick Fuchs