



# The Fertilizer Institute

Nourish, Replenish, Grow

**For Immediate Release:  
July 22, 2008**

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

## **THE FERTILIZER INSTITUTE TESTIFIES AT SECOND HEARING ON RAILROADS' COMMON CARRIER OBLIGATION**

### **Fertilizer Industry's Efforts to Develop Business Solution to Railroads' Liability Concerns is Cited**

Washington, D.C. – The Fertilizer Institute (TFI) today testified before the Surface Transportation Board (STB) at a hearing on the railroads' common carrier obligation as it pertains to the transportation of toxic-by-inhalation (TIH) materials such as anhydrous ammonia. This is the second hearing held by the STB on the issue and it provided an opportunity for TFI to stress both the essential nature of fertilizers, as well as the association's efforts to seek a business solution to address the railroads' concerns about transporting anhydrous ammonia.

TFI President Ford B. West testified on behalf of the Institute's member companies, stressing the public need for rail transportation of anhydrous ammonia due to its essential role in the production of nitrogen fertilizers and its significant contribution to the agricultural and industrial sectors. "Fertilizer nutrients provide the food plants need to grow and insure that there is an adequate supply of nutritious food and animal feed, as well as a bountiful supply of fiber and biofuels to help meet our nation's energy needs," stated West. "Without fertilizer in general and in particular ammonia, our nation's food and energy supply would be adversely affected and the world would be without 40 to 60 percent of today's harvest."

Although anhydrous ammonia is transported by several methods including pipeline, barge, truck and ocean vessel, rail transportation is a critical means for shipping the strategic commodity and is also recognized by the Association of American Railroads and TFI as the safest mode for transportation of TIH materials. "One railroad tank car can transport as much ammonia as four trucks," explained West. "Rail transportation is not only more efficient than trucks; it takes a highly hazardous commodity off our nation's highways where the potential for accident and public release are many times greater."

*-more-*

## **The Fertilizer Institute Testifies at Second Hearing on Railroads' Common Carrier Obligation**

**July 22, 2008**

**Page 2**

West's testimony also addressed issues related to the rail industry's suggestion that the agricultural sector replace anhydrous ammonia with other nitrogen fertilizers, which West pointed out is not realistic because ammonia is a primary ingredient needed to produce other nitrogen and most phosphate fertilizers. In addition, West reminded the STB members of TFI and its member companies' efforts related to its proposal whereby TFI members would be willing to enter into an agreement with Class I railroads under which shippers would assume part of the cost of excess liability insurance for the rail transportation of anhydrous ammonia.

The proposal, which received praise from STB Chairman Charles Nottingham during the hearing, has facilitated individual meetings between TFI and five of the seven Class I railroads with the final two meetings taking place later this week.

In closing, West encouraged the STB members to consider statutory provisions recently enacted by Congress, which expand the railroads' liability for damages resulting from their own negligence for accidents, including those involving the release of TIH materials, and reminded the board of the critical need for the railroads' common carrier obligation to be upheld. "There is no existing or economical substitute for anhydrous ammonia in the corn-belt and in the production of phosphate fertilizer and no safer or more efficient mode of transportation for ammonia than by rail and as a result it is imperative that STB recognize and maintain the obligation of the railroads to continue transporting this essential commodity."

Additional testimony supporting the fertilizer industry was provided by CF Industries, the Illinois Fertilizer and Chemical Association, The McGregor Company, and Terra Industries.

-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.*