



Richard J. Kloster
Senior Vice President and
Chief Commercial Officer
AllTranstek, LLC
1101 W. 31st Street, Suite 200
Downers Grove, IL 60515

December 21, 2017

Jason Wolfe
Surface Transportation Board
ATTN: Docket No. EP 670 (Sub-No. 2)
395 E Street SW
Washington, DC 2043-0001

RE: Docket No. EP 670 (Sub-No. 2)

Jason Wolfe:

242310

ENTERED
Office of Proceedings
December 21, 2016
Part of
Public Record

I would like this letter and attached resume to serve as my self-nomination and application to serve as a member of the Rail Energy Transportation Advisory Committee (RETAC) to the Surface Transportation Board.

As Senior Vice President and Chief Commercial Officer for the largest railcar fleet management company in the United States, AllTranstek, LLC, I would be pleased to serve on the RETAC as a representative of private car owners, car lessors, and car manufacturers. Based on my background in the industry, and that of my company, I think the RETAC would benefit greatly from my participation.

The company I manage, AllTranstek, is the largest and premier rail car fleet management company in the United States, managing almost 275,000 rail cars for over 75 private fleet owners. These private fleet owners include some of the largest companies in the United States and the world, and consist mainly of shippers and leasing companies.

From an energy perspective, a large portion of this fleet is railcars that were purpose-built to move energy-related commodities, and are currently operating in energy service, including as gondolas and open-top hoppers for coal, tank cars for ethanol, crude petroleum, LPG, and various other refined fuels, and covered hoppers for frac sand. We manage these cars from cradle to grave, and are involved with all aspects of a railcar's ownership, operational, commercial, financial and regulatory life. There is not an aspect of a railcar that we do not have expertise in. This includes maintenance management, fleet management, regulatory compliance, engineering, inspections, non-destructive testing, and other technical, operational and financial aspects of railcar ownership.

Personally, I am a 36-year veteran of the freight rail industry with experience on all sides of the industry. I am currently a Board Member of the National Industrial Transportation League. I began in 2015 writing a featured column on rail equipment issues for Progressive Railroading Magazine. I hold three patents for rail car innovations, and I am a regular industry presenter, speaking 7-10 times per year.

I started with the Chicago & Northwestern Railway the very week the Staggers Act became effective in October 1980. At the time, I had no idea where my career would take me. For me it was my first job out of college and I was glad to have it, even though the job had nothing to do with my college degree and I had to endure working outside in a yard in the cold Wisconsin winter. But I stuck with it and a year later landed a job in CNW's headquarters and was hooked on transportation... rail transportation.

Over the next eleven years I worked for three railroads, a Class I, a regional railroad, and a coal-hauling shortline railroad. Working for these three very different railroads helped me get a deep understanding of railroading, both operationally and commercially. From there I moved to the equipment side of the industry for about sixteen years, working for GE Railcar. At GE I managed a 55,000+ car portion of GE's overall fleet before moving into a Business Development role.

In 2007, I left GE to enter the world of consulting. I founded my own firm that focused on providing strategic guidance and services to the rail equipment industry. I also entered into a partnership with FTR Intel and was a co-founder of the FTR Consulting Group. This partnership has led to FTR Intel and myself becoming the leading forecaster of rail equipment trends. (<http://www.ftrintel.com/>)

In 2012, my firm was acquired by AllTranstek, at which time I joined AllTranstek as Senior Vice President, Business Strategy and Technical Services, and am responsible for our Technical and Strategic Consulting staff.

As my career moved from railroading, to equipment leasing, to strategic consulting, to railcar management, I gained a wide experience. Most people I know in the industry spend their whole time working only for a railroad, a builder, a component supplier or a leasing company, and while they become expert in their area, they never really are able to fully understand the ways the different sectors fit together, which often prevents them from grasping the larger integrated view of the rail industry supply chain.

This broader view is what I assume the RETAC is looking for and what I provide: a rail equipment expert who possesses a 360° holistic understanding of how energy moves by rail. While my rail experience goes far beyond the interest I would represent on the RETAC, I have an intimate knowledge of the economic and regulatory interests of car owners, lessors, and manufacturers.

Almost everything moves by rail to some degree, and for rail industry players to maximize their opportunity, they need to deeply understand the fundamentals and demand drivers of their underlying customers bases, and take a holistic view of the market. This means considering not just transportation aspects but also the equipment and supply chain issues. This is the approach I have personally taken my whole career in an effort to best understand our industry.

