



TFI advocate

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Ammonium Nitrate Legislation Moves Slowly

The U.S. House of Representatives Homeland Security Committee held a full committee mark-up on the "Secure Handling of Ammonium Nitrate Act of 2007" (H.R. 1680) April 17. The Fertilizer Institute (TFI) strongly supports this legislation and has been actively seeking support for the bill from members of Congress.

"TFI has been working with Chairman Bennie Thompson and others in seeking passage of ammonium nitrate legislation since 2005," said TFI President Ford B. West. "We are hopeful that we will soon have federal legislation in place that protects ammonium nitrate for its intended beneficial use."

Several non-controversial amendments were offered and accepted. Among them was an amendment that would

reduce record keeping requirements from three to two years. One more contentious amendment, offered by Rep. Dan Lungren (R-Calif.), was tabled pending further discussion among committee members. The Lungren amendment would require applicants for a registration number to be vetted through the terror watch list. Many on the committee opposed this amendment because of the problems that have arisen for people whose names mistakenly appear on the list.

TFI has advised committee members that it is not opposed to the use of the terror watch list check, but wants assurance that any re-dress issues are handled expeditiously. The mark-up will be rescheduled pending agreement on the terror watch list issue. At press time, TFI is expecting the House to reschedule the mark-up for the week of April 23.

In the meantime, TFI is working with Senate allies regarding introduction of similar legislation in the Senate.

The most recent statistics show that in 2005, 1.4 million short tons of ammonium nitrate fertilizer was used in direct application to farmers' fields. Missouri, Texas, Alabama, Idaho, California, Kentucky and Mississippi are among the top ammonium nitrate fertilizer using states.

For more information, please contact TFI Vice President of Member Services Pam Guffain by telephone at (202) 515-2704 or via e-mail at pguffain@tfi.org.



Rep. Bennie Thompson (D-Miss.) (left) is the lead sponsor of the "Secure Handling of Ammonium Nitrate Act of 2007," (H.R. 1680), which is being marked-up by the House Homeland Security Committee. Rep. Thompson is pictured with (left to right) TFI Vice President of Member Services Pam Guffain, Terra Industries' Carl Wallace and TFI President Ford B. West following Wallace's congressional testimony in 2006.

Volpe Study Preliminary Results Released

The Fertilizer Institute (TFI), along with several member company representatives, attended the March 30 meeting held by the Federal Railroad Administration (FRA) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) to discuss the preliminary results of the Volpe Study. The Volpe Study was mandated by Congress last year to quantify the relevant dynamic forces affecting rail tank cars in an accident scenario.

“The transport of fertilizer products, especially those defined as toxic/poison by inhalation materials by rail has taken center stage in the 110th Congress,”

said TFI Vice President of Member Services Pam Guffain. “Since anhydrous ammonia is a toxic by inhalation material, the very means by which we transport our products to the end user – the farmer – is being threatened. We are working with Congress and several allied organizations to keep rail transport a viable option.”

The preliminary results revealed that train speed significantly affects all derailment outcomes. The Department of Transportation’s Volpe National Transportation Systems Center will perform a full scale impact test this month, the results of which will

be announced in late June. In the meantime, the FRA shared its plan to initiate action to reduce train speed on unmonitored track to 30 mph; run a complete economic analysis of new tank car requirements on industry; and continue its efforts on other tank car design activity currently underway. FRA officials did not commit to a firm timeline for final rule on the issue, but explained that they expect it will be sometime in 2008.

For more information, please contact TFI Vice President of Member Services Pam Guffain by telephone at (202) 515-2704 or via e-mail at pguffain@tfi.org.

TFI Develops Rail Transportation Policy Brochure

Last week, The Fertilizer Institute (TFI) released its new rail transportation policy briefing paper. The brochure, which was developed in collaboration with TFI’s Transportation Council as a tool for use in ongoing transportation policy discussions, emphasizes the essential role of rail transportation in the distribution of anhydrous ammonia.

