

FreightCar America, Inc.
Form DEF 14A
April 07, 2010

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant Section 240.14a-12

FREIGHTCAR AMERICA, INC.

(Name of Registrant as Specified in Its Charter)

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- No fee required.
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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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FREIGHTCAR AMERICA, INC.
Two North Riverside Plaza, Suite 1250
Chicago, Illinois 60606

April 7, 2010

Dear FreightCar America Stockholder:

You are cordially invited to attend the annual meeting of stockholders of FreightCar America, Inc. to be held at 10:00 a.m. (local time) on Wednesday, May 12, 2010 at the Union League Club of Chicago, 65 West Jackson Boulevard, Chicago, Illinois 60604.

The purpose of the meeting is to consider and vote upon proposals to (i) elect two directors who have been nominated for election as Class II directors to three-year terms, (ii) ratify the appointment of our independent registered public accounting firm for 2010 and (iii) transact such other business as may properly come before the meeting.

Whether or not you plan to attend the meeting and regardless of the number of shares you own, it is important that your shares be represented at the meeting. After reading the enclosed proxy statement, please promptly vote your shares in accordance with the instructions on the enclosed proxy card to assure that your shares will be represented.

The board of directors and management appreciate your continued confidence in FreightCar America and look forward to seeing you at the annual meeting.

Sincerely,

/s/ Thomas M. Fitzpatrick
THOMAS M. FITZPATRICK
Chairman of the Board

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FREIGHTCAR AMERICA, INC.
Two North Riverside Plaza, Suite 1250
Chicago, Illinois 60606
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on May 12, 2010

April 7, 2010

Dear FreightCar America Stockholder:

We are notifying you that the annual meeting of stockholders of FreightCar America, Inc. will be held at 10:00 a.m. (local time) on Wednesday, May 12, 2010 at the Union League Club of Chicago, 65 West Jackson Boulevard, Chicago, Illinois 60604, for the following purposes:

1. To elect two directors as Class II directors, each for a term of three years.
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2010.
3. To transact other business properly coming before the meeting.

Each of these matters is described in further detail in the enclosed proxy statement. We also have enclosed a copy of our 2009 Annual Report. We are initially mailing this notice of annual meeting, the proxy statement and the enclosed proxy card to our stockholders on or about April 7, 2010.

Only stockholders of record at the close of business on March 31, 2010 are entitled to vote at the meeting and any postponements or adjournments of the meeting. A complete list of these stockholders will be available at our principal executive offices prior to the meeting.

Whether or not you plan to attend the meeting, please be sure to vote your shares in accordance with the instructions on the enclosed proxy card as promptly as possible. You can withdraw your proxy at any time before it is voted.

By order of the Board of Directors,

/s/ Laurence M. Trusdell

LAURENCE M. TRUSDELL

General Counsel and Corporate Secretary

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 12, 2010:**

Our Proxy Statement and Annual Report on Form 10-K for the year ended

December 31, 2009 are available at

www.railproxy.info

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FREIGHTCAR AMERICA, INC.
Two North Riverside Plaza, Suite 1250
Chicago, Illinois 60606

PROXY STATEMENT

The board of directors of FreightCar America, Inc. is asking for your proxy for use at the annual meeting of our stockholders to be held at 10:00 a.m. (local time) on Wednesday, May 12, 2010 at the Union League Club of Chicago, 65 West Jackson Boulevard, Chicago, Illinois 60604, and at any postponements or adjournments of the meeting. We are initially mailing this proxy statement and the enclosed proxy card to our stockholders on or about April 7, 2010.

ABOUT THE MEETING

What is the purpose of the annual meeting?

At our annual meeting, stockholders will act upon the matters outlined in the accompanying notice of annual meeting, including (i) the election of two directors who have been nominated for election as Class II directors to three-year terms, (ii) the ratification of the appointment of our independent registered public accounting firm and (iii) any other business properly coming before the meeting.

What are our voting recommendations?

Our board of directors recommends that you vote your shares FOR each of the nominees named below under Proposal 1 Election of Class II Directors, and FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm discussed below under Proposal 2 Ratification of the Appointment of Independent Registered Public Accounting Firm.

Who is entitled to vote?

Only stockholders of record at the close of business on the record date, March 31, 2010, are entitled to receive notice of the annual meeting and to vote the shares of common stock that they held on the record date at the meeting and any postponements or adjournments of the meeting. Each outstanding share of common stock entitles its holder to cast one vote, without cumulation, on each matter to be voted on.

What constitutes a quorum?

If a majority of the shares outstanding on the record date are present at the annual meeting, either in person or by proxy, we will have a quorum at the meeting permitting the conduct of business at the meeting. As of the record date, we had 11,932,721 shares of common stock outstanding and entitled to vote. Any shares represented by proxies that abstain from voting on a proposal will be counted as present for purposes of determining whether we have a quorum. If a broker, bank, custodian, nominee or other record holder of our common stock indicates on a proxy that it does not have discretionary authority to vote certain shares on a particular matter, the shares held by that record holder (referred to as broker non-votes) will also be counted as present in determining whether we have a quorum.

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How do I vote?

You may vote in person at the annual meeting or you may vote by proxy. You may vote by proxy by (i) completing, signing, dating and mailing the enclosed proxy card, or by (ii) following the instructions on your proxy card for voting by telephone or on the Internet. To vote by telephone or on the Internet, you will need the control number included on your proxy card. If you vote by proxy, the individuals named on the proxy card as proxy holders will vote your shares in the manner you indicate. If you do not indicate your instructions, your shares will be voted:

FOR the election of the two nominees named below under Proposal 1 Election of Class II Directors to three-year terms; and

FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2010 discussed below under Proposal 2 Ratification of the Appointment of Independent Registered Public Accounting Firm.

