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Via e-mail (Antwan.Dozier@railinc.com)

Antwan Dozier
Manager Car Hire Audits
Railinc
7001 Weston Parkway, Suite 200
Cary, NC 27513

Re: EAC Review of Car Hire Rule 25

Dear Antwan:

In response to your December 19, 2024, email on behalf of the Association of American Railroads' Equipment Assets Committee (EAC), the Railway Supply Institute (RSI) desires to participate in the EAC's proposed review of Car Hire Rule 25 (the Rule). RSI welcomes this opportunity and urges the EAC to act swiftly and fairly to address the serious problems that the Rule poses for the boxcar market.

As you may know, RSI filed a petition with the Surface Transportation Board on March 25, 2024, in docket EP 334 (Sub-No. 8A) (the Petition), asking the Board to review its approval of the Rule and condition or revoke the approval if the Association of American Railroads and RSI cannot agree on changes to the Rule. The Petition and subsequent filings demonstrate that the Rule suppresses car hire for boxcars.¹ This has given TTX, which the Rule does not cover, an unfair advantage and dominant share of the boxcar market. It also discourages investment by private lessors in new boxcars. To ensure a competitive boxcar market and adequate boxcar supply, the EAC must amend the Rule.²

To enable meaningful participation and review, RSI requests that the EAC provide the boxcar data that RSI requested in the Petition. As the Petition explains, this data is essential for a thorough evaluation of the issues with the Rule. RSI is willing to agree to confidentiality protections for this data similar to those in the protective order that the Board granted in connection with the Petition.

RSI hopes that the EAC's review will produce appropriate changes to the Rule that address RSI's concerns. But the proposed review does not diminish the need for the Board to grant the Petition as soon as possible. First, the EAC has not specified whether it intends to address the issues that the Petition raises or provide the data necessary for a meaningful review. Second, granting the Petition is

¹ The Petition focuses on the Rule's impact on non-refrigerated boxcars.

² Amendments to corresponding car hire rules that support implementation of Rule 25 may also be necessary.

necessary to encourage the EAC to consider RSI's concerns seriously. As the Petition explains, the EAC quickly rejected a 2019 RSI request to address the Rule's problems and has not taken any action since then to address RSI's concerns; the EAC's voting rules heavily favor railroads that have an interest in maintaining the status quo; and urgent action is necessary to level the playing field and ensure a competitive boxcar market which can adequately meet future demand for boxcars. Third, granting the Petition will not interfere with the EAC's review. The Petition proposes a 120-day period for the EAC and RSI to collaborate on changes to the Rule.

We look forward to meaningful collaboration on revising Rule 25 to promote a competitive and adequate boxcar market.

Sincerely,

Patty D. Long



Patty Long
President
Railway Supply Institute