

210390

March 16th, 2004

425 S. Palos Verdes Street
Post Office Box 151
San Pedro, CA 90733-0151
Tel/TDD 310 SEA PORT
www.portoflosangeles.org



James K. Hahn, Mayor
City of Los Angeles

Board of Harbor
Commissioners

Nicholas G. Tonsich, President

Elwood Lui, Vice President

James E. Acevedo

Camilla T. Koco

Thomas H. Warren

Larry A. Keller
Executive Director

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

Subject: Finance Docket No. 27590 (Sub-No. 3)
TTX Company – Application For Pooling

Reauthorization

Dear Mr. Williams:

The Port of Los Angeles is the largest container port in the United States and is the key gateway for intermodal cargo between Asia and the United States. Approximately one half of our inbound cargo is railed to markets throughout the country. The need for a sufficient supply of flat cars for this intermodal trade is vital to ensuring the smooth flow of commerce for the nation.

Therefore, we wish to express our support for TTX's application for STB reauthorization of the flatcar pool. Without this pooling arrangement we feel that there would be frequent disruption to intermodal equipment supply operations at critical times.

In terms of professional projections of future equipment need, prompt response to market changes, massive capital investment and the efficient management of a very complex national fleet, there is no doubt that TTX supplies an invaluable need to our Port complex and to the nation.

Additionally, the TTX system does not prevent any other equipment supply options. If other equipment supply options – such as car leasing – could provide additional benefits, TTX would not prevent railroads from taking advantage of those options.

Following is a summary of the advantages derived from the TTX pooled fleet system:

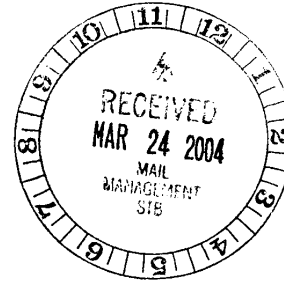
Benefits from TTX Management of a Pooled Fleet

ENTERED
Office of Proceedings

- TTX pool cars move across the railroad network without restrictions.

MAR 25 2004

Part of
Public Record



Honorable Vernon A. Williams
March 17, 2004
Page 2

- The TTX pool accommodates seasonal, competitive, and other shifts in demand.
- The availability of a shared pool of intermodal cars ensures that, whichever railroad our customers use, and whichever lanes our customers use, our customers will have access to a supply of railcars.
- The availability of a shared pool of intermodal flatcars increases rail-to-rail competition by eliminating car supply issues as a possible impediment to competition.
- The size of TTX's fleet and its ability to move flatcars among rail carriers has allowed our customers to expand our business, relying on TTX's ability to provide a higher number of flatcars as needed.
- The TTX pool ensures that railroad terminals our customers use remain as fluid as possible, rather than being tied up by switching of cars of different ownership.

Benefits from TTX's Efficient and High-Quality Maintenance

- TTX has demonstrated its commitment to provide a fleet of high-quality, well-maintained intermodal cars.
- TTX's experience and expertise in maintaining intermodal cars and its incentives to provide high-quality equipment ensures that rail traffic moves with minimum disruption.
- TTX's proactive and efficient maintenance practices make TTX equipment dependable and allows rail networks to operate more reliably

Benefits from TTX Research and Design Activities

- TTX has demonstrated a commitment to improve the quality of its fleet.
- TTX has worked with shippers to develop new and improved intermodal equipment to meet our evolving needs.
- The port and transportation sector has benefited from TTX's research and design efforts to develop new types of intermodal equipment and improve the quality of existing equipment.
- The port and transportation sector has benefited from TTX's efforts to redeploy existing equipment to new uses in response to evolving demand.

Honorable Vernon A. Williams
March 17, 2004
Page 3

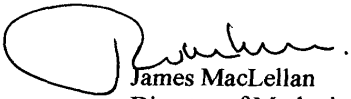
- TTX is involved in a major effort to convert 48-foot well cars into cars more suited to carrying 20-foot and 40-foot international containers.
- TTX is undertaking a new effort to modify 48-foot spine cars to handle 53-foot trailers

Benefits in Promoting the Growth of Intermodal Traffic

- Intermodal transportation has grown dramatically, and its future expansion is critical to a healthy, productive economy.
- Increased use of intermodal transportation conserves fuel and reduces congestion and wear on our nation's highways.
- TTX provides a national vision of intermodal car needs.
- TTX's flatcar pool is the base upon which rail intermodal's success is built.
- TTX's ability to achieve operational and maintenance savings creates lower car costs, which can be passed along to the shipper community, thus encouraging further growth of intermodal traffic.

In closing, we wish to state that the steady expansion of intermodal rail from our region makes it important to approve the TTX application. The alternative would be a disruption to international trade and commerce that might have negative consequences to both the local and national economy.

Yours truly,


James MacLellan
Director of Marketing
Port of Los Angeles