Can I revoke my proxy or change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy, you may revoke your proxy or change your vote at any time before the proxy is voted at the annual meeting by delivering to our Secretary a written notice of revocation or a properly submitted proxy bearing a later date, or by attending the annual meeting and voting in person. Attendance at the meeting will not cause your previously granted proxy to be revoked unless you specifically so request or you vote in person at the meeting.

What vote is required to approve each matter that comes before the meeting?

Director nominees must receive the affirmative vote of a plurality of the votes cast at the meeting in person or by proxy by stockholders entitled to vote thereon, meaning that the two nominees for Class II director with the most votes will be elected. The ratification of the appointment of our independent registered public accounting firm requires the affirmative vote of a majority of the votes represented at the meeting in person or by proxy. Broker non-votes will not be counted for purposes of determining whether an item has received the requisite number of votes for approval. Abstentions will have the effect of a vote against the ratification of the appointment of our independent registered public accounting firm but will not be taken into account in determining the outcome of the election of directors. However, each of our directors and director candidates has offered a contingent resignation that may be accepted by the board of directors in its discretion if a majority of the votes are not cast FOR such director in an uncontested election.

What happens if additional proposals are presented at the meeting?

If you vote by proxy, your proxy grants the persons named as proxy holders the discretion to vote your shares on any additional matters properly presented for a vote at the meeting.

Who will bear the costs of soliciting votes for the meeting?

Certain directors, officers and employees, who will not receive any additional compensation for such activities, may solicit proxies by personal interview, mail, telephone or electronic communication. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our stockholders. We will bear all costs of solicitation, including a base fee of \$8,000 and reasonable out-of-pocket expenses to be paid to the proxy solicitation firm of Georgeson Inc.

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PROPOSALS TO BE VOTED ON

Proposal 1 Election of Class II Directors

Our certificate of incorporation provides for a classified board of directors consisting of three classes of the same or nearly the same number of directors. The number of members of our board of directors is currently fixed at seven directors. The term of office of each current Class II director is scheduled to expire at our annual meeting of stockholders to be held this year. Currently, two of our directors, William D. Gehl and Edward J. Whalen, are Class II directors. At the recommendation of our nominating and corporate governance committee, our board of directors has determined to nominate Messrs. Gehl and Whalen for election to three-year terms as Class II directors at our annual meeting this year.

Each nominee elected by our stockholders as a Class II director at our annual meeting this year will be elected to a term to expire at the annual meeting of stockholders in 2013.

Information about the director nominees, the continuing directors and our board of directors is contained in the section of this proxy statement entitled Governance of the Company Board Structure and Composition.

In the event a nominee is not available to serve for any reason when the election occurs, it is intended that the proxies will be voted for the election of the other nominees and may be voted for any substitute nominee. Our board of directors has no reason to believe that any of the nominees will not be a candidate or, if elected, will be unable or unwilling to serve as a director.

Our board of directors recommends that you vote FOR the election of William D. Gehl and Edward J. Whalen as Class II directors.

Proposal 2 Ratification of the Appointment of Independent Registered Public Accounting Firm

Deloitte & Touche LLP audited our financial statements for our fiscal year ended December 31, 2009, and has been selected by the audit committee of our board of directors to audit our financial statements for the fiscal year ending December 31, 2010. A representative of Deloitte & Touche LLP is expected to attend our annual meeting, where he or she will have the opportunity to make a statement, if he or she desires, and will be available to respond to appropriate questions.

Stockholder ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm is not required by our by-laws or otherwise. However, we are submitting the appointment of Deloitte & Touche LLP to our stockholders for ratification as a matter of good corporate practice. If our stockholders fail to ratify the appointment, our audit committee will review its future selection of independent registered public accounting firms. Even if the appointment is ratified, the audit committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of our company and our stockholders.

For information regarding audit and other fees billed by Deloitte & Touche LLP for services rendered with respect to fiscal years 2009 and 2008, see the section of this proxy statement entitled Fees of Independent Registered Public Accounting Firm and Audit Committee Report Fees Billed by Independent Registered Public Accounting Firm.

Our board of directors recommends that you vote FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

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GOVERNANCE OF THE COMPANY

Board Structure and Composition

Our certificate of incorporation provides for a classified board of directors consisting of three classes of the same or nearly the same number of directors. The number of members of our board of directors is currently fixed at seven directors:

James D. Cirar, S. Carl Soderstrom, Jr., and Robert N. Tidball serve in Class I. Their terms will expire on the date of the annual meeting of stockholders to be held in 2012.

William D. Gehl and Edward J. Whalen serve in Class II. Their terms will expire on the date of the upcoming annual meeting of stockholders to be held on May 12, 2010.

Thomas M. Fitzpatrick and Thomas A. Madden serve in Class III. Their terms will expire on the date of the annual meeting of stockholders to be held in 2011.

