National Summit on Agriculture and Food and Truck Transport for the Future

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Demand for Truck Transportation will Grow
Railroads don’t want to haul Anhydrous Ammonia or (TIH)

- April 23-07 rate increase of 11.5% when converting fuel surcharge from % basis to mileage basis
- July 1-07 rate increase of 25-35%
- “New Switch Maintenance” minimum 25 cars received annually per retail location
- Pay $6000 maintenance fee
Railroads don’t want to haul Anhydrous Ammonia or (TIH)

- New demurrage charges for (TIH), rail cars held on the track waiting to come into a retail facility
  - $500/car for the first 24 hours
  - $1000/car for each additional day
  - Plus normal demurrage charges
- TSA is proposing “Chain of Custody” rule requiring a person to be present when an (TIH) car is delivered
- Railroads can’t tell you with 24 hours when the shipment will arrive
**Railroads don’t want to haul Anhydrous Ammonia or (TIH)**

- American Association of Railroads has proposed that all ammonia and chlorine cars be redesigned 5 - 7 years.
- Proposed design significantly increases weight from 263,000 to 286,000 lbs.
- Most production and retail facilities don’t have the 286,000 lb. rails to handle the new design.
- Current fleet ammonia cars 6000, age 10-11 years.
- Ammonia cars have 30-40 year life.

Source TFI
Four trucks to replace one ammonia car
2005 Shipments of Ammonia (AAR)

- 52,000 shipments by rail
- 4 trucks to replace one railcar
- 208,000 additional truck loads

Source TFI
Railroads don’t want to haul Anhydrous Ammonia or (TIH)

- Initiatives by railroad industry will eliminate most retail facilities from receiving NH3 by rail
- Initiatives by railroad industry will force more delivery by truck of ammonia and other (TIH)
- Truck lines will get longer
- Truckers want “sitting time”
Barge Service

- Action of the railroads will force retailers to the river terminals for crop nutrients
- Bio Fuels changing the landscape
- Increased corn acres – increased demand for crop nutrients
- Corn is staying in the mid west to feed ethanol plants, not shipped down river by barge
- No back hauls for the barges
- Increase in barge freight for crop nutrients
Barge Service

- Heavy truck demand at the river terminals to move crop nutrients
- Longer wait lines
- Trucker want fees for “sitting time”
Regulatory Issues

- HR 232 new CDL/Hazmat rules under Patriot ACT
- CDL/Hazmat endorsements require background checks

Problems
- Long distances between locations for background checks
- Multiple background checks
  - Department of Transportation
  - Coast Guard (TWIC)
  - Transportation Safety Agency
  - Department of Defense
Ag Retailers Association

- Supporting Representative Congressman Russ Carnahan bill HR 1079
- Introduced in February
  - One background check
  - Limit on fees
Ag Retailers Association

- ARA secured permanent protection for Hours of Service
- One hundred mile radius from retail site
- Strongest opposition James Oberstar
  - New chairman of Transportation / Infrastructure
Ag Retailers Association

- Member of the DC Interested Parties Coalition for hazmat transportation
- Share information, solutions and lobby as a unit

Members:
- American Truckers Association
- The Fertilizer Institute
- Institute of Manufactured Explosives
- American Chemistry Council
- Air Cargo
- Chemical Distributors Association
Ag Business Security Tax Credit Act

- **ARA Initiated Legislation**

- **House Sponsor:** Congressman Ron Lewis (R-KY-2nd), member of the House Ways & Means Committee and 2005 Legislator of the Year

- **Senate Sponsor:** Senators Ben Nelson (D-NE), and Pat Roberts (R-KS), both members of the Senate Agriculture Committee. Roberts also serves on Intelligence Committee.

- Received favorable cost estimate from Joint Tax Committee ($12 million over five years)

- Truck facilities shipping hazardous product
Challenges for the Trucking Industry

- Finding and keeping qualified drivers
- Managing new risks: insurance, liability, safety
- Increasing costs: fuel, wages and regulations
- Providing truck transportation capacity
A construction crew was excavating a site in Washington DC, and uncovered 10,000 year old bones and fossil. An archeological team was brought in to exam the remains of what is believed to be the first Politician.
Thank you