Specifically, the brochure highlights TFI’s rail transportation policy positions:

- ✓ TFI supports efforts to ensure the safe and secure transportation of anhydrous ammonia.
- ✓ TFI supports the continued implementation of the railroads’ common carrier obligation.
- ✓ TFI does not support shifting the liability from the carrier to the shipper; transferring liability does not create an

incentive for the railroads to run safer operations.

✓ TFI supports the railroads’ request to Congress for a tax credit directed toward investments in freight rail infrastructure, but asks that the needs of shippers also be taken into consideration.

“The railroads have repeatedly approached Congress to be relieved of their common carrier obligation, threatening the means by which we transport our products to the farmer,” said TFI Vice President of Member Services Pam Guffain. “With this brochure in hand, TFI and

its members can stress our support of continued dialogue with the railroads and the extent to which the fertilizer industry and its farmer customers are affected by rail freight rates.”

TFI is making this briefing paper available to its members for use at state and regional meetings with state legislatures, local councils and others. Members can order complimentary co-branded brochures for use in their own lobbying and education efforts.

To order copies of the brochure, please contact TFI Public Affairs Specialist Estelle Grasset by telephone at (202) 515-2721 or via e-mail at egrasset@tfi.org.



Science Proves Fertilizers Are Safe

Fertilizer safety is brought into question all too often in the media and general public. From time to time, we've all heard fertilizer falsely referred to as "toxic." The mission of The Fertilizer Institute (TFI) is to represent, promote and protect the fertilizer industry. In our efforts to protect the fertilizer industry, TFI has spent years and several million dollars researching the safety of our products. Just this past week, phosphate and ammonia data developed by TFI was reviewed and accepted by a global regulatory body. In simple terms, given this peer review and acceptance, this signifies that yes, our products are safe! The ammonia and phosphate data generated through our program was successfully presented by the U.S. Environmental Protection Agency (EPA) to a body of international regulatory officials in Paris, France. As an industry based on science, we are satisfied that the research stands firmly behind us.

A central component of TFI's product stewardship efforts is its product testing program. TFI completed the testing on 23 fertilizer materials in early 2003, demonstrating that all major fertilizer products are safe when used as intended and pose no harm to industry workers, community members or the environment. Although the program began with the U.S. regulatory and environmental organization in mind, the research is now proving helpful to those across the globe who are seeking valid scientific data on the safety of our products. China, India and others do not need to duplicate these efforts. This research is not specific to the United States, but transcends country lines. International approval is essential

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given the globalization of the fertilizer industry and the increased efforts on the worldwide regulation of chemicals.

Since receiving the results of the product testing program, TFI has been working to seek regulatory approval of this data both nationally and internationally. Last week working with the European Fertilizer Manufacturers Association (EFMA), TFI Vice President of Scientific Programs Bill Herz defended the scientific data for phosphate and ammonia products to the Organization of Economic Cooperation and Development (OECD). Acceptance of our data by the OECD provides further credibility to our entire industry's efforts to prove fertilizers are safe.

We are working closely with the U.S. Environmental Protection Agency (EPA) on this effort because the United States is the sponsor country for fertilizer products within the OECD process.

Long-time TFI board members will

remember their charge to pursue the testing phase in 1998. It is hard to forget, as it carried a price tag of \$3 million. This data has also been used to upgrade Material Safety Data Sheets, and to defend the industry in efforts to regulate metals in fertilizer in the United States, China and the European Union.

Although the \$3 million spent seemed large at the time, the results of the research are truly priceless.



TFI President Ford B. West

TFI Submits Comments on Draft Inventory of Greenhouse Gas Emissions

The Fertilizer Institute (TFI) submitted comments to the climate change division of the Environmental Protection Agency (EPA) regarding the “Draft Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990 – 2005,” which presents annual U.S. emissions levels by source category and sector. The inventory contains summaries for carbon dioxide, methane, nitrous oxide, hydrofluocarbons, perfluocarbons and sulfur hexafluoride, as well as estimates of carbon fluxes in U.S. agricultural and forest lands, and identifies the manufacturing processes for ammonia, urea, nitric acid and phosphoric acid as causing or contributing to greenhouse gas emissions.