Upon the expiration of the term of each class of directors, directors of that class generally may be re-elected for a three-year term at the annual meeting of stockholders in the year in which their term expires. A director elected by the board of directors is designated upon his or her election as a Class I, Class II or Class III director, and serves a term that expires at the next annual meeting of stockholders after such director's election. A director elected by the stockholders at an annual meeting of stockholders to succeed a director elected during the preceding year by the board of directors joins the same class as the replacement director whom he or she succeeds and serves a term that expires at the next annual meeting of stockholders at which the terms of the other directors of that director's class are or would be scheduled to expire. Each of our directors has signed a contingent resignation letter providing that if a majority of the votes of the shares in an uncontested election in which such director is a nominee are designated to be withheld from, or are voted against, the director's election, and the board of directors accepts the contingent resignation letter following such election, the director's resignation will be effective upon the board's acceptance of the resignation.

Our certificate of incorporation provides that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the total number of directors. Our certificate of incorporation also provides that our board of directors may fill any vacancy created by the resignation of a director or an increase in the size of the board of directors.

Nominees for election at this meeting for terms expiring in 2013:

William D. Gehl, 63, has served as a director since May 2007 and is the chairman of our strategy and growth committee and a member of our audit and compensation committees. He was Chairman and Chief Executive Officer of Gehl Company, a manufacturer of compact construction equipment, from April 2003 until his retirement from that company in April 2009. Prior to that time, he was President and Chief Executive Officer of Gehl Company since November 1992, Chairman of Gehl Company since April 1996, and a director of Gehl Company since 1987. During the past five years, Mr. Gehl has been a member of the boards of directors of Gehl Company, Astec Industries, Inc. (a manufacturer of road-building and construction equipment), Mason Wells, Inc. (a private equity investor), The Oilgear Company (a manufacturer of hydraulic pumps and related products) and Westbury Bank (a full-service neighborhood bank with 25 locations). He brings to our board of directors, among other things, his background as the chief executive officer of a public company for over 16 years and general management, marketing and financial experience, as well as M.B.A. and law degrees and his service on the audit committee of another public company (Astec Industries). He is a member of the Wisconsin and Florida state bars.

Edward J. Whalen, 61, was appointed as our President and Chief Executive Officer on December 18, 2009 and has served as a director since that date. Previously, he served as our Senior Vice President, Marketing and Sales, from December 2004 to September 2008. He also served as Senior Vice President, Marketing and Sales, for our subsidiaries from 1991 to December 2004. In 1991, Mr. Whalen was a member of the group of investors that

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acquired the Company from Bethlehem Steel. Prior to that, Mr. Whalen was President of Pullman Leasing Company, a railcar leasing business, after serving in various finance positions for Pullman Leasing Company, including Vice President of Finance and Treasurer. Mr. Whalen originally joined Pullman, Inc., the parent of Pullman Leasing Company, in 1972. The board of directors has determined that the President and Chief Executive Officer of the Company should serve on the board of directors, and appointed Mr. Whalen to fill the vacancy created by the departure of Christian B. Ragot, our former President and Chief Executive Officer. In addition, the nominating and corporate governance committee has concluded that the board of directors will benefit from Mr. Whalen's many years of prior service as a senior executive of the Company and his nearly 40 years of railcar industry experience.

Directors whose terms continue until 2011:

Thomas M. Fitzpatrick, 57, has served as a director since December 2005 and as the Chairman of the Board of Directors since March 2007. He is a member of our nominating and corporate governance committee. Mr. Fitzpatrick is the managing partner of the law firm of Sharp & Fitzpatrick LLP, the predecessor of which he founded in 1987. Mr. Fitzpatrick is also the managing director of Cold Frame Ventures LLC (a venture management and investment company), the predecessor of which he founded in 1986. Since the beginning of 2010, he has also served as the CEO of its subsidiaries Ceres 7 Foods LLC and Custom Menu Insights LLC (providers of menu and product development services and products to the food service industry). Mr. Fitzpatrick has worked for many years as a principal, advisor and investor in a wide variety of industries and has broad international business experience. He brings to our board of directors, among other qualifications, the business acumen he has gained from this background as well as his knowledge and skills as an attorney.

Thomas A. Madden, 56, has served as a director since December 2005 and is the chairman of our compensation committee and a member of our audit committee. Mr. Madden served as the Executive Vice President and Chief Financial Officer of Ingram Micro Inc., a technology distributor, from July 2001 to April 2005. From October 1997 to July 2001, Mr. Madden served as the Senior Vice President and Chief Financial Officer of ArvinMeritor, Inc., a supplier of motor vehicle components. Mr. Madden has been a member of the boards of directors of Champion Enterprises, Inc. (a modular and manufactured homes producer) since 2006, Mindspeed Technologies, Inc. (a provider of semiconductors for network applications) since 2003, and Intcomex, Inc. (an IT products distributor) since 2006. Having served as the chief financial officer of two public companies, Mr. Madden brings extensive financial expertise and skills to our board of directors, as well as the insights and experience he has gained as a director of three other public companies.

Directors whose terms continue until 2012:

James D. Cirar, 63, has served as a director since June 1999 and is a member of our audit committee. Mr. Cirar is a private investor. He was a director of Transportation Technologies Industries, Inc. (TTII), a manufacturer of railcar and truck components, and President and Chief Executive Officer of TTII's foundry group from January 2000 until the company was acquired by Accuride Corporation in 2005. Mr. Cirar was Chairman of two of our subsidiaries, Johnstown America Corporation and Freight Car Services, Inc., from September 1998 to June 1999. From September 1995 to August 1998, he was the President and Chief Executive Officer of Johnstown America Corporation, a predecessor of the Company. Mr. Cirar brings to our board of directors the business experience he has gained as a partner in private equity transactions, as well as deep industry knowledge and close familiarity with the Company's business.

