

Friday, October 23, 2009
US Railcar CEO goes to Washington
Business First of Columbus - by Adrian Burns

Though it has yet to open a factory, a Columbus rail car company is making a name for itself on Capitol Hill.

US Railcar LLC CEO Michael Pracht has been meeting with congressional members and staffers in recent months, and his efforts are getting the company noticed. US Railcar was the only manufacturer to testify at an Oct. 14 hearing on long-term federal funding questions for American rail projects, and Pracht also took part in a July roundtable on rail issues put on by a House transportation subcommittee.

Mr. Pracht was asked to testify to highlight the need to develop a domestic manufacturing base for high-speed rail, Mary Kerr, press secretary for the House Transportation and Infrastructure Committee, said in an e-mail to Columbus Business First. Currently, there are no domestic manufacturers of high-speed/intercity passenger rail cars in the U.S.

Industry Player

The House subcommittee on Railroads, Pipelines and Hazardous Materials has been considering a transportation omnibus bill that would set aside \$50 billion for passenger rail projects in coming years, and has tapped executives and industry experts, including Pracht, to help it develop policies. US Railcar's role is significant because it demonstrates that policymakers know of its plans to build high-speed passenger rail cars, and they recognize the connection between transportation infrastructure growth and economic development, said Chester Jourdan, executive director of the Mid-Ohio Regional Planning Commission.

US Railcar hopes to build a 100,000-square-foot passenger rail car factory in Gahanna that could employ up to 200 workers. But it needs \$8.7 million in federal transportation stimulus dollars for the project. Although Congress doesn't directly award stimulus funds, it sure doesn't hurt, does it? Jourdan said of Pracht's appearances in Washington.

Pracht, who resides in Pittsburgh but plans to move to Columbus if the plant is developed, said he is participating in policy discussions because he wants to lend his company's support to funding efforts for rail initiatives, and he wants US Railcar seen as an industry player.

I have been active on (Capitol Hill) and working with staff on both the Senate side and the House side making them aware of us, Pracht said. As a result of those staff meetings, I guess we managed to get ourselves on their radar screen.

It's important that my customers and potential customers around the country see and hear that US Railcar is active, he said. We're doing things not only to support funding for the industry but we're active and out there as a real company, and not just some investors that picked up some assets.

A group of investors led by Columbus-based Value Recovery Group Inc. bought the assets of Colorado Railcar Co. in June, and have settled on a site east of Port Columbus International Airport where they propose building a factory if the stimulus funding comes through. A decision on US Railcar's stimulus application is expected in January.

Willing to Listen

It's little surprise US Railcar has found an audience in Washington, said Jourdan, who regularly meets with lawmakers on transportation matters. The Obama administration, he said, recognizes the economic and job-creation benefits of a robust transportation infrastructure, and it is eager to hear from private industry on ways to advance the sector.

It's one thing for me to say it, or for (Ohio Department of Transportation Director Jolene Molitoris) or even the governor to speak, Jourdan said.

But it really makes a huge difference when the business community is making a case.

As the government sets aside more money to fund transportation, it's clear it wants to see that money benefitting U.S. companies and workers, Pracht said.

As that additional \$50 billion gets spent, he said, it's important that as much as possible remains here and creates jobs and goes into our economy.

US Railcar LLC

- Business: Passenger rail car manufacturer using equipment and designs bought in June from Colorado Railcar Co. The company is proposing a \$14.6 million factory in Gahanna, if it can secure \$8.7 million from the federal stimulus program.
- Based: Columbus
- CEO: Michael Pracht
- Employees: Projected up to 200 within the first five years of completing the plant.
- Web site: usrailcar.com
- Testimony: Pracht was the only executive from a manufacturer to testify at an Oct. 14 hearing held by the House Subcommittee on Railroads, Pipelines and Hazardous Materials on high-speed rail and the need for more funding. The committee is working on a recently introduced surface transportation funding bill that includes \$50 billion to develop 11 high-speed rail corridors. To read testimony and details of the transportation bill, go to <http://tinyurl.com/yjpx5c>.