

September 28, 2020

Congressman Brad Schneider  
1432 Longworth House Office Building  
Washington, D.C., 20515

Congressman Darin LaHood  
1424 Longworth House Office Building  
Washington, D.C., 20515

Dear Representatives Schneider and LaHood:

We are writing to you on behalf of a diverse coalition of national organizations in strong support of H.R. 8082, the Freight Rail Assistance and Investment to Launch Coronavirus-era Activity and Recovery Act (Freight RAILCAR Act). H.R. 8082 would ensure the continued strength and survival of America's freight railcar manufacturing industry during these challenging economic times brought on by the COVID-19 pandemic.

Your legislation would provide short-term tax credits to encourage the replacement and modernization of North America's freight railcar fleet with higher capacity, more fuel-efficient vehicles, and assist in preserving jobs in the freight railcar manufacturing and modification industry which have taken a hit due to the COVID-19 pandemic. This industry is already under direct attack from state-owned companies in China and the pandemic has offered China an opening we should not give them.

The domestic freight railcar rolling stock industry directly consists of 65,000 American jobs plus tens of thousands of additional jobs connected to the rail supply chain including steel and component interests that, without action from Congress, are at risk of permanent loss. Additionally, this legislation would enhance and modernize the North American rail fleet, spurring production and employing Americans during these unprecedented times.

Specifically, the Freight RAILCAR Act consists of three tax credits to encourage the use of new high strength and lightweight materials, the adoption of innovative designs, and the utilization of advanced technologies to create lighter, more energy-efficient freight railcars. These modernized freight railcars carry greater loads and require less fuel, therefore reducing greenhouse gases. Incentivizing private investment in new freight railcars results in reduced shipping costs and an increase in long-haul freight moved by rail.

The tax credits in the legislation allow for:

- **Modernization:** A 50 percent tax credit through 2024 for new freight railcars or modernization of existing freight railcars, while scrapping two older freight railcars, 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 through 2023 for capital expenditures on equipment or technology enhancements in freight railcar-related manufacturing or repair shops

that improve the efficacy, quality or safety of freight railcar or freight railcar component manufacturing.

We appreciate your championing this critical legislation and we look forward to working with your colleagues to ensure the protection of America's manufacturing jobs and the creation of an efficient, modern freight railcar fleet.

Sincerely,



Rail Security Alliance  
Railway Supply Institute  
American Foundry Society  
American Iron and Steel Institute  
Steel Manufacturers Association  
Institute of Scrap Recycling Industries