S. Carl Soderstrom, Jr., 56, has served as a director since April 2005 and is the chairman of our audit committee and a member of our nominating and corporate governance and strategy and growth committees. Mr. Soderstrom was employed by ArvinMeritor, Inc., a supplier of motor vehicle components, and its predecessor companies from 1986 to 2004. He served as Senior Vice President and Chief Financial Officer of ArvinMeritor, Inc. from July 2001 to December 2004, and in a number of senior operations and engineering positions with that company prior to 2001, including Senior Vice President of Engineering, Quality and Procurement. Since 2003, Mr. Soderstrom has been a member of the board of directors of Lydall, Inc., a manufacturer of specialty engineered products for the thermal/acoustical and filtration/separation markets. Having spent 18 years in a variety of senior positions at ArvinMeritor, Inc., Mr. Soderstrom brings extensive experience in manufacturing, quality control, finance and procurement to our board of directors.

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Robert N. Tidball, 71, has served as a director since April 2005 and is the chairman of our nominating and corporate governance committee and a member of our compensation and strategy and growth committees. From 1989 to January 2001, Mr. Tidball was the President, Chief Executive Officer and a director of PLM International, Inc., a manager of railcar investments. In addition to his many years of experience as a senior business executive, Mr. Tidball brings to our board of directors extensive knowledge of the railcar industry.

Committees of the Board of Directors

Our board of directors has four standing committees: an audit committee, a compensation committee, a nominating and corporate governance committee and a strategy and growth committee. Stockholders and third parties may communicate with our board of directors by writing to our board of directors at FreightCar America, Inc., Two North Riverside Plaza, Suite 1250, Chicago, Illinois 60606, Attention: Chairman of the Board of Directors.

Audit Committee. Our audit committee consists of Messrs. Cirar, Gehl, Madden and Soderstrom. Mr. Soderstrom serves as the chairman. The audit committee oversees our financial reporting processes and provides oversight on behalf of the board to the Company's internal accounting and financial controls, accounting principles and auditing practices to be employed in the preparation and review of our financial statements. The audit committee makes recommendations to the board concerning the engagement of independent registered public accountants to audit our annual financial statements and the scope of and plans for the audit to be undertaken by such accountants. The audit committee pre-approves the audit services and permissible non-audit services to be performed by such accountants and takes appropriate actions to ensure the independence of such accountants. The audit committee has been delegated oversight of the Company's approach to risk assessment and management. The audit committee is also responsible for approving related-party transactions. Our board of directors has determined that Messrs. Cirar, Gehl, Madden and Soderstrom meet the independence requirements under the Sarbanes-Oxley Act of 2002, the rules of the Nasdaq Global Market (Nasdaq) and the rules and regulations of the Securities and Exchange Commission (the SEC). Each of Messrs. Cirar, Gehl, Madden and Soderstrom has been determined to be an audit committee financial expert, as that term is defined under the SEC rules implementing Section 407 of the Sarbanes-Oxley Act of 2002, and each is independent as defined in the applicable listing standards for audit committee members.

The audit committee operates under a written charter, a copy of which is available on our website, www.freightcaramerica.com. The audit committee has established and regularly monitors procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters. The audit committee met 24 times during 2009.

Compensation Committee. Our compensation committee consists of Messrs. Gehl, Madden and Tidball. Mr. Madden serves as the chairman. The purpose of our compensation committee is to: (a) oversee our compensation and employee benefit plans and practices; (b) produce annually a report on executive compensation for inclusion in our proxy statement, in accordance with all applicable rules and regulations; and (c) oversee regular succession planning and professional development for the Chief Executive Officer and other senior executive officers. Our compensation committee also evaluates the risks created by our compensation plans and policies and considers the reasonably likely effects of such risks. Our board of directors has determined that Messrs. Gehl, Madden and Tidball meet the independence requirements under the Sarbanes-Oxley Act of 2002, the rules of Nasdaq and the rules and regulations of the SEC. In addition, each of Messrs. Gehl, Madden and Tidball is an outside director, as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), and a non-employee director within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act).

The compensation committee operates under a written charter, a copy of which is available on our website, www.freightcaramerica.com. The compensation committee met 17 times during 2009.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Messrs. Fitzpatrick, Soderstrom and Tidball. Mr. Tidball serves as the chairman. The purpose of our nominating and corporate governance committee is to: (a) identify individuals qualified to become board members,

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consistent with criteria approved by the board; (b) recommend to the board nominees for the board; (c) recommend to the board nominees for each committee of the board; (d) recommend to the board and review annually the Corporate Governance Guidelines and the Code of Business Conduct and Ethics; (e) review annually the independence qualifications of the board members and nominees; (f) oversee our directors and officers liability insurance program, including selection, scope and administration; and (g) review potential conflicts of interest and violations of the Code of Business Conduct and Ethics. Our board of directors has determined that Messrs. Fitzpatrick, Soderstrom and Tidball meet the independence requirements under the Sarbanes-Oxley Act of 2002, the rules of Nasdaq and the rules and regulations of the SEC.

The nominating and corporate governance committee operates under a written charter, a copy of which is available on our website, www.freightcaramerica.com. The nominating and corporate governance committee met six times during 2009.

Strategy and Growth Committee. Our strategy and growth committee consists of Messrs. Gehl, Soderstrom, and Tidball. Mr. Gehl serves as the chairman. The strategy and growth committee provides guidance to management in its development of our corporate strategy and provides recommendations to the board of directors with respect to its review and approval of the corporate strategy.

