



The
Fertilizer Institute
Nourish, Replenish, Grow

Statement of

Charles L. “Shorty” Whittington
President
Grammer Industries, Inc.

House Transportation and Infrastructure Committee
Subcommittee on Highways and Transit

Hearing on:

“Meeting the Transportation Needs of Rural America”

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Good afternoon, Chairman Graves, Ranking Member Norton, and members of the Subcommittee.

My name is Charles Whittington, but have been called “Shorty” my whole life. I am the President of Grammer Industries, Inc, a leading trucking firm in the Midwest and Southeast. We are headquartered in Grammer, Indiana. When I founded the company in 1968, we had a staff of four, and have grown to 150 employees. We are among the leading trucking firms for the fertilizer industry, specifically transporting anhydrous ammonia fertilizer. Anhydrous ammonia is a nitrogen fertilizer, which accounts for approximately 60 percent of U.S. nutrient use. I am proud of the employees at Grammer Industries and proud to serve rural America and to do our part to help feed the world.

I am here on behalf of The Fertilizer Institute (TFI), which is the national trade association representing the fertilizer industry. TFI represents companies that are engaged in all aspects of the fertilizer supply chain. This includes fertilizer manufacturers, wholesalers, distributors, brokers, and retailers. We also have affiliated interests, such as equipment suppliers and transportation companies, among others. TFI’s members play a key role in producing and distributing vital crop nutrients, such as nitrogen, phosphorus and potassium. These products are used to replenish soils throughout the United States and elsewhere to facilitate the production of healthy and abundant supplies of food, fiber and fuel. Fertilizers make it possible for farmers to grow enough food to feed the world’s more than 7 billion people. Research has confirmed that 40-60 percent of crop yields are attributable to use of commercial fertilizers.

The fertilizer industry depends on a safe and efficient transportation network to deliver its products. While fertilizer shippers utilize waterways and rail to move their products, all fertilizer shipped in the United States travels on roadways at some point between its production and ultimate application by the farmer.

In 2011-2012, 61 million material tons of fertilizer products were sold in the United States. The delivery of fertilizer products in a timely manner is critical to farmers. There is only a narrow window of opportunity to apply the right fertilizer source, at the right rate, at the right time, and in the right place. If farmers do not receive their fertilizer in a timely manner, there are potential consequences for food security and the environment. Limited nutrient access during key utilization periods reduces crop yields which means lower production and potentially higher food prices for consumers.

Grammer Industries works closely with the fertilizer industry, often as one of the last legs of the distribution network. In recent years, rail marketplace congestion, rising rail shipping rates, and service issues have made roadways more important than ever. For many rural areas, the federal highway system provides essential connections to terminals, warehouses, and intermodal hubs. This is vital to farmers and those who serve them, and, ultimately, consumers who rely upon a stable supply of affordable food. So, this is an issue that impacts everyone, not just those who live and work in rural America.

I think it is fair to say that the federal highway system is one of the reasons America’s farmers are so successful feeding the nation and world. In 2014, U.S. agricultural production

accounted for a \$43.3 billion trade surplus.¹ This doesn't happen without an efficient, balanced transportation network.

Specific to roadways, efficient interstate connections are essential. For example, the Brent Spence Bridge crosses the Ohio River between Cincinnati, Ohio and Northern Kentucky, carrying both Interstate 75 and 71. The value of the freight crossing the bridge is estimated to be \$417 billion, which, remarkably, is 3 percent of the nation's gross domestic product.² Maintaining the integrity of these types of interstate connections should be a priority. In fact, I would argue it is why we have a federal program in the first place.

One issue of concern for me and many in the trucking industry is that, over the years, it has become increasingly difficult to recruit and retain commercial vehicle drivers. The American Trucking Associations (ATA) estimates the driver shortage to be between 35,000 and 40,000 drivers nationally. There are a number of contributing factors, including the cost of operating and maintaining a truck, regulatory burdens, and roadway congestion. The American Transportation Research Institute, for example, estimates that congestion cost the trucking industry more than \$9 billion in 2013. I would encourage members of the Subcommittee to focus on congestion, bottlenecks, and pavement methodologies, all of which can maximize limited resources for long-term investment and network efficiency.

Recognizing that resources are limited, TFI and its members want a federal highway program that is as safe and efficient as possible. A more efficient system is good for agriculture and rural America, and will improve the ability of trucking firms to serve their customers.

Lastly, I would be remiss if I did not thank you, Chairman Graves, for all your help clarifying hours of service requirements for farmers and their suppliers in MAP-21. Your efforts on this, and everything else to help with the transportation of hazardous materials, are greatly appreciated, and have made a positive difference.

As I mentioned earlier, rail, waterways, and roadways are important to the safe, efficient, and timely distribution of fertilizers. A balanced transportation network is crucial to the ability of TFI's members to serve and supply farmers in rural America.

Thank you, Chairman Graves and Ranking Member Norton, for the opportunity to share TFI's views on the importance of the federal highway program to rural America. TFI and its members look forward to working with you and members of the Subcommittee.

¹ "Outlook for U.S. Agricultural Trade," Economic Research Service, U.S. Department of Agriculture, May 28, 2015

² Brent Spence Bridge Corridor Web site, Project Overview, Retrieved from <http://www.brentspencebridgecorridor.com/project-overview/>