In its comments, TFI stressed that the fertilizer industry greatly contributes to environmental stewardship efforts through the development of enhanced efficiency fertilizer products and crop-specific best management programs based on a right product, right time, right rate and right place paradigm.

“The fertilizer industry has made great strides toward reducing the loss of crop nutrients to the environment,” said TFI Vice President of Scientific Programs Bill Herz. “The draft inventory needs to be revised to reflect the utilization of these technologies within U.S. agricultural systems and its effects on the reduction of greenhouse gas emissions.”

In addition, TFI expresses concern that carbon dioxide emissions released by farmers during fertilizer application are attributed to ammonia and urea manufacturers and requests that EPA correct the inventory so that it accurately reflects the source of emissions. Finally, TFI explains that the fertilizer industry has made great strides toward producing ammonia with greater efficiency and these efforts should be taken into consideration.

For more information, please contact TFI’s Herz by telephone at (202) 515-2706 or via e-mail at wcherz@tfi.org.

TFI'S FERT PAC HOSTS SEN. RICHARD BURR

The Fertilizer Institute (TFI) and representatives from several member companies met with Sen. Richard Burr (R-N.C.) at an April 12 issues briefing held by FERT PAC, TFI’s political action committee.

Sen. Burr is a first term member of the U.S. Senate. He is a member of the Energy and Natural Resources Committee and has interest in energy legislation, biofuels, mine safety and other key issues affecting the fertilizer industry today.



Sen. Richard Burr (R-N.C.) looks over PotashCorp's stewardship information at TFI's April FERT PAC issues briefing. PotashCorp Senior Director of Corporate and Government Relations Tom Pasztor (right) highlights some of PotashCorp's sustainability efforts.

Chemical Security Provisions Tied to Supplemental Spending Bill

Chemical security provisions that may have a serious impact on the fertilizer industry were attached to the House and Senate versions of the 2007 Emergency Spending Supplemental Bill. At press time, the provisions remain held up in conference between House and Senate negotiators. The Fertilizer Institute (TFI) worked diligently to seek removal of a provision that would allow states to supersede federal regulations governing security at the nation's highest risk chemical facilities in the Senate bill, but was unsuccessful.

The Senate approved the 2007 Emergency Spending Supplemental Bill (H.R. 1591) by a vote of 51-47 on March 29. The House approved its version of the emergency spending supplemental bill on March 23 by a vote of 218-212.

The House bill contained chemical

security provisions which would rewrite the laws regulating chemical facilities. The language would remove a "no private right of action" provision, grant the Department of Homeland Security (DHS) the ability to approve or disapprove a site security plan based on the presence or absence of a specific security measure and would require DHS to use the Sensitive Security Information (SSI) requirements for information protection of vulnerability assessments and site security plans. An amendment to strike the provisions was voted down via voice vote during full committee markup. The bill then proceeded to the House floor on a closed rule, leaving industry advocates without the ability to offer an amendment to strike.

Differences between the House and Senate bills must be worked out in

conference over the course of the next several weeks before the bill can move to the House and Senate for an up or down vote, and to the President's desk for a signature.

The House and Senate are both expected to vote on the conference report this week. President George W. Bush has reiterated his threat to veto the supplemental spending bill due to the insertion of a timeline for troop withdrawal in both the House and Senate bills. If the President vetoes the emergency supplemental, TFI will work to extract these provisions from a future supplemental bill.

For more information, please contact TFI Director of Government Relations Kris Ballweg by telephone at (202) 515-2701 or via e-mail at kballweg@tfi.org.

TFI MEETS WITH UNITED WISCONSIN GRAIN PRODUCERS

The Fertilizer Institute (TFI) President Ford West (far right) recently met with United Wisconsin Grain Producers (UWGP) founding member Cal Dalton (second from left). Dalton farms 2,200 acres of corn, soybeans, speciality grains, wheat, oats and hay in Pardeeville, Wis. UWGP owns and operates an ethanol plant in Wisconsin. TFI discussed fertilizer's role in the ethanol boom with Dalton.

