



## **RSA Applauds Introduction of Bipartisan Freight RAILCAR Act as Essential for U.S. Recovery**

*America's freight railcar manufacturers are an essential backbone to American commerce. The Freight RAILCAR Act helps protect this vital industry — because a full economic recovery depends on securing the industry's manufacturing jobs and creating an efficient, robust, and modern railcar fleet.*

(Washington, DC) – The Rail Security Alliance applauds the leadership of U.S. Reps. Brad Schneider (D-IL-10) and Darin LaHood (R-IL-18) for introducing [H.R. 8082](#), the “Freight Rail Assistance and Investment to Launch Coronavirus-era Activity and Recovery Act” (Freight RAILCAR Act) today.

This key bipartisan tax legislation helps ensure that North America's freight railcar fleet is modernized with higher capacity and more fuel-efficient freight railcars, and that the industry's family-wage, manufacturing and supply jobs are not put at risk.

Additional original sponsors include House Transportation and Infrastructure Rail Subcommittee Chairman Dan Lipinski (D-IL-3) and Ranking Member Rick Crawford (R-AR-1) and, along with Schneider and LaHood, House Committee on Ways and Means colleagues Reps. Earl Blumenauer (D-OR-03) and Drew Ferguson (R-GA-3).

Erik Olson, Rail Security Alliance vice president, said: “We are grateful for the leadership of Representatives Schneider and LaHood, and for the other members, for introducing the Freight RAILCAR Act. The timing of this legislation could not be more important to our nation as we seek a strong recovery from the COVID-19 pandemic.”

Foreign adversaries, including state-owned enterprises backed by the Chinese government, are using the dire circumstances of the pandemic to [flood global markets](#) with inferior steel products, including materials used in manufacturing both freight and passenger railcars. Any further hit to this industry could be devastating. The Freight RAILCAR Act includes important safeguards to ensure that these adversaries do not take advantage of any tax benefits provided in the bill.

According to a [2017 report](#), the domestic rolling stock industry contributed more than \$6.5 billion to the American economy in gross domestic product (GDP) and supported [65,000 jobs](#).

“Without the investment and protections that the Freight RAILCAR Act encourages, the U.S. risks the permanent loss of tens of thousands of high-paying domestic manufacturing jobs that make American freight and railway suppliers such big contributors to our country's GDP,” Olson said. “The RAILCAR Act also safeguards the cornerstone of America's critical infrastructure and transportation systems.”



Provisions in the Freight RAILCAR Act encourage use of high-strength, lightweight materials; innovative designs; and advanced technologies that ensure railcars carry greater loads and use less fuel, therefore reducing greenhouse gases:

- **Modernization:** A 50 percent tax credit through 2024 for new railcars or modernization of existing railcars, while scrapping two older freight railcars no longer in service, improving the fuel efficiency and capacity of the North American fleet
- **Sustainability:** A separate, time-limited tax credit through 2024 encouraging the scrapping of freight railcars no longer used so that steel could be recycled into new steel, promoting environmental sustainability in the freight railcar industry
- **Investment:** A time-limited 50 percent tax credit for capital expenditures on equipment or technology enhancements in railcar-related manufacturing or repair shops that improve the efficacy, quality or safety of railcar or railcar component manufacturing. This credit will expire on December 31, 2023.

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#### **ABOUT THE RAIL SECURITY ALLIANCE**

The [Rail Security Alliance](#) exists to support and encourage the adoption and enactment of U.S. policies, procedures and laws that are designed to promote the security of the railroads and the railroad system of the United States of America.

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