As such, I believe there are many ways in which I can be of value to the RETAC, however, I think the single most important one is the forecasting work that I do in coordination with FTR Intel. We help people "see around the corner", and as a consequence, a large portion of the rail equipment community relies on the insight the I and FTR Intel provide.

I look back on my career and wonder how I could have ever learned so much, about so many other industries, that I never worked in, if I hadn't worked in the rail transportation? It wouldn't have been possible. The rail industry touches all sectors of our economy and is actually a leading indicator for our economy's health. I have been blessed and honored to work in this industry my whole career and hopefully I have learned a few things along the way. Helping the Members of the Surface Transportation

Board become better informed on the issues facing energy transportation by rail would be an honor and a way for me go give a little back to the industry that's been so good to me.

Finally, I should note that I am not a registered lobbyist and have no financial or other interests that would preclude me from providing honest, thorough information to the RETAC. I would also be able and willing to attend the meetings of the RETAC in Washington, DC. I would be pleased to provide various references, and in fact one is Brad Hildebrand of Cargill, who currently serves on the RETAC, and another is Doug Kratzberg of Exxon-Mobil, a former member of the STB's Railroad-Shipper Transportation Advisory Council.

Sincerely,

Richard J. Kloster

Attachment

Richard J Kloster

570 Mystic Harbour Lane, Schaumburg, IL 60193

Cell 847.544.6760

kloster@alltranstek.com | rkoster@ftrintel.com | rkloster1@yahoo.com

PROFESSIONAL SUMMARY

I am a business management executive with diversified commercial experience in growing revenue, market share and net income. In addition to finding new markets for existing services and products, I have also been successful at developing entirely new business opportunities and have received three patents for innovations in rail car designs. Operationally, I managed a \$250 million line of business that I successfully grew and repositioned for the future. My skills lie in the areas of Business Development, Asset Management, Operations, Marketing and Sales. My background includes development of new market opportunities, operational plan development and implementation, market analysis, extensive customer exposure, and team management. I am motivated, analytical, and creative in the development of business solutions. I communicate well at all levels and am effective in creating a team that achieves timely results.

In 2007, I started a consulting firm, Advanced Rail Equipment Solutions, Inc., which was acquired by AllTranstek, LLC in 2012.

EXPERIENCE

ALLTRANSTEK, LLC, Downers Grove, IL

2012 to Present

A private transportation consulting company that provides fleet management, technical, operational, and strategic consulting services to the rail industry. AllTranstek manages over 250,000 railcars for over 100 clients in North America.

Senior Vice President and Chief Commercial Officer

Responsible for all strategic and commercial activities of the business and a staff of approximately 35 technical, commercial, economic and strategic consultants that focus on all matters within the rail equipment supply chain.

FTR INTEL / FTR CONSULTING GROUP, Bloomington, IN

2007 to Present

An industry leader in freight transportation research, economics and forecasting.

Principle & Senior Consultant

FTR's rail equipment expert and responsible for FTR's quarterly Rail Equipment Outlook, the industry's leading rail equipment forecast, with a broad client base, including almost all of the rail car builders, leasing companies, and component suppliers, as well as many investment firms and other operating companies.

ADVANCED RAIL EQUIPMENT SOLUTIONS, INC., Schaumburg, IL

2007 to 2012

A private transportation consulting company specializing in the rail transportation equipment markets.

President

Founded a boutique consulting firm specialized in providing strategic guidance to companies operating in the rail equipment supply markets. Also, forged a strategic partnership that FTR Intel to provide rail

equipment expertise to a joint client base. Grew the business and staff until it was acquired by AllTranstek in October 2012.

GE RAIL SERVICES, Chicago, IL

1991 to 2007

A subsidiary of General Electric Company, the largest lessor of railroad freight cars and intermodal equipment with over \$4 billion in assets, \$800 million in revenue, and over \$50 million in net income.

Vice President, Marketing / Director, Business and Market Intelligence Team (2003-2007)

Reported to the EVP Asset Management and Chief Marketing Officer, managing GE Rail's market research function to support the businesses' strategic growth initiatives. Performed industry, segment, fleet and competitor analysis to support commercial decision process; analyzed economic conditions, business trends, and potential markets.