Joining West in meeting with Dalton were TFI Vice President of Public Affairs Kathy Mathers (far left) and TFI Director of Government Relations Kris Ballweg (second from right).



House Passes Water Resources Development Act

The U.S House of Representatives recently passed the Water Resources Development Act (H.R. 1495), which authorizes infrastructure projects needed to revitalize the nation's waterways. Specifically, the bill, which passed April 19 by a vote of 394 to 25, includes \$3.6 million for Upper Mississippi River and Illinois Water System locks, dams and environmental restoration projects.

"The Mississippi River is absolutely essential to the transportation of our nation's fertilizer," said TFI President Ford B. West. "We have been calling for improvements for the river's lock and dam infrastructure for years, and are hopeful this will be the year the bill passes."

The Fertilizer Institute (TFI), along with members of the National Waterways Alliance, submitted letters to Reps. James Oberstar (D-Minn.) and John Mica (R-Fla.), respectively chairman and ranking member of the House Transportation and Infrastructure Committee, urging them to move forward with the legislation to accommodate important projects awaiting authorization.

In the Senate, companion legislation was approved by the Senate Environment and Public Works Committee March 29, but has not been taken to the floor for a vote. TFI wrote to the Senate leadership stressing its opposition to two provisions in the bill - the creation of

a water resources planning coordinating committee and an independent review of the Corps of Engineers. The letter explains that both of these provisions could harm the process by which the Corps formulates project solutions.

House Transportation and Infrastructure Chairman James Oberstar is optimistic that a conference report will be adopted by both chambers by mid-June.

"Congratulations are in order for the House of Representatives as the passage of WRDA is long overdue," said Tim

Healey, Lange-Stegmann Director of Safety and Regulatory Affairs. "We hope similar congratulations for the Senate will be in order in the very near future. Modernization of the locks on the Upper Mississippi River will help check the rise of transportation costs and keep U.S. agriculture competitive in world markets decades into the future."

For more information, please contact TFI's Director of Government Relations Kris Ballweg by telephone at (202) 515-2701 or via e-mail at kballweg@tfi.org.

TFI MEMBERSHIP OFFERS A WIDE RANGE OF BENEFITS

The Fertilizer Institute (TFI) serves as the fertilizer industry's advocate before policy makers, federal agencies and the public. In the words of U.S. Senator Pat Roberts (R-Kan.), "Fertilizer manufacturers, distributors, retailers and their farmer customers have no better advocate in Washington, D.C., than TFI."

For only pennies a nutrient ton, non-members can join TFI and gain access to a top notch professional team of government relations, economics, communications and science professionals dedicated to promoting and protecting the production, distribution and use of fertilizers. TFI members' voices are heard in the political

and regulatory processes as well as with the media and the general public.

Membership in TFI is the most economical and effective way for the fertilizer industry to speak with one strong and united voice. Your membership brings local political grassroots contacts and efforts to strengthen our advocacy efforts.

To learn more about membership in TFI, please contact TFI Vice President of Member Services Pam Guffain by telephone at (202) 515-2704 or via e-mail at pguffain@tfi.org.

TFI Trains International Delegates on Fertilizer Demand Forecasts

The Fertilizer Institute (TFI) offers a robust and much-used statistical program. In fact, TFI was called upon in early April to train several international delegates on methods of forecasting fertilizer demand.

TFI Vice President of Economic Services Harry Vroomen was in Bangkok, Thailand, April 2-4 to contribute to a workshop held by the International Fertilizer Industry Association (IFA) to improve the accuracy and reliability of its fertilizer demand forecasts. Also in attendance as a trainer was PotashCorp Director of Market Research Al Mulhall.

The trainees in attendance represented Bangladesh, China, Indonesia, Malaysia, Pakistan, Philippines, Thailand and Vietnam. These representatives were taught how to adopt a crop-based, expert-based forecast at the national level for their respective countries.



