



September 8, 2022

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

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

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

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

Dear Majority Leader Schumer, Republican Leader McConnell, Speaker Pelosi and Republican Leader McCarthy,

On behalf of the National Retail Federation, I am writing to you today regarding the potential for supply chain disruptions impacting the freight rail industry due to the ongoing railway labor negotiations. The Presidential Emergency Board recently issued its recommendations for a new contract. NRF and its members are concerned about the potential for system-wide disruption when the cooling off period expires on September 15. If the parties do not reach conclusion of their negotiations, we encourage Congress to implement the recommendations of the PEB to avoid any kind of disruption that will create further strain on the supply chain.

NRF, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

Our nation's retailers continue to meet strong consumer demand despite continued supply chain challenges. The goods and services tied to retailers are a key part of needed economic growth — despite various economic headwinds — and they require continued improvements and fluidity in the supply chain.

NRF and its members remain concerned about the potential for U.S. freight rail disruptions. We applauded President Biden for establishing the Presidential Emergency Board in mid-July. The PEB issued its recommendations on August 16. To date, five of the twelve railroad unions have tentatively agreed to a deal based upon the PEB recommendations. If the remaining unions do not agree to a deal by September 16, there is real concern for a strike that could shut down the system.

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While the PEB has done its job, it is now time for Congress to ensure that a freight rail shutdown does not occur. As we have in the past, Congress has the ability to implement the PEB's recommendations in whole, which we would encourage happens quickly after the cooling off period ends.

We are in the middle of the peak import season as retailers bring in their holiday merchandise for the all-important fourth quarter. Any rail network disruptions this month could have long-lasting negative effects on this important selling season. Product delays and shortages are correlated with inflation – an issue of great significance to Americans and the economy.

Ultimately, we continue to implore the parties to resolve these negotiations on their own, especially with the PEB recommendations. In the event they do not, however, we ask you to be prepared to act to protect the supply chain and ensure no interruption to rail service.

Especially now, we need political leaders to do all they can to ensure the parties' negotiation process concludes with a fair agreement and no interruption to rail service.

Thank you for your attention to this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "David French". The signature is stylized with a large, sweeping initial "D" and a cursive "French".

David French
Senior Vice President
Government Relations

cc: Members of Congress