



July 6, 2022

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

Dear President Biden,

It was an honor to join you a few weeks ago for the Ocean Shipping Reform Act signing ceremony. NRF was pleased to partner with you and members of your team and congressional sponsors to lead the effort on that important legislation aimed at addressing longstanding systemic supply chain and port disruption issues in the maritime environment.

I am writing to you today regarding the potential for additional supply chain disruptions due to the ongoing railway labor negotiations. NRF and its members are concerned about the current status of the negotiations and the potential for system-wide disruption in September. Conclusion of these negotiations without disruption is critical for the retail industry.

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 strain on the nation's supply chain. Retail sales continue to be up year-over-year and we expect retail sales to be up between 6% and 8% for 2022, despite the ongoing supply chain and inflation 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 are concerned about the potential for U.S. freight rail disruptions stemming from the National Mediation Board's premature release of the parties from labor negotiations. We urge the administration to encourage the parties to come back to the table where they can make their own fair and mutually beneficial agreement. Intermodal rail shipments have been the largest source of rail traffic over the past few years, and an overwhelming portion of those movements are tied to consumer goods. In the first part of 2021,

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railroads moved the most intermodal goods ever, and while such movements are down this year, they remain at a high level.

If the parties will not come back to the table, we urge the administration to do everything it can to avoid rail service disruption. We believe that White House leadership in appointing respected, experienced and impartial arbitrators to a Presidential Emergency Board (PEB) is critical to avoiding a strike and ensuring the fluidity our nation's retailers deserve and expect. Congress can also play a role in supporting this basic need for a credible PEB near term, and longer term – if necessary – enacting policies such as mandating a longer cooling-off period to prolong negotiations.

Not only would the appointment of a credible PEB be consistent with past political precedent, but it would also send a signal to the negotiating parties, as well as the large number of rail customers like retailers, that policymakers want an agreement above all else and will not tolerate rail service disruptions.

Peak import season is upon us, tied to back-to-school and holiday shopping. Rail network disruptions in September could have long-lasting negative effects on these important selling seasons. Product delays and shortages are correlated with inflation – an issue of great significance to Americans and the economy.

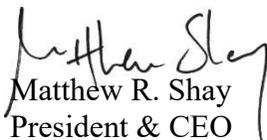
We recognize there are important issues being discussed by both labor and management during these negotiations. However, the parties need to remain at the table until a final agreement is reached without any kind of disruption. Historic labor market pressures are a reality, and an agreement should recognize these dynamics.

Ultimately, we continue to implore the parties to resolve this bargaining round on their own. 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,



Matthew R. Shay  
President & CEO

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cc: The Honorable Pete Buttigieg, Secretary, Department of Transportation  
The Honorable Nancy Pelosi, Speaker, U.S. House of Representatives  
The Honorable Charles Schumer, Majority Leader, U.S. Senate  
The Honorable Kevin McCarthy, Minority Leader, U.S. House of Representatives  
The Honorable Mitch McConnell, Minority Leader, U.S. Senate  
The Honorable Peter DeFazio, Chairman, Committee on Transportation & Infrastructure  
The Honorable Sam Graves, Ranking Member, Committee on Transportation & Infrastructure  
The Honorable Maria Cantwell, Chairman, Senate Energy and Commerce Committee  
The Honorable Roger Wicker, Ranking Member, Senate Energy and Commerce Committee  
The Honorable Patty Murray, Chairman, Senate HELP Committee  
The Honorable Richard Burr, Ranking Member, Senate HELP Committee  
The Honorable Bobby Scott, Chairman, House Education and Workforce Committee  
The Honorable Virginia Foxx, Ranking Member, House Education and Workforce Committee