



The Fertilizer Institute

Nourish, Replenish, Grow

**For Immediate Release:
April 24, 2008**

**Contact: Sarah Monke
(202) 515-2716**

THE FERTILIZER INSTITUTE TESTIFIES ON RAILROADS' COMMON CARRIER OBLIGATION

Rail Transportation of Anhydrous Ammonia and Key Role of Ammonia in Agriculture and the Economy Cited

Washington, D.C. – The Fertilizer Institute (TFI) today testified before the Surface Transportation Board at a hearing on the railroads' common carrier obligation. The hearing was held to discuss a variety of interests including the cost and safety issues related to the transportation of toxic-by-inhalation (TIH) materials such as anhydrous ammonia; service limitations resulting from a capacity-constrained rail environment; carrier-imposed requirements for infrastructure investments by shippers; and economically motivated service reductions.

Bob Felgenhauer, vice president of transportation and distribution for PotashCorp, testified on behalf of TFI and its member companies expressing concerns with efforts by the Association of American Railroads (AAR) to seek repeal of the railroads' common carrier obligation to haul anhydrous ammonia. "The rail industry asserts that its liability is just too great to carry commodities like anhydrous ammonia. But, as a common carrier, the rail industry is imbued with a public interest, which by definition is broader than its own self interest," said Felgenhauer. "Rail transportation of anhydrous ammonia is critical to our food supply, energy policy, clean air, certain industrial production and the national economy in general."

The most prevalent use of anhydrous ammonia is as a nitrogen fertilizer that is essential to growing food for millions of Americans. It is the least costly and most effective source of nitrogen fertilizer for American farmers. "Food security is quickly becoming the number one issue around the world," said Felgenhauer.

- more -

The Fertilizer Institute Testifies on Rail Transportation of Anhydrous Ammonia

April 24, 2008

Page 2

“There is no substitute for anhydrous ammonia in maintaining our nation’s, or our world’s, food supply and it is also vital to a variety of industrial applications,” Felgenhauer explained.

Actions taken by the railroad industry to avoid its common carrier obligation including excessive rail rates, shifting liability to shippers for accidental releases of anhydrous ammonia during rail transport and infrastructure investment requirements such as new tank car investments and the expansion of yard capacity for receivers of anhydrous ammonia were also addressed. “Since 2004, rail rates for anhydrous ammonia have skyrocketed to unprecedented levels. TFI members report that their rail rates have nearly tripled over this time,” said Felgenhauer. “Rail is a much safer and often the only alternative to trucks for the overland transportation of anhydrous ammonia. It keeps this essential commodity off of our nation’s highways, where the potential for accidents is many times greater and much more likely to affect the general population.”

“TFI’s ammonia shipping members take seriously their obligation to safely and securely store and transport anhydrous ammonia,” said TFI President Ford B. West. “Our members are actively working within the framework of the Federal Railway Administration rulemaking process to develop new tank cars for ammonia, they are engaged in rigorous training of emergency responders, and they have worked closely with Congress, the Department of Homeland Security, the Department of Transportation, the Environmental Protection Agency, and other federal and state agencies on safety and security issues for anhydrous ammonia. We are proud of our safety record.”

-30-

The Fertilizer Institute represents the nation’s fertilizer industry. Producers, importers, retailers, wholesalers and companies that provide services to the fertilizer industry which comprise its membership are served by a full time Washington, D.C., staff in various legislative, educational and technical areas as well as with information and public relations programs.