- Managed a large market research team focused on domestic and global freight rail opportunities, and coordinated with multiple other General Electric businesses with rail interests.
- Specific examples of projects:
 - Capex Authorization – Performed market demand analysis for a variety of segments including ethanol & pressure tanks, and cement, plastic and DDG covered hoppers; resulting in numerous Pre-Buy orders.
 - Telematics Market Assessment – Completed market analysis and developed initial business case for GE Rail's entry into remote monitoring of railcars using GPS technology.
 - Indian Rail Market – Initiated project to assess maturity and feasibility of entering the Indian rail equipment markets, presented to senior management and received approval to proceed.
 - Global Wheel Market – Led research team reviewing global rail wheel supply and demand. Identified new business venture and market opportunities and developed recommendations.
 - International Rail Wagon Projects – Several projects focusing on assessing market potential and readiness for rail wagon financing and leasing, specific targets included Russia, Latin America, India, China, and Eastern Europe.
 - Services Company Acquisition Project – Identified and researched companies engaged in providing telematic products, services and technology as potential JV or acquisition targets.
 - Lessor Profiling and Competitor Analysis – Regularly analyzed leasing competitors to support GE Rail's commercial decision making process.
 - Managed project to develop long term forecasting models used for capex investment decisions.
- Developed an extensive directory of industry data sources.
- Managed execution of numerous research projects including several performed by external third-party consulting firms with project budgets ranging up to \$1,000,000.
- Developed and maintained an internal GE website for dissemination of the BMI Team's completed market research projects; the site was named a best practice in GE.

Vice President / Director of Marketing (2000-2003)

Reported to the SVP as GE Rail's Industry Manager to the forest products and railroad industries, focusing on identifying customer needs and growth opportunities for GE Rail. Led and managed a variety of projects focusing on business initiatives and growth segments, including:

- New Product Development – developed the Pulp Protector TM boxcar, secured \$50mm capex for 1,500 car conversion program, and received U.S. and Canadian patents. Also, developed a new type of plug door for boxcar conversions and received a U.S. patent.
- New Market Entry – led market development activities resulting in automotive market entry; \$150mm capex for acquisition of 1,500 auto parts boxcars and 500 integrated auto rack flatcars.
- Acquisitions & New Technology Development – led market analysis projects for numerous acquisition and/or new technologies development opportunities.
- Forecasting – conceptualized and developed several business decision forecasting tools.
- Revenue Management System – managed key portions of project to develop a state-of-the-art system market-based car hire management system.

Senior Portfolio Manager (1991-2000)

Reported to the EVP Portfolio Management with strategic management and operating responsibility for about one-third of GE Rail's fleet, totaling almost 55,000 cars. Duties including new car purchases, used car acquisitions, de-fleeting, pricing, refurbishment/conversion projects. Secured several hundred million dollars of capital expenditure approval to add about 9,000 new, existing and modified railcars. Developed new lease structures & pricing proposals; performed financial sensitivity analysis for acquisitions and lease proposals.

PRIOR WORK EXPERIENCE

1980-1991

CHICAGO & NORTHWESTERN TRANSPORTATION COMPANY, Chicago, IL

Business Unit Director

A Midwestern Class 1 railroad operating over 9,000 miles of track with over \$900 million in revenue.

INDIANA RAIL ROAD COMPANY, Indianapolis, IN

VP Marketing & Sales

A start-up shortline railroad operating 117 miles of track in Indiana with over \$8 million in revenue.

CHICAGO CENTRAL & PACIFIC RAILROAD, Waterloo, IA

AVP Sales &

Marketing

A start-up regional railroad operating approximately 650 miles of track in Illinois and Iowa with over \$55 million in revenue.

UNIVERSITY OF ALABAMA, Tuscaloosa, AL

Graduate Research & Teaching Assistant

CHICAGO & NORTHWESTERN TRANSPORTATION COMPANY, Chicago, IL

A Midwestern Class 1 railroad operating over 9,000 miles of track with over \$900 million in revenue.

- Business Unit Manager, Food Products
- Market Manager, Industrial Chemicals

- Pricing Manager, Chemicals & Fertilizers
- Pricing Analyst, Paper & Forest Products

EDUCATION

<i>University of Alabama, Tuscaloosa, AL</i>	<i>Masters of Arts, Marketing, 1986</i>
<i>Northern Illinois University, DeKalb, IL</i>	<i>Bachelors of Science, Business & Economics, 1980</i>

LEADERSHIP POSITIONS and OTHER PROFESSIONAL EXPERIENCE

<i>Progressive Railroading Magazine, Featured Columnist</i>	<i>2015-present</i>
<i>National Industrial Transportation League, Board of Directors, Member</i>	<i>2004-2007 and 2013-current</i>
<i>NTSB Tank Car Safety Roundtable Participant</i>	<i>July 2016</i>
<i>Association of American Railroads, Joint Industry Boxcar Task Force, Member</i>	<i>1994-1999</i>
<i>Frequent presenter to numerous industry organizations</i>	<i>1996-current</i>
<i>Holder of three patents</i>	<i>1999, 2001</i>