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November 11, 2022

EP 526 (Sub-No. 15)

305626

The Honorable Martin J. Oberman
Chairman
Surface Transportation Board
395 E Street SW
Washington, DC 20423

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November 14, 2022
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Dear Chairman Oberman:

We are writing today to nominate Stefan Loeb for consideration to fill the small-railroad vacancy on the Surface Transportation Board's Railroad-Shipper Transportation Advisory Council (RSTAC). For more than 12 years, Stefan has served Watco in a variety of roles focused on delivering growth and value to our customers. With his pre-Watco experience included, Stefan has spent over 20 years closely covering the small railroad industry and the rail industry in general. Outside of his day-to-day Watco responsibilities, Stefan also spends considerable time working to improve the overall industry experience for customers through joint ventures, organizations, and volunteer groups.

A seat on RSTAC is a very important responsibility and holds great respect and honor within Watco. Watco's Executive Chairman Rick Webb still often cites his time serving on RSTAC, including the long-standing relationships he built and maintains to this day, as some of the most crucial and impactful activities in his career. We seek this opportunity with Rick's encouragement and pledge of support along with the entire Watco team's as well.

As Watco's Chief Commercial Officer, Stefan supports our critical communication and business development activities across a diverse customer base that is being served by 44 U.S. Class II and III short line railroads. Watco's customer diversity includes size, geography, commodity types, etc. This provides Stefan and Watco with a unique perspective of the various needs, challenges, and service solutions required to provide impactful rail service that can be discussed effectively in a venue such as RSTAC. Stefan's daily interaction with Watco's hundreds of customers covers the entire scope of our relationship, including but not limited to new site location, site and volume expansion, as well as managing and maintaining existing business, including dealing with all facets of service delivery and other challenges.

Because the vast majority of our customers' rail shipments are interline moves across the national network, Stefan is also Watco's primary relationship contact for Class I partners as well

as other connecting rail partners. Advocating for customers in Watco's interaction with Class I partners is one of his most important activities. Stefan maintains productive relationships with all seven of the Class I railroads and serves on the board of three of the four Class I advisory councils: BNSF Railway's Short Line Caucus, Norfolk Southern's Short Line Caucus, and Union Pacific's Short Line Advisory Group. We believe Stefan's ability to utilize his relationships within Class I's as he advocates for shippers and rail traffic growth would be an important addition to RSTAC.

Stefan is always focused on improving the customer experience with rail regardless of whether the freight directly moves over Watco properties. He was instrumental in Watco becoming a founding member of RailPulse, the industry's only existing consortium designed around providing real-time telematics and data for individual railcars and their shipments. The overriding goal of RailPulse is to expand rail volume growth, putting Watco and our customers at the forefront of the use of data to expand rail traffic across our national network and compete with alternate modes.

In the community, Stefan has made it a priority to represent Watco across numerous organizations to improve rail's positive impact while cultivating and maintaining relationships within the rail shipping and short line rail communities. Two examples include his leadership in the Midwest Association of Rail Shippers (MARS) and the American Short Line & Regional Railroad Association (ASLRRA). From 2020-2022, Stefan was President of MARS, one of the country's largest rail shipper organizations with over 800 members, the vast majority of which are rail shippers. During his tenure, Stefan ensured rail shipper advocacy – through numerous conferences and events designed around highlighting the challenges and opportunities facing the shipper community – by putting rail shippers and rail service providers together. He will continue to serve on MARS' Executive Committee given the important interface with rail shippers that MARS provides. Stefan also serves as the current Chairman of the ASLRRA, finishing up the first year of his three-year term. Prior to being named Chairman, Stefan spent three years as Vice Chairman and has served on the ASLRRA Board of Directors for over five years advocating for the small rail industry.

Prior to joining Watco, Stefan spent nearly 10 years in commercial banking at Bank of America and its predecessor LaSalle Bank supporting a portfolio of short line and rail supply customers providing all facets of financial services to these customers. This activity provided Stefan numerous early career examples of the value short lines provide in growing freight rail traffic with customers – examples he uses to this day within Watco and for the benefit of the industry.

Mr. Chairman, as this letter hopefully describes, Stefan exhibits an unending passion for the industry through a pertinent focus on driving continued, sustainable success with rail shipping customers for Watco and the entire rail community. If chosen, serving on RSTAC would be an

absolute honor and a critical role that Stefan would use to continue the focus of advocating for rail shippers and the additional use of rail in our nation's supply chain.

Stefan is a citizen of the United States and understands that certain financial commitments are associated with this appointment.

Stefan welcomes the opportunity to answer any questions you may have or clarify any of the information described above. You can reach Stefan directly at (773) 480-2288 or sloeb@watco.com. Thank you, Mr. Chairman, for taking the time to read through these qualifications and for your consideration in Stefan potentially joining RSTAC.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Smith", written in a cursive style.

Dan Smith
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Stefan Loeb", written in a cursive style.

Stefan Loeb
Chief Commercial Officer