The strategy and growth committee operates under a written charter, a copy of which is available on our website, www.freightcaramerica.com. The strategy and growth committee met six times during 2009.

Independence of Directors

The board of directors has determined that six of our seven current directors, Messrs. Cirar, Fitzpatrick, Gehl, Madden, Soderstrom and Tidball, are independent directors as defined in Nasdaq Listing Rule 5605 and as defined in applicable rules by the SEC. Nasdaq Listing Rule 5605 requires that a majority of our board of directors be composed of independent directors and that certain of our committees be composed solely of independent directors. Our independent directors hold meetings in executive session, at which only independent directors are present.

Board Leadership Structure

Our board of directors strongly endorses the view that one of its primary functions is to protect stockholders interests by providing independent oversight of management, including the Chief Executive Officer. However, the board of directors does not believe that mandating a particular structure, such as a separate Chairman of the Board and Chief Executive Officer, is necessary to achieve effective oversight. The board of directors retains the right to exercise its judgment to combine or separate the roles of Chairman of the Board and Chief Executive Officer. Currently, the offices of Chairman of the Board and Chief Executive Officer are held by separate persons because the board of directors has determined that this structure aids in the oversight of management and is in the best interests of the Company and its stockholders.

Code of Business Conduct and Ethics

We have established a Code of Business Conduct and Ethics that applies to our officers, directors and employees, including our Chief Executive Officer and Chief Financial Officer. A copy of the Code of Business Conduct and Ethics is available on our website, www.freightcaramerica.com.

We intend to disclose any amendments to or waivers from our Code of Business Conduct and Ethics applicable to any of our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions on our website at www.freightcaramerica.com.

Risk Oversight

In its governance role, and particularly in exercising its duty of care and diligence, our board of directors is responsible for monitoring and overseeing the Company's approach to risk assessment and risk management. While

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the board of directors has the ultimate responsibility in this area, the board of directors has delegated to our audit committee the oversight of the Company's approach to risk assessment and risk management.

In fulfilling its delegated responsibility, the audit committee espouses a responsible approach to risk management. The audit committee requires management to ensure that an appropriate approach to risk management is implemented as a part of the day-to-day operations of the Company and design internal control systems with a view to identifying and managing the material risks in the following categories:

core business and strategy risks;

operational and commercial risks;

regulatory risks;

legal and contractual risks; and

financial risks.

On a periodic basis (but not less often than annually), the audit committee reviews and discusses with management and our internal auditors the Company's significant financial risk exposures and the steps that management has taken to monitor, control and report such risks. The audit committee receives periodic updates from management and our internal auditors as necessary based on subsequent determinations. The audit committee reports its activities to the full board of directors on a regular basis and is responsible for making such recommendations with respect to the matters described above and other matters as the audit committee may deem necessary or appropriate.

Director Nomination Process

The nominating and corporate governance committee of our board of directors considers candidates to fill new directorships created by expansion and vacancies that may occur and makes recommendations to the board of directors with respect to such candidates. The nominating and corporate governance committee considers all relevant qualifications of candidates for board membership, including factors such as industry knowledge and experience, international, public company, academic or regulatory experience, financial expertise, current employment and other board memberships, and whether the candidate will be independent under the listing standards of Nasdaq. In addition, although we do not have a formal policy regarding the consideration of diversity in identifying nominees for directors, as part of the nomination process the nominating and corporate governance committee considers diversity in professional background, experience, expertise, perspective, age, gender and ethnicity.

The nominating and corporate governance committee evaluates each individual in the context of the board of directors as a whole, with the objective of recommending a group that can best perpetuate the success of our business and represent stockholder interests through the exercise of sound judgment using its diversity of experience. The nominating and corporate governance committee evaluates each incumbent director to determine whether he or she should be nominated to stand for re-election, based on the types of criteria outlined above as well as the director's overall service to us during his or her term and any relationships and transactions that might impair such director's independence.

In prior years, the nominating and corporate governance committee has paid a fee to a third party to assist in the process of identifying or evaluating potential director candidates. The third party's services have included research to identify potential candidates and collection of biographical information about potential candidates. During 2009, no such services were provided and no such fee was paid. In the future, we may pay a fee to a third party to identify or evaluate potential director nominees if the need arises.

Our by-laws provide that nominations for the election of directors at our annual meeting may be made by our board of directors or any stockholder entitled to vote for the election of directors generally who complies with the procedures set forth in the by-laws and who is a stockholder of record at the time notice is delivered to us. Any stockholder entitled to vote in the election of directors generally may nominate a person for election to the board of

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directors at our annual meeting only if timely notice of such stockholder's intent to make such nomination has been given in writing to our Secretary at our offices at Two North Riverside Plaza, Suite 1250, Chicago, Illinois 60606. Any recommendations received from stockholders will be evaluated by the nominating and corporate governance committee in the same manner that potential director nominees suggested by board members, management or other parties are evaluated.

To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Company not less than 90 nor more than 120 days prior to the first anniversary of the previous year's annual meeting; provided, however, that in the event less than 30 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made.

Communications with Directors

Stockholders and third parties may communicate directly with our independent directors by writing to our independent directors at:

FreightCar America, Inc.

Two North Riverside Plaza, Suite 1250

Chicago, Illinois 60606

Attention: Chairman of the Board of Directors

Communications are distributed to the independent directors, or to any individual directors, as appropriate, depending on the facts and circumstances outlined in the communication. In that regard, the board of directors has requested that certain items that are unrelated to the duties and responsibilities of the board be excluded from communications to the board, such as product complaints, product inquiries, new product suggestions, résumés and other forms of job inquiries, surveys and business solicitations or advertisements. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will not be delivered to the board, but must be made available to any independent director upon his or her request.

