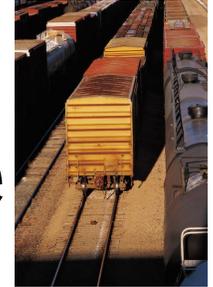




**BIGGS APPRAISAL**

PROVIDING VALUATION AND TRANSPORTATION SERVICES TO THE RAIL INDUSTRY



# Subjects of Value

*The Inspection and Appraisal of Rail Equipment*

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## The Top Ten Gainers and Losers in the Freight Car Fleet in 2015

The North American Railcar Fleet count is currently made up of 707 car types that exclude locomotives and Vehicular flat cars. On January 27, 2016 there were 1,647,329 freight car units registered in the RailInc Umler System (including pre-registered units). The January 27, 2016 count of the fleet was compared to the February 4, 2015 study of Umler Registrations. Of the various car types, 149 gained a total of 71,675 cars, 250 had no change and 308 types lost a total of 35,415 cars. The Chart of the Top Ten gainers and losers in 2015 shows the primary focus of the rail industry is on a small group of railcars.

Taking a look past the top ten gainers is an attempt to see what other car types may be ramping up to be bigger future gainers. The next nine gainers represented at least a 500 unit gain that totaled 6,968 units. Among the car types represented were 4 tank car types, 2 gondolas and one each of a boxcar type a flatcar type and a covered hopper type.

The primary driver of demand for a particular car type is generally a narrow band of commodities that maximize both the cars' cubic foot or gallon capacity as well as the gross rail load capacity. The car types that lost the most cars in 2015 were

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### Gainers in 2015

Car Type	Description	Gross Rail Load 286,000	2016 Total	Gross Rail Load 286,000	2015 Total	Net Change	Percent of Fleet 286K in 2016
C112	Small Cube Hopper Sand and Cement 3,000 Cf but less than 4,000 CF	101,083	109,533	84,698	93,877	15,656	<b>92.20%</b>
T389	Pressure Tank Cars Not Insulated	138	49,843	190	38,893	10,950	0.00%
T108	General Purpose Tank Car 28,000 to 31,000 Gallon Crude & Ethanol	35,227	93,405	26,382	85,544	7,861	37.71
C114	Modern Size Grain Covered Hopper 5,000 plus CF	125,596	131,601	118,155	123,759	7,842	<b>95.44%</b>
T178	Modern DOT 117 Compliant Tank Car 28,000 to 31,000 Gallon Crude & Ethanol	7,130	7,130	0	0	7,130	100%
T105	General Purpose Tank Car 19,000 to 21,000 Gallons	13,816	36,072	11,351	34,589	1,483	39.30%
G519	52' 6" Mill Gondola	9,288	9,296	7,870	7,878	1,418	<b>99.91%</b>
T107	General Purpose Tank Car 25,000 to 27,000 Gallons	19,937	46,986	18,266	45,795	1,191	42.43%
C212	Covered Hopper with Pneumatic Outlets 3,000 Cf but less than 4,000 CF	1,323	1,324	158	159	1,165	<b>99.92%</b>
C214	Plastic Pellet Covered Hopper with Pneumatic Outlets	65,110	113,112	60,246	112,030	1,082	<b>57.56%</b>
<b>Total</b>						<b>55778</b>	

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# The Top Ten Gainers and Losers in the Freight Car Fleet in 2015

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either retired because of age or condition, a lower gross rail load, or smaller capacity than what has become the modern norm. These were older small cube covered hoppers, centerbeam flatcars, intermodal flatcars, mill gondolas and ore gondolas. Economic conditions such as the high number of stored coal type cars from the mild weather and abundance of natural gas from that wonderful phenomena we call energy independence has caused a number of aluminum rapid discharge, Eastern style type hoppers, and Aluminum coal gondolas of 263,000 gross rail load to be retired. Older grain hoppers that might have been in a good enough condition to qualify for Increased Life Status (ILS) were caught at retirement age by the impact of the strong

U.S. dollar. The importance of the 286,000 pound gross rail load (GRL) to a particular car type and industry sector is shown in the percentage of a particular fleet that is currently of 286,000. While the GRL percentage is important it does not tell the whole story. A particular car type may carry product that an end user keeps in the car as a rolling warehouse as part of a blending process. The end user may trip lease the car for that purpose in a move with few turns a year. Is it better to have some part of your fleet as older cars of a reasonable capacity and use your modern cars in a higher turn environment? Biggs tracks the key data on cars by car type and commodities to give you the most up to date trending of demand for the rail fleet.

## Losers in 2015

Car Type	Description	Gross Rail Load 286,000	2016 Total	Gross Rail Load 286,000	2015 Total	Net Change
C111	Small Cube Hopper Sand and Cement less than 3,000 CF	2,904	7,085	2,894	7,807	-722
K345	Rapid Discharge Hopper	1,760	4,225	2,197	4,979	-754
K346	Rapid Discharge Hopper	21,996	23,420	23,023	24,204	-784
F483	Centerbeam Flatcar	28,773	32,008	29,417	32,800	-792
P882	Intermodal Flatcar	104	461	988	1,305	-844
E104	Equipped Gondola Less than 48' inside length	301	323	1,795	1,823	-1,500
E534	52' 6" Mill Gondola	10,336	29,497	10,813	31,173	-1,676
H350	Open Top Hopper	14,493	30,066	14,182	32,031	-1,965
J311	Rotary Utility Coal Gondola	104,634	108,425	107,816	111,793	-3,368
C113	Grain Type Covered Hopper 4,000 Cf but Less than 5,000 Cf	38,428	131,446	37,627	136,062	-4,616
Total						-17021