



David McCall
International President

January 20, 2026

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Via Email

The Honorable Patrick Fuchs
Chairman
Surface Transportation Board
Washington, D.C. 20423

ENTERED
Office of Chief Counsel
January 26, 2026
Part of
Public Record

RE: United Steelworkers supports the Railway Supply Institute's March 2024 petition regarding the car hire rate structure for freight cars.

Dear Mr. Chairman:

On behalf of the members of the United Steelworkers Union (USW), I write regarding the car hire rate structure for freight cars as it is of interest to USW members who supply, repair, and maintain hundreds of thousands of railcars in the U.S. The USW is following the March 2024 petition filed with the Surface Transportation Board (STB) by the Railway Supply Institute (RSI) with interest. The petition seeks to address aspects of the current car hire system that may limit competition and affect our members who supply, maintain, and repair America's railcar fleet.

As you know the Association of American Railroad (AAR) administers the rules for compensating freight cars use among railroads, based on authority granted by the STB's predecessor, the Interstate Commerce Commission. That framework, established over 30 years ago, aimed to develop "market based" rates over time. Unfortunately, this goal has not been achieved. Instead, the "default rate" formula imposed by the car hire rules has produced nonsensically low rates which discourage investment. At the same time, the Class I railroad-owned pooling company, TTX, is exempted from the car hire rules, and sets its own rates at its discretion. As a result, in certain car types, most notably boxcars, TTX is developing an outsized market share at the expense of other railcar investors.

The STB's decision to encourage negotiations between the parties was a constructive step toward resolution of the issue. However, the result of the negotiation was an impasse between RSI and AAR. AAR's railroad members voted to adopt a modest adjustment to the car hire rules which does effectively nothing to level the playing field and limits competition, meaning our members who produce a quality product are facing a structural inequity.

Considering these developments, we respectfully request that the Board consider revisiting the RSI petition to explore ways to promote a transparent, market-

based default rate methodology that supports equitable treatment for all car owners. USW sees potential value in such an approach to foster investment and enhance rail capacity, benefiting our members and the broader freight rail system.

Thank you for your attention to this important issue and your efforts to maintain a competitive and efficient rail network.

Sincerely,

A handwritten signature in dark ink, reading "David McCall". The signature is fluid and cursive, with the first name "David" and last name "McCall" clearly distinguishable.

David McCall
International President