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2/24/2025

Ian Jefferies
President and Chief Executive Officer
Association of American Railroads
425 3rd St SW
Washington, DC 20024

ENTERED
Office of Proceedings
February 24, 2025
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Public Record

Re: EAC Review of Car Hire Rule 25

Dear Ian:

I am writing to you regarding the meeting of the Equipment Assets Committee (EAC) of the AAR that took place the week before last. Railway Supply Institute (RSI) members went into this meeting with high hopes that it would finally be the moment we could seriously engage with AAR on much-needed car-hire reform. Unfortunately, the dialogue that took place was wholly unsatisfying.

While the EAC has agreed to create a Technical Advisory Group (TAG) to look at Car Hire Rule 25, there was no agreement on which parts of Rule 25 will be examined, and it was not even clear whether all interested RSI members will be allowed to participate in the TAG. Moreover, the schedule laid out for consideration of this critical issue was unacceptably long.

For years now, the RSI and its members have repeatedly made it clear to the AAR that we are well past the time when car-hire reform was needed to ensure a level playing field for all railcar owners. We are deeply disappointed by the EAC's lack of seriousness and urgency regarding this critical matter. To that end, we request that you intervene with the EAC to ensure the following occurs:

1. The EAC TAG being created must consider all aspects of Car Hire Rule 25, including and especially the rules governing the default rate.
2. The EAC TAG must be open to any and all interested railcar-owning RSI members.
3. The EAC must set an aggressive timeline. There is no reason to wait until May 7th for the next meeting on this topic, and there is no reason to wait until October for the TAG to report its findings to the EAC. We would like the EAC to reconvene on this matter no later than Friday, April 4th, and we would like a deadline for completion and reporting of the TAG's work no later than Friday, June 6th.

4. The EAC must make available, under appropriate confidentiality protections, railcar data necessary for RSI to meaningfully participate in this review. As you know, RSI has data for only a segment of the railcar fleet.

RSI and the AAR share a common goal of promoting the movement of freight by rail in North America. RSI believes that a sincere and collaborative effort on car-hire reform is critical to ensuring a robust, multi-supplier railcar market to support future rail freight growth. We sincerely hope that you will direct the EAC to engage with RSI as we have requested.

Sincerely,

A handwritten signature in black ink that reads "Patricia D. Long". The script is fluid and cursive, with the first name "Patricia" being more prominent than the last name "Long".

Patty Long
President
Railway Supply Institute

Cc:

Mr. Patrick Fuchs, Chairman, Surface Transportation Board
Mr. Robert Primus, Member, Surface Transportation Board
Ms. Michelle Schultz, Member, Surface Transportation Board
Ms. Karen Hedlund, Member, Surface Transportation Board

Ms. Katie Farmer, President and CEO, BNSF Railway
Mr. Joe Hinrichs, President and CEO, CSX
Ms. Tracy Robinson, President and CEO, Canadian National Railway
Mr. Keith Creel, President and CEO, CPKC Railway
Mr. Mark George, President and CEO, Norfolk Southern
Mr. Jim Vena, CEO, Union Pacific Corporation