

November 2, 2022

President Joseph R. Biden
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear President Biden –

As negotiations continue between the Class 1 railroads and the related rail unions, the National Propane Gas Association¹ (NPGA) encourages you to proactively ensure service continues beyond the November 19, 2022, cooling-off deadline. With harvest well underway across the country and parts of the U.S. projected to experience below-average temperatures,² any disruption to the propane supply chain could have catastrophic consequences.

Propane is a critical product for residential and agriculture consumers. Over 50 million households throughout the Nation use propane for their home heating, water heaters, and cooking needs.³ In addition, 40% of all farms use propane⁴ for various applications, including crop drying, irrigation pumps, and heating. In recent years, propane consumers have faced significant price increases due to COVID recovery, inflation, and other supply chain disruptions.⁵ These circumstances have not improved and the Energy Information Administration predicts similar pricing impacts for this year.⁶ Since more than 37% of all propane used in the United States is transported by rail,⁷ any rail service disruptions results in higher prices for all consumers and could result in service disruptions to our customers during peak usage time.

¹ NPGA is the national trade association of the propane industry with a membership of about 2,500 companies and 36 state and regional associations representing members in all 50 states.

² 2022/23 Winter Propane Market Update, U.S. Energy Information Administration, (Oct. 26, 2022), https://www.eia.gov/special/heatingfuels/resources/Propane_Briefing.pdf#page=8.

³ *Impact of the U.S. Consumer Propane Industry on U.S. and State Economies in 2015*, Propane Education & Research Council (Sept. 2017), <https://propane.com/wp-content/uploads/2019/02/2015-Propane-Industry-Impact-on-US-and-State-Economies-FINAL-2.pdf>.

⁴ *Agriculture: Energy for Growing Crops - and Growing Profits*, Propane Education & Research Council, <https://propane.com/for-my-business/agriculture/> (last visited Oct. 28, 2022).

⁵ Michael Jeffers, *Warding Off Winter Cold in U.S. Will Be Pricy as Propane Soars*, Bloomberg, (Sept. 15, 2021) <https://www.bloomberg.com/news/articles/2021-09-15/warding-off-winter-cold-will-be-pricy-as-key-heating-fuel-soars>.

⁶ *Households Primarily Heating with Heating Oil or Propane Will Likely Pay More This Winter*, U.S. Energy Information Administration, (Oct. 20, 2022) <https://www.eia.gov/todayinenergy/detail.php?id=54319#>, (last visited Oct. 28, 2022).

⁷ *Total Propane by Rail*, U.S. Energy Information Administration, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=p&t=s&e=esm_epllpa_rail_zamn-zamn_mbb&f=m (last visited Oct. 28, 2022).

NPGA remains hopeful that the two sides will come to an agreement swiftly and on their own. This Administration played a critical role in preventing a strike earlier this fall by establishing the Presidential Emergency Board, brokering negotiations between the multiple parties, and securing the September tentative agreement. To date, six of the twelve unions have already ratified the agreement, and two have declined.

We urge your ongoing focus on these negotiations to ensure consumers continue to have access to the critical fuel needed for this harvest and heating season. Additionally, NPGA will continue to engage with our Congressional partners and other stakeholders in the unfortunate chance all parties can't reach a compromise by the end of the cooling-off period.

If you have questions regarding the propane industry, please contact NPGA's General Counsel, Vice President Regulatory & Industry Affairs, Benjamin Nussdorf, at bnussdorf@npga.org.

Sincerely,



Steve Kaminski
President and CEO
National Propane Gas Association

Cc: Secretary Marty Walsh, U.S. Department of Labor
Secretary Pete Buttigieg, U.S. Department of Transportation
Secretary Gina Raimondo, U.S. Department of Commerce
The Honorable Nancy Pelosi, Speaker of the U.S. House of Representatives
The Honorable Kevin McCarthy, Minority Leader, U.S. House of Representatives
The Honorable Chuck Schumer, Majority Leader, U.S. Senate
The Honorable Mitch McConnell, Minority Leader, U.S. Senate