

Congress of the United States
House of Representatives 309174
Washington, DC 20515-0501

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The Honorable Patrick J. Fuchs
Chairman
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Robert E. Primus
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Michelle A. Schultz
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

The Honorable Karen J. Hedlund
Member
Surface Transportation Board
395 E Street, SW
Washington, D.C. 20423

Re: Docket EP 334 (Sub-No. 8A), Petition to Reopen

Dear Chairman Fuchs and Members of the Surface Transportation Board:

I write to urge the Surface Transportation Board (STB) to consider the Railway Supply Institute's petition to reopen Docket No. EP 334 (Sub-No. 8A).

The STB should reopen this proceeding and examine its approval of Rule 25 of the Association of American Railroads' Code of Car Hire (the "Arbitration Rule"). The reopening of this proceeding will encourage an examination of a market-based pricing system that is fair for all stakeholders, enabling private investment in boxcars, increasing competition for boxcar users, and ensuring an adequate market driven future supply of boxcars for the American economy.

For the last two decades, more boxcars have been retired than constructed, in part due to low default lease rates set by Class I railroads. Boxcar fleet size has declined 38% since 2008 and is expected to decline another 22% by 2030.

Rail is the safest and most efficient mode for transporting goods and railroads handled over 1.1 million carloads shipped via boxcars in 2023. Boxcars also are extremely important to U.S. supply chains, and are used to move critical commodities, including agricultural, forest, and industrial products.

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Again, I encourage the STB to examine how this rate-setting paradigm imposed by the Class I railroads through the Arbitration Rule impacts competition, the boxcar supply of the U.S. freight rail transportation system, and U.S. supply chains that rely on boxcars.

I appreciate the Board's consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Doug LaMalfa". The signature is stylized, with a large "D" and "L" and a cursive "Malfa".

DOUG LaMALFA
Member of Congress