



PACER STACKTRAIN



215078

October 14, 2005

Ex Parte No. 658

The Honorable Roger Nober, Chairman
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

Dear Chairman Nober:

Attached is my statement of support in connection with the hearings on the Staggers Act.
Please accept my statement and include it in the hearing record.

Sincerely Yours,

C. Thomas Shurstad, President
Pacer Stacktrain

Customer Statement for STB Staggers Act Hearing

I am Charles Thomas Shurstad. I am appearing on behalf of Pacer Stacktrain. 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.

We are here today because the rail industry is important to us as well as the rest of the economy. We are one of the largest non-railroad providers of intermodal rail service in North America. We provide our customers with single company access to a 50,000 mile rail network through long term operation agreements with our primary rail carriers, Union Pacific, CSX and others. Using this network, we transport cargo containers stacked two high on specially designed railcars, throughout North America. Last year we shipped approximately 1,200,000 containers 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 financial disrepair and 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, become more customer-focused, to streamline its operation and become financially stronger.

The Staggers Act has had the positive results that were envisioned. For us, the benefits have been clear. Because of significant infrastructure investments, we have been able to continue handling more shipments by rail and to more locations. Also, the railroad has provided us with service more tailored to our particular needs.

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. Significant growth is projected for the next five years and beyond. If our company is to continue to grow and handle the needs of our customers, it is imperative 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 the railroads can continue to invest in its infrastructure. For us, this would include more double tracked rail to relieve congested mainlines, continued upgrading of existing rail lines, procurement of locomotives and flatcars to handle increased business needs and the upgrading of intermodal terminals. These infrastructure items are very expensive and will require a tremendous investment by the railroads. But it will take investments such as these to 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.