



Robyn M. Boerstling

*Vice President
Infrastructure, Innovation and Human Resources Policy*

September 12, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Honorable Congressional Leaders,

On behalf of the National Association of Manufacturers, the largest manufacturing association in the United States representing 14,000 manufacturers in every industrial sector and in all 50 states, I am writing regarding ongoing labor negotiations in the freight rail industry and the potential for significant disruption affecting our national shipping supply chain.

Over the past two years, manufacturers have weathered supply chain disruptions through immense effort and innovative business practices. As challenges arose at nearly every link in the shipping supply chain, manufacturers in America adapted and evolved to keep essential products on shelves and in showrooms so that life could return to greater normalcy. Those companies, their industrial partners and the millions of workers they employ rely on a functioning shipping supply chain for vital parts and components, to move goods to market and to keep the American economy moving forward.

At this time, the U.S. Class I railroads and the labor unions representing the freight rail workforce are undergoing nationally significant contract negotiations. The NAM was a strong advocate for the creation of a Presidential Emergency Board to aid in the resolution of those talks. We applauded President Biden's selection of an independent and objective PEB and believe that the recommendations announced on Aug. 16, 2022, have provided an appropriate framework to avoid disruption to freight rail operations. While a majority of the unions involved in the negotiations have already announced tentative agreements in line with the PEB recommendations, the deadline to conclude negotiations is fast approaching and freight rail service interruptions have already begun to occur in preparation for a potential strike.

We remain hopeful that all parties involved in the negotiations will find amenable terms to resolve outstanding contract issues before the current 'cooling-off' period concludes on Sept. 16. The American freight rail network accounts for nearly 40% of total freight volume, and a strike or delay in finalizing a long-term contract would have devastating impacts across surface supply chain networks and economic output. The Association of American Railroads recently released a report that found a nationwide freight rail interruption could cost more than \$2 billion per day in lost economic activity.

We urge you to utilize all possible measures to avoid a service disruption in the freight rail network. While it remains our hope that the parties will successfully conclude negotiations by this week's deadline, Congress is empowered to institute the recommendations produced by President Biden's PEB and approved by both the Class I railroads and numerous labor groups. Should it become necessary to intervene, we implore you to use your authority as leaders of Congress to diminish any further supply chain uncertainty and economic damage.

Manufacturers in America have proudly helped boost economic prosperity as the country has fought through the pandemic. As we approach peak shipping season and begin to see some initial success in overcoming shipping challenges, it remains paramount that our federal leaders do all in their power to ensure rail labor negotiations conclude quickly and avoid any additional disruption to the national freight rail network.

Sincerely,



Robyn M. Boerstling