

Steven Connolly
9838 Old Baymeadows Road #217
Jacksonville, Florida 32256

August 10, 2024

Senator Chuck Grassley
135 Hart Office Building
Washington, DC 20510

Dear Senator Grassley:

The reason for this letter is request your assistance with pending legislation.

Specifically, **S. 4081**- Farmer Act of 2024 also called Federal Agricultural Risk Management and Resilience Act of 2024.

It's my understanding that this substantial piece of legislation amends the Federal Crop Insurance Act to provide financial premium supports for insurance used for farming.

I'm asking you to amend this legislation to include what I think is a missing and needed parts of these proposed insurance programs relative to farming. And more specifically, something that is very likely to happen not only in Iowa but all across the United States with I also think disastrous consequences. And this is the double-digit rate increases for all forms of railroad transportation, including fees that will be assessed to all producers and end users of the agricultural complexes that exist in the United States.

Section 508 parts number 1-95 of the Agricultural Adjustment Act of 1938 states:

(10) Loss Adjustment- The rate for reimbursing an insurance provider cannot exceed 6%. And below this parts (B) and (C) state "an individual yield and loss basis based on area yield and then (C) a "margin basis alone or in combination with the coverages under sub parts A and B.

The Honorable Chuck Grassley, United States Senate
Page Two.
August 10, 2024

I specifically am asking your office to amend this legislation to include in the yield and acreage calculation, *“the ability of an insurance purchaser to include the cost impact of double-digit rate increases of railroad transportation from this stated acreage and the reimbursing of the insurance provider cannot exceed 6%.”*

As you likely know currently before the U.S. Surface Transportation Board is Finance Docket 36744 which is the proposed acquisition and control of the Iowa Northern Railway by the foreign owned and much larger Canadian National Railway or CN.

There are many operational, financial, economic and geopolitical parts of this acquisition and its long-term impacts to Iowa and what I think will be a dramatic double-digit increase to farming and general commerce.

The amendment of S. 4081 I think will provide a needed, in effect, a long-hedge against rising rail transportation rates and a strategy to control costs or perhaps even survive. Insurance itself is a cost but it would be still be lower than what I think is very likely to happen if the STB approves this finance docket.

Sincerely,

Steven Connolly

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Source of legislative materials: *National Agricultural Law Center, Farm Bill 2024*

Attachments

cc. Parties of Record.