TFI Vice President of Economic Services Harry Vroomen (center) trained Weifeng Zhang (left) with the China Agriculture University and Cecilia Quimbo (right) with the Fertilizer and Pesticide Authority in the Philippines at the IFA-hosted meeting in Bangkok, Thailand.

For more information, please contact TFI's Vroomen by telephone at (202)

515-2703 or via e-mail at hvroomen@tfi.org.

TFI OFFERS INTERNSHIPS

College students interested in communications, public policy or economics are encouraged to apply for The Fertilizer Institute (TFI) internship program. Throughout the year, TFI offers internships in a variety of disciplines.

“This is a great opportunity for ambitious college students to learn about the political process in Washington, D.C., as well as hone their skills in a discipline

area,” said TFI Vice President of Public Affairs Kathy Mathers. “Many of our interns have gone on to work at federal agencies, on Capitol Hill and in other trade associations.”

Intern applicants should be a student in good standing at a four-year college or university, majoring in communications, political science, agriculture or other related field. In addition, students should

have a basic understanding of the U.S. government and legislative process. Preference will be given to students entering their junior or senior year. Interested applicants should submit a resume and cover letter via e-mail to kmathers@tfi.org.

Kevin Flahive, Koch Nitrogen Company, is TFI's Person of the Month



KEVIN FLAHIVE,
Manager of Rail Transportation,
Koch Nitrogen Company

YEAR HIRED: 1991 with Farmland; 2003 Koch acquired Farmland assets.

JOB DESCRIPTION

I am responsible for sizing, acquiring and measuring the performance of the various railcar fleets for Koch Nitrogen Company. I also negotiate freight rates and manage all commercial matters to meet the rail transportation needs of Koch Nitrogen Company and its affiliates, including Koch Fertilizer Canada, Ltd. I also develop a point of view on long-term freight and railcar markets.

JOB PHILOSOPHY

It has always been my philosophy to communicate honestly with customers regarding what we are able to do for them. The customer is better off knowing what they need to expect. I use this same philosophy when dealing with suppliers, colleagues and regulators. The key is to do what you promise.

DESCRIBE YOUR INVOLVEMENT WITH TFI'S TRANSPORTATION COUNCIL.

Until two years ago, my involvement with the transportation council consisted of going to the annual transportation conference. That changed with the ammonia tank car issues. Since the day the Association of American Railroads Tank Car Committee presented its proposal for the heavier ammonia car, I have worked very closely with Pam Guffain and the members of the transportation council. Between the new tank car proposal, new regulations regarding the shipment of hazardous materials, and the recent changes to pricing for ammonia freight by the railroads, the Transportation Council is directly involved in the key challenges facing fertilizer producers today. I hope that all parties with a stake in the shipment of anhydrous ammonia can begin to collaborate to work through all of the issues. I also hope that the steps being taken by the Federal Railroad Administration to examine the shipment of toxic inhalation hazards will help fuel more collaboration.

WHAT DOES FERTILIZER MEAN TO YOU?

Fertilizer means food on the table for me, in more ways than one. It brings great satisfaction to know that, in some small way, my daily activities help to feed the world. Growing up in the city, I was never really connected to everything that had to happen to get dinner on the table. Now I understand the key role that fertilizer plays in making that happen.

TFI CALENDAR

TFI Board of Directors Meeting

July 16-17, 2007
Washington, D.C.

North American Fertilizer Transportation Forum

Aug. 12-13, 2007
Banff, Alberta, Canada

TFI World Fertilizer Conference

Sept. 17-19, 2007
Boston, Mass.

TFI Fertilizer Marketing Business Meeting

Feb. 4-7, 2008
Orlando, Fla.

TFI advocate

TFI Advocate is published monthly for members of The Fertilizer Institute. For more information about the items appearing in the newsletter, please contact: TFI President Ford B. West or Vice President for Public Affairs Kathy Mathers.

Harriet Wegmeyer, Editor

The Fertilizer Institute
820 First Street N.E., Suite 430
Washington, D.C. 20002

Tel: (202) 962-0490
Fax: (202) 962-0577

www.tfi.org