



RETAIL INDUSTRY LEADERS ASSOCIATION

JULY 11, 2022

The Honorable Joseph R. Biden
President of the United States
Washington, DC 20500

The Honorable Kamala Harris
Vice President of the United States
Washington, DC 20500

Dear President Biden, Vice President Harris:

As leading retailers, our supply chains are built on an extensive infrastructure. From coastal ports to roads and rails, we move millions of goods to consumers throughout the country. For this reason, the Retail Industry Leaders Association (RILA) is reaching out to express our concern over the uncertainty of labor negotiations between the major railroads and rail unions. RILA is the U.S. trade association for leading retailers. We convene decision-makers, advocate for the industry, and promote operational excellence and innovation. Our aim is to elevate a dynamic industry by transforming the environment in which retailers operate. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad.

It's been over a month since the National Mediation Board (NMB) ended the mediation process between the Class I freight railroads and major rail unions representing 115,000 employees. As you consider your Administration's next steps, we urge you to appoint members to the Presidential Emergency Board (PEB) consisting of respected, experienced, and impartial arbitrators who can issue credible recommendations. Although the PEB's settlement recommendations are nonbinding, they are crucial and an essential step in assisting the parties in reaching a voluntary agreement. This action is consistent with past precedents across political parties and it would send a signal to all stakeholders that policymakers want an agreement that will avoid any rail service disruptions.

The railways are an essential element of U.S. freight networks and are already enduring their own set of challenges, including worker shortages, service challenges, equipment shortages, congestion and other disruptive forces. Freight rail in America accounts for around 40% of long-distance freight volume—more than any other mode of transportation. A strike at this juncture would be devastating to the rail industry and to the millions of American retailers and other businesses that depend on rail who are already dealing with ongoing challenges in every area of supply chain, plus mounting inflationary pressures. Failure to reach a reasonable agreement could result in significant disruptions to the rail network and by extension the retail industry.

RILA and its members understand the complexities on both sides of the negotiations, especially the unprecedented challenges in the current labor market. We sincerely hope the parties will be able to resolve the remaining issues. However, in the event an interruption is imminent, we encourage you to take action to protect the supply chain and ensure there is no interruption to the country's rail service.

Thank you for your attention to this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dodge". The signature is fluid and cursive, with a large initial "B" and a long, sweeping tail.

Brian Dodge
President
Retail Industry Leaders Association

CC: The Honorable Nancy Pelosi; The Honorable Charles Schumer; The Honorable Kevin McCarthy; The Honorable Mitch McConnell; The Honorable Peter DeFazio; The Honorable Sam Graves; The Honorable Patty Murray; The Honorable Richard Burr

