



**Comments of Corn Refiners Association**

**Docket No. EP 770 Urgent Issues in Freight Rail Service**

**April 22, 2022**

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The Corn Refiners Association (CRA) is pleased to submit these comments to the Surface Transportation Board (STB) in response to the Board's Docket No. EP 770 "Urgent Issues in Freight Rail Service." CRA is the national trade association representing the corn wet milling industry of the United States. Corn refiners produce essential inputs for American food and agriculture such as sweeteners, starch, corn oil, and animal feed. CRA members depend heavily on an efficient, reliable, and affordable rail transportation network to transport product.

Recently, rail service issues have deteriorated to such a degree that our industry is struggling to play its essential role in the food and agriculture system. One corn wet mill operator lost at least \$5 million in revenue to rail service issues in the first quarter of this year alone. On multiple occasions corn wet mills have been forced to temporarily cease operation because there are simply no cars available to deliver inputs or ship finished product. For complex industrial facilities intended to run twenty-four hours a day, such shutdowns and startups come at significant cost.

Further, with Pacific cargo transit times now averaging 111 days, many customers are attempting to structure more resilient supply chains. As a result, for some products U.S. corn wet mills are operating at their full capacity. Temporary facility shutdowns caused by rail service problems send shockwaves through the food and other industries that corn refiners supply.

CRA appreciates Secretary of Agriculture Vilsack's letter to the STB highlighting the threats rail service issues pose to already strained agricultural supply lines. [A recent report from the American Farm Bureau Federation](#) goes further, using USDA data to clearly summarize the steep increase in delays and unfilled grain car orders shippers are experiencing, all while fees go up. In addition to the concerns expressed by these and other agricultural stakeholders CRA would highlight the following:

- Issues with switching in the first mile/last mile have forced our members to reduce production in key product lines and occasionally shut down, with subsequent effects down the supply chain requiring customers to shut down production.
- To compensate, members have tried to supplement transportation logistics with trucks where possible, adding additional costs and strain on a fractured truck market.
- Where trucking is not an option, members have added more cars to account for the slower turn times. This has created bunching of cars, increased dwell times, and demurrage at destinations.



- Precision scheduling, far from its intended result of increasing efficiency, has created total communication breakdowns. Facilities are not told when the daily switch will not happen as planned until a customer calls to report that a car did not arrive. There are no responses from railroads to these delays.
- Actual and threatened embargoes at customer destinations routinely hinder shipping cars.

To be clear, all of the above has occurred while railroads charge historically high fees.

Alongside our coalition associations the American Chemistry Council and Fertilizer Institute, CRA has participated in hearings and ex parte meetings before the Board on issues that address some of the above. However, more urgent action is needed beyond the regulatory relief that may result from STB's decisions on those matters. CRA echoes Secretary Vilsack's suggestion that STB obtain service improvement plans from each railroad and require weekly updates from them to ensure progress is made. Further, STB should consider what other tools it has at its disposal to increase competition and combat unfair business practices in the rail industry.

On behalf of the corn refining industry, I appreciate this opportunity to comment on these urgent issues. If you have any questions please contact me at 202-534-3499 or [jbode@corn.org](mailto:jbode@corn.org).

Respectfully,

A handwritten signature in black ink, appearing to read "John W. Bode", written in a cursive style.

John W. Bode  
President and CEO