Director Attendance at Meetings

Directors are encouraged to attend all annual and special meetings of our stockholders. During 2009, the board of directors held 11 meetings. Each of our directors attended at least 75% of all the meetings of the board and those committees on which he served during 2009. All of our directors attended the 2009 annual meeting of stockholders.

Director Compensation

For a discussion of director compensation, see the section of this proxy entitled "Director Compensation."

STOCK OWNERSHIP

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of our common stock as of December 31, 2009 (except as indicated below) by:

all persons known by us to own beneficially 5% or more of our outstanding common stock;

each of our directors and director nominees;

each of the named executive officers listed in the "Executive Compensation Summary Compensation Table" section of this proxy statement; and

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all of our directors, director nominees and executive officers as a group.

Unless otherwise indicated, each stockholder listed below has sole voting and investment power with respect to the shares of common stock beneficially owned by such stockholder.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)	Approximate Percent of Class(1)
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	662,455(2)	5.55%
Farallon Partners, L.L.C. and certain of its affiliates One Maritime Plaza, Suite 2100 San Francisco, California 94111	1,180,000(3)	9.88%
Heartland Advisors, Inc. and certain of its affiliates 789 N. Water Street Milwaukee, Wisconsin 53202	730,225(4)	6.12%
DIRECTORS, DIRECTOR NOMINEES AND EXECUTIVE OFFICERS:		
James D. Cirar	5,693	*
Thomas M. Fitzpatrick	5,309	*
William D. Gehl	7,831	*
Thomas A. Madden	5,309	*
S. Carl Soderstrom, Jr.	5,693	*
Robert N. Tidball	5,693	*
Edward J. Whalen (5)	0	*
Theodore W. Baun	4,227	*
Nicholas J. Matthews	21,999	*
Christopher L. Nagel	10,981	*
Christian B. Ragot (6)	44,312	*
Laurence M. Trusdell	19,193	*
All directors, director nominees and executive officers as a group (13 persons)	148,392	1.24%

* = less than 1%

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- 1 Beneficial ownership means any person who, directly or indirectly, has or shares voting or investment power with respect to a security or has the right to acquire such power within 60 days. Shares of common stock subject to options or warrants that are currently exercisable or exercisable within 60 days of December 31, 2009 are deemed outstanding for computing the ownership percentage of the person holding such options or warrants, but are not deemed outstanding for computing the ownership percentage of any other person. The amounts and percentages are based upon 11,940,813 shares of our common stock outstanding as of December 31, 2009.

- 2 Based on information in

the
Schedule 13G
filed by
BlackRock, Inc.
(BlackRock)
with the SEC on
January 29,
2010. The
Schedule 13G
discloses that
BlackRock
acquired
Barclays Global
Investors, NA,
and certain of its
affiliates from
Barclays Bank
PLC on
December 1,
2009, and that
BlackRock has
sole voting
power and sole
dispositive
power with
respect to
662,455 shares.

- 3 Based on the
information in
the
Schedule 13G/A
filed by Farallon
Capital
Management,
L.L.C. (Farallon
Management)
and certain of its
affiliates with
the SEC on
January 19,
2010, (i)
Farallon Capital
Partners, L.P.
has shared
voting power
and shared
dispositive
power with
respect to
313,517 shares,

(ii) Farallon
Capital
Institutional
Partners, L.P.
has shared
voting power
and shared
dispositive
power with
respect to
290,689 shares,
(iii) Farallon
Capital
Institutional
Partners II, L.P.
has shared
voting power
and shared
dispositive
power with
respect to 18,623
shares,
(iv) Farallon
Capital
Institutional
Partners III, L.P.
has shared
voting power
and shared
dispositive
power with
respect to 1,200
shares and
(v) Farallon
Capital Offshore
Investors II, L.P.
has shared
voting power
and shared
dispositive
power with
respect to
255,076 shares
(such funds
collectively, the
Farallon Funds).
Farallon
Management, as
investment
advisor with
respect to

300,895 shares held by a certain account managed by it (the Managed Farallon Account), may be deemed to be the beneficial owner of the shares held by the Managed Farallon Account, for which it has shared voting power and shared dispositive power. Farallon Partners, L.L.C. (the Farallon General Partner) is the general partner of each of the Farallon Funds and may be deemed to be the beneficial owner with respect to the 879,105 shares held of record by the Farallon Funds for which it has shared voting power and shared dispositive power. Each of the following persons is (or, with respect to William F. Mellin, was) a managing member of both the Farallon General Partner and Farallon Management:

William F.
Duhamel,
Richard B. Fried,
Daniel J. Hirsch,
Monica R.
Landry, Davide
Leone, Douglas
M. MacMahon,
William F.
Mellin, Stephen
L. Millham,
Jason E.
Moment, Ashish
H. Pant, Rajiv A.
Patel, Andrew
J.M. Spokes,
Thomas F.
Steyer, Richard
H. Voon and
Mark C. Wehrly.
According to the
Schedule 13G,
each of the
Management
Company, the
Farallon General
Partner and the
foregoing
reporting persons
may be deemed
to beneficially
own the shares
held by the
Farallon Funds
and the Managed
Account and
such persons
disclaim any
beneficial
ownership of
such shares.

