

CHAPARRAL

300 Ward Road
Midlothian, Texas 76065
972.299.5212
www.chapusa.com

October 14, 2005

214987

Chairman Roger Nober
Surface Transportation Board
1925 K Street, N. W.
Washington, DC 20423



Honorable Roger Nober,

I am Doug Starosta Transportation Manager for Chaparral Steel. We appreciate the opportunity to provide comments to the Surface Transportation Board at its hearing to mark the 25-year anniversary of the Staggers Rail Act of 1980.

I am writing to you today because the rail industry is important to us as well as the rest of the economy. Chaparral Steel is the second largest manufacturer of structural steel in the United States. We ship and receive 1,600,000 tons a year by rail. So it is critical for our business that we have a rail network in place that can serve our transportation needs.

It is with this very interest in mind that Congress passed the Staggers Rail Act of 1980, with the strong support of many segments of the economy, including the customer community. Prior to the Staggers Act, the rail industry was in complete financial disrepair, unable to serve its customers adequately. The focus of the Staggers Act was to reform the regulatory framework to allow the industry to respond to the needs of the marketplace and become more customer-focused, and to streamline its operation and become financially stronger.

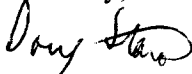
Our interest going forward is that the rail industry can continue to provide the kind of service that we need. This is of particular concern because we are in a period of constrained capacity. We are seeing unprecedented growth that is putting unparalleled stress on the system. And growth is projected as far as the eye can see. So we must be sure that we have an industry able to respond to the existing growth levels and to the levels anticipated for the future.

We want to be able to take part in this growth, and we want to be able to use rail to do that. In order for that to happen, we need to make sure that the railroads can continue to invest in its infrastructure. For us, double tracking congested lines and enhancing some of the railroad classification facilities would reduce our rail transit times; therefore increasing railcar availability. This particular investment will allow us to expand our business as we would like.

Rail is the most efficient and cost-effective way for us to ship. We need to make sure that it can continue to meet our service needs. In this period of continuing growth and constrained capacity, we want an industry that has the capital available to enhance its infrastructure to serve our needs and those throughout the country.

Thank you for your consideration on this issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "Doug Starosta", written in a cursive style.

Doug Starosta

Transportation Manager

Chaparral Steel