

**Testimony of Chris Bliley, Senior Vice President of Regulatory Affairs,  
Growth Energy**

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

**April 26, 2022**

Chairman Oberman and Members of the Board,

Thank you for holding this important hearing to examine urgent issues in rail service and for the opportunity to testify on the impact of rail-service issues on shippers of energy and agricultural commodities.

My name is Chris Bliley, and I am the Senior Vice President of Regulatory Affairs for Growth Energy. Growth Energy is the world's largest ethanol trade association representing 89 producers of nearly 9 billion gallons of American made ethanol, 100 businesses associated with ethanol production and supply chain, and tens of thousands of ethanol supporters. Today, ethanol makes up more than 10 percent of our nation's fuel supply and with the President's recent announcement, we are poised to move quickly to provide 15 percent ethanol (E15) throughout the country.

Importantly for today's hearing, nearly 70 percent of all ethanol is shipped by rail with 377,000 carloads in 2018 alone. Rail service is vital to get ethanol from our biorefineries in the Midwest to American consumers from coast to coast. It is perhaps even more important today with drivers facing high gasoline prices and ethanol continuing to trade 80 cents to a dollar less per gallon than wholesale gasoline.

In recent weeks, we have heard from a number of our members about the disruptions on their rail shipments and at times, the impact on their ethanol production.

Here are a few key examples:

- Manifest traffic has been on average 2-4 days slower and in some extreme situations on certain lanes, it has been 10-14 days delayed.

- Unit train traffic has seen inconsistent pulls and severe delays on getting loaded trains offsite. Unit traffic is averaging 3-4 days of delay with multiple occasions of 5–7-day delays, and extremes of 9–12-day delays. One train sat for 12 days before moving from its origin.
- In talking to our members yesterday, these delays have only continued to get worse, not better.
- So, what has been the result on our industry?
- Across the industry, biorefineries, whose storage is full, have had to curtail production waiting on delayed empty cars to arrive.
- Destination fuel terminals have run out of ethanol waiting on cars to arrive resulting in retail customers unable to blend fuel for their driver customers.

While we certainly understand that a variety of factors have contributed to these rail disruptions including a tight labor market which has also impacted our own industry, it is imperative that **all possible actions** be taken by the nation's railroads to ensure that these critical fuel supplies are immediately prioritized and reach markets as quickly as possible. We support the recent actions of the Board as well as the recommendations from the Agricultural Transportation Working Group that were just submitted including but not limited to concluding the Board's work on rules for reciprocal switching that enable the creation of rail-to-rail competition at qualifying interchanges between carriers, additional data reporting such as first-mile, last-mile rail service reporting, as well as requiring the Class I railroads to develop annual rail service assurance plans.

Taking steps such as these, and any others that the Board deems necessary, are critical to restore rail service. Further delays could not only impact our industry but could ultimately increase fuel costs for American drivers.

We would be happy to work with the Board and your staff to provide any further information you may need.

Thank you for your consideration.