- 4 Based on
information in
the
Schedule 13G/A
filed by
Heartland
Advisors, Inc.
and William J.
Nasgovitz

(collectively, the Heartland Entities) with the SEC on February 10, 2010. The Schedule 13G/A discloses that the Heartland Entities have shared voting power with respect to 729,825 shares and shared dispositive power with respect to 730,225 shares.

- 5 Mr. Whalen was appointed as our President and Chief Executive Officer on December 18, 2009.
- 6 Mr. Ragot served as our President and Chief Executive Officer until December 18, 2009.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our common stock to file with the SEC reports regarding their ownership and changes in ownership of our common stock. Based solely on our review of the reports furnished to us, we believe that all of our directors and executive officers have complied with all Section 16(a) filing requirements for 2009.

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COMPENSATION DISCUSSION AND ANALYSIS

The following sections discuss the material factors involved in the Company's decisions regarding the compensation of the Company's Named Executive Officers (as defined in the section of this proxy statement entitled "Executive Compensation Summary Compensation Table") (the "NEOs") during 2009. The specific amounts paid or payable to the NEOs are disclosed in the tables and narrative in the section of this proxy statement entitled "Executive Compensation." The following discussion cross-references those specific tabular and narrative disclosures where appropriate.

Introduction

Our compensation committee is comprised of at least three directors, each of whom must be determined by our board of directors to meet the independence requirements of the SEC, Nasdaq and any other applicable governmental or regulatory authorities, each as in effect from time to time. Members of the compensation committee also must qualify as "non-employee directors" within the meaning of Rule 16b-3(b)(3) under the Exchange Act, and "outside directors" within the meaning of Code Section 162(m) and must satisfy any other necessary standards of independence under the federal securities and tax laws, as amended from time to time.

If a compensation committee chairperson is not designated by the board of directors, members of the compensation committee designate a chairperson by majority vote.

The compensation committee meets quarterly or more frequently as circumstances require. A majority of the members of the compensation committee constitutes a quorum.

In accordance with the committee's charter, the compensation committee chairperson determines the agenda for each meeting. Materials related to agenda items are provided to the compensation committee members sufficiently in advance of the meeting where necessary to allow the members to prepare for discussion of the items at the meeting. The compensation committee maintains written minutes of its meetings, which are maintained with our books and records. The compensation committee reports its activities regularly and directly to the board of directors and makes recommendations that the compensation committee deems advisable.

The compensation committee may request that any of our directors, officers or employees or any other persons whose advice and counsel are sought by the compensation committee attend any meeting of the compensation committee to provide such pertinent information as it reasonably requests. Our Chief Executive Officer ("CEO") may not be present during deliberations or voting concerning his own compensation.

Compensation Committee's Processes and Procedures for Consideration and Determination of Executive Compensation

General Authorities and Responsibilities

The compensation committee reviews the Compensation Discussion and Analysis (the "CD&A") section of our proxy statement and recommends to the board of directors that the CD&A be included in our proxy statement. The compensation committee issues an annual report on executive compensation for inclusion in our proxy statement and reports to the board of directors its plan for succession of the CEO and other senior executives in the event that any of such officers retires, is disabled or is otherwise unable to fulfill his or her duties. The compensation committee has the authority to conduct or authorize investigations into any matter within its scope of responsibilities, and retain, at our expense, such independent counsel, compensation consultant or other consultants and advisors as it deems necessary. In 2009, the compensation committee engaged an independent compensation consulting firm, Pearl Meyer & Partners LLC. The compensation committee has the sole authority to retain and terminate an independent compensation consultant to be used to assist in its evaluation of director and/or senior management compensation and has the sole authority to terminate the consultant and approve the consultant's fees and other retention terms. The compensation committee also has the authority to obtain advice and assistance from internal or external legal, accounting or other advisors as it deems appropriate or necessary. The compensation committee reviews and assesses at least annually the adequacy of the compensation committee charter and

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recommends any proposed changes to the board of directors for approval. The compensation committee also annually reviews its own performance.

Executive and Director Compensation

The compensation committee, consulting with its independent compensation consultant and with management as necessary, reviews and recommends for approval by the board of directors our general policies relating to senior management compensation and oversees the development and implementation of such compensation programs. The compensation committee, consulting with its independent compensation consultant and with management as necessary, reviews and approves, or recommends for ratification by the board of directors, senior management compensation, including, to the extent applicable, (a) salary, bonus and incentive compensation levels, (b) deferred compensation, (c) executive perquisites, (d) equity compensation (including awards to induce employment), (e) employment agreements, severance arrangements and change in control agreements/provisions, in each case as, when and if appropriate, and (f) other forms of senior management compensation. The compensation committee meets without the presence of senior management when approving or deliberating on CEO compensation but may, in its discretion, invite the CEO to be present during the approval of, or deliberations with respect to, other senior management compensation.

The compensation committee periodically reviews and approves corporate goals and objectives relevant to senior management compensation, evaluates the CEO's performance in light of those goals and objectives, as a committee or together with the independent members of the board of directors, and recommends for ratification by the board of directors the CEO's compensation levels taking into account this evaluation. The compensation committee periodically reviews and makes recommendations to the board of directors with respect to director compensation for non-employee members of the board of directors and its committees. The compensation committee may adopt policies regarding the adjustment or recovery of incentive awards or payments if the relevant performance measures upon which such incentive awards or payments were based are restated or otherwise adjusted in a manner that would reduce the size of an award or payment. The compensation committee may consider the accounting and tax treatment to the Company and to senior management of each particular element of compensation.

