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Chief of Case Administration
Office of Chief Counsel
Surface Transportation Board
395 E Street, SW
Washington, DC 20423-0001

Re: *Ex Parte No. 334 (Sub-No. 8A), Joint Petition for Exemption of Arbitration Rule from Application of 49 U.S.C. § 10706 and Motion to Dismiss*

Dear Chief of Case Administration:

I am writing on behalf of TTX Company (“TTX”) to provide a brief reply to the letter filed in this docket by Congressman Mark B. Messmer on April 1, 2026, in order to correct certain misconceptions about TTX reflected therein.

Congressman Messmer’s letter asserts that AAR’s Car Hire Rules have “evolved into a new form of anti-competitive pricing” for railcars used to haul freight on America’s railroads that “benefits large railroad-owned companies, especially the antitrust-exempt railcar pooling company TTX Corporation.” Representative Messmer also suggests that the car hire system has kept compensation rates “artificially low” and thereby “dampened investment in new freight cars, especially boxcars that are nearing the end of their service lives without adequate replacements in production.”

These statements reflect a misunderstanding of TTX’s role with respect to the supply of railcars as well as the significant investments that TTX and others are making to augment the fleet of boxcars on America’s railroads.

First, the suggestion that TTX is part of an “anticompetitive” railcar pricing scheme is simply incorrect. The pooled railcars owned by TTX were carved out of the car hire regime by the Surface Transportation Board’s (the “Board’s”) predecessor agency when it approved TTX’s flatcar and boxcar pools in 1974. The usage rates for TTX pooled railcars are set by TTX and paid by TTX’s participating railroads based on pricing principles established by TTX’s Board-approved pooling agreements. Allowing TTX to set the usage charges for the pooled railcars owned by TTX was then and remains today a critical element of TTX’s longstanding success in providing the U.S. rail network the benefits of fleets of high-quality and efficiently-operated railcars available to meet the needs of railroads large and small, as a supplement to the vast

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numbers of railroad-owned and privately-owned railcars on the network. When it reauthorized the TTX flatcar pool in 2004, the Board expressly noted the importance of the statutory antitrust immunity (in 49 U.S.C. § 11321(a)) that allows TTX to set the rates for the railcars it owns without that rate-setting being misperceived as a price-fixing conspiracy among TTX's owners. *See TTX Co. – Application for Approval of Pooling of Car Service with Respect to Flatcars*, Finance Docket No. 27590 (Sub-No. 3) (STB served Aug. 31, 2004) at 14 (“We agree that standardized pricing is an integral and critical aspect of the TTX pool, and that it ensures that the pooled equipment is highly fungible. Accordingly, we will not limit TTX’s pooling authority to set prices for the use of its flatcars.”)

Conversely, TTX plays *no role whatsoever* in setting the rates for any non-TTX railcars owned by lessors or other railcar owners. To be sure, the value provided by TTX railcars (including participants’ ability to call on TTX-owned railcars to meet their loading needs) may have some bearing on whether those participants perceive a need for railcars owned by third parties, or what they are willing to pay to use such railcars.¹ But TTX’s setting of rates, and its associated antitrust immunity, simply does not apply to the car hire rates determined pursuant to AAR’s car hire rules.

Second, Representative Messmer’s suggestion that boxcars are nearing the end of their service lives “without adequate replacements in production” is misinformed. TTX has previously pointed out the significant investments being made by TTX, individual railroads, and railcar lessors in larger, more modern boxcars that will be ample to support forecasted demand for rail freight moved in boxcars. Representative Messmer’s contention echoes the false claims made by the Railway Supply Institute in this docket in 2024 about a looming “boxcar cliff” that disappeared completely from RSI’s more recent submissions after TTX and others showed that there was no such cliff. *See Joint Petition for Exemption of Arbitration Rule from Application of 49 U.S.C. § 10706 & Motion to Dismiss*, Ex Parte No. 334 (Sub-No. 8a), Reply of TTX Company to RSI Petition to Reopen & Condition or Revoke Approval (filed April 15, 2024); *compare id.*, Position of the Railway Supply Institute on the EAC Review (filed Dec. 10, 2025) (acknowledging lack of any boxcar shortage but ignoring non-TTX investments).

TTX urges the Board to carefully evaluate the facts reflected in the submissions by TTX and others as it considers the appropriate course in this proceeding.

¹ For example, the Board’s 2004 TTX flatcar pool reauthorization decision noted with respect to flatcars that: “it may be that leasing companies forgo heavy involvement in the flatcar leasing business, and choose to focus their investment on other car types, the evidence suggests that this is quite likely because the competitive forces that TTX brings to bear in the flatcar market prompt leasing companies to focus their efforts and investment where the possibility of profit is greater.” *Id.* at 13.

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Thank you very much for your attention to this matter, and please contact me with any questions.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Dan L Meyer", written in a cursive style.

David L. Meyer

Attorney for TTX Company

cc: All Parties of Record