



## **SUPPORT** Railcar Lessor Representation on the Railroad-Shipper Transportation Advisory Council (RSTAC)

**ISSUE:** The RSTAC currently lacks representation from independent freight railcar lessors. RSI supports the addition of **two non-voting seats to the RSTAC** to provide representation for freight railcar lessors. This would ensure the Council's advice to USDOT, the STB, and Congress has the first-hand knowledge and input from the **constituency that owns the majority of freight railcars in North America**.

**BACKGROUND:** The Railroad-Shipper Transportation Advisory Council (RSTAC) is a statutory Council that provides advice on regulatory, policy, and legislative matters to the Surface Transportation Board (STB), the Secretary of Transportation, the Senate Committee on Commerce, Science and Transportation, and the House Transportation and Infrastructure Committee. The Council consists of senior officials representing large and small shippers and railroads, as well as ex-officio members including the Secretary of the Department of Transportation and the five Surface Transportation Board members.

For nearly three decades since the forming of the RSTAC, freight railcar ownership has shifted away from railroads, with non-railroad entities now owning 74% of the entire freight railcar fleet. However, leasing companies still lack any form of representation on the Council. Only an Act of Congress can provide freight railcar lessors with nonvoting representation on the RSTAC.

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### **About the RSTAC**

- The Railroad-Shipper Transportation Advisory Council (RSTAC) was established pursuant to the ICC Termination Act of 1995 ([Public Law 104-88, 109 Stat. 803](#)) to advise the STB, USDOT, and relevant congressional committees on key policy issues affecting the industry.
- The RSTAC is directed by statute to provide input on “rail transportation policy issues it considers significant, with particular attention to issues of importance to small shippers and small railroads including **car supply** [emphasis added], rates, competition, and effective procedures for addressing legitimate shipper and other claims.”
- The RSTAC is currently comprised of a mix of 19 voting and non-voting members. 9 voting seats are split evenly between small shippers and Class II or III railroads, while the remaining non-voting seats are currently split between the ex officio members, representatives of the Class I railroads, and representatives of large shipper organizations.

### **About Independent Leasing Companies**

- **57% of the 1.6 million freight railcars in North America are owned by non-railroad, independent leasing companies.** Of the remainder, 17% are owned by shippers, 16% by railroads, and 10% by TTX Company.
- Today, the replacement value of the non-railroad-owned railcar fleet is estimated to be in excess of \$100 billion.

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### **Proposed Amendment**

- A [proposed amendment](#) to 49 U.S. Code § 1325. Railroad-Shipper Transportation Advisory Council would add two non-voting seats to the RSTAC that shall be comprised of representatives of freight railcar lessors.