Oversight of Benefit Plans

The compensation committee oversees, periodically reviews and makes recommendations to the board of directors with respect to employee benefit plans, including all pension and profit sharing plans, stock incentive plans, stock purchase plans, bonus plans, deferred compensation plans and similar programs. The compensation committee has the power and authority to oversee these plans, establish guidelines, interpret plan documents, select participants, approve grants and awards, and exercise such other power and authority as may be permitted or required under such plans. The compensation committee may also undertake such additional activities within the scope of its primary function as the board of directors or the compensation committee may from time to time determine or as may otherwise be required by law, the board of directors or our charter or by-laws.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee at any time has been one of our officers or employees. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers who serve on our board of directors or compensation committee.

Compensation Philosophy and Objectives

Philosophy

The compensation committee has adopted, and periodically reviews, an executive compensation philosophy statement. This statement sets forth the Company's values and beliefs regarding the nature of its executive compensation strategy and programs.

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The purpose of our philosophy is twofold: to serve as a link between the interests of the Company's stockholders and its compensation arrangements, and to serve as a framework for program design and assessment.

The application of these values and beliefs reflects and takes into account a broad business context. Business judgment is brought to bear to determine the appropriate application of these values and beliefs in each circumstance. Moreover, the application of these values and beliefs solely in a mechanistic fashion is neither appropriate nor desirable.

In periodically reviewing the executive compensation philosophy statement, the compensation committee will revise it as necessary to ensure that it is properly linked to the Company's business strategies and to reflect changes to the Company's business operations and goals as well as external market conditions.

Objectives

Our compensation program is designed to attract, motivate and retain the highly talented individuals that FreightCar America needs to drive business success. The program reflects the following principles:

FreightCar America employees should act in the interests of FreightCar America stockholders. We believe that FreightCar America employees should act in the long-term interests of FreightCar America stockholders and the best way to encourage them to do so is through an equity stake in the Company. We pay a substantial portion of total compensation to executives and other select key employees in the form of stock options and/or restricted stock. The Company's goal is to have compensation programs that encourage each employee to think and act like an owner of the business. Our industry is cyclical. Executives must manage this cycle by diversifying our product offerings, maintaining low costs and other measures.

Compensation should be related to performance. The Company's compensation program endeavors to reinforce the Company's business and financial objectives. Employee compensation will vary based on objectively determinable measures of Company performance. When the Company performs well based on financial measures, employees will receive greater incentive compensation. When the Company does not meet objectives, incentive awards will be reduced. An employee's individual compensation also will vary based on the performance of such person's team or function, as well as his or her individual performance, contribution and overall value to the business. Employees demonstrating sustained high performance will be rewarded more than those in similar positions with lower performance.

Incentive compensation should be a greater part of total compensation for employees with more senior positions. The proportion of an individual's total compensation that varies based on individual, function/team and Company performance objectives should increase as the individual's business responsibilities increase.

Other goals. The Company's compensation program is designed to balance short- and long-term financial objectives. It also is designed to be competitive with a group of manufacturing-based companies. When the compensation committee determines compensation levels for executive officers, it reviews compensation survey data from independent sources in an attempt to ensure that our total compensation program is competitive and fair. The compensation committee looks at compensation data from companies in our industry as well as from companies in a broad cross-section of industries, and targets overall compensation levels competitive with our industry comparison group.

Elements of Executive Compensation

Total compensation for each NEO is comprised of base salary, annual cash incentive awards, long-term equity awards, retirement and post-employment benefits, including severance protection, and other benefits and perquisites. In 2009, the compensation committee approved changes to the annual cash incentive element of

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compensation, as described below under Annual Incentive Awards. The various elements of executive compensation reflect the following policies:

Base Salary

Overview

Base salary is comprised of periodic, fixed payments made to each NEO.

Why this component is paid to NEOs and how it furthers the program objectives

Base salary is provided to each NEO in order to provide the NEO with a degree of financial certainty and to competitively compensate the NEO for rendering on-going services to the Company.

Competitive base salaries further the compensation program's objectives by allowing the Company to attract and retain talented employees by providing a fixed portion of compensation on which employees can rely.

How the amount of base salary is determined

In general, the Company's executive compensation philosophy is to target base salaries at a level that is slightly below the market median for each specific executive position. The objective is to reward executives with upside for superior performance through our annual and long-term incentive programs. The annual base salary for each NEO is subject to review and possible adjustment on the NEO's employment anniversary date. During 2009, the base salaries of all salaried employees of the Company, including Messrs. Ragot, Baun, Matthews, Nagel and Trusdell, were reduced by 5% as part of a set of cost-saving measures designed in response to the difficult business conditions the Company faced in 2009.

With respect to other non-executive senior management employees and other management employees, the Company uses the results of the Economic Research Institute's industry- and region-specific compensation database, and sets annual base salaries at plus or minus 25% of the midpoint, depending on an assessment of the individual's sustained performance and the location of his or her position.

Relation of base salary to other components of compensation

The amount of each NEO's base salary is the reference point for certain other elements of his compensation. For example, the potential annual incentive award for each NEO is based, in part, on the NEO's base salary. In addition, base salary is one component of the formula for determining pension benefits under the Company's Pension Plan (as defined below). Finally, NEO cash severance benefits are determined, in part, by base salary.

Annual Incentive Awards

Overview

The annual cash incentive program calls for the awarding of performance units under our 2005 Long Term Incentive Plan (the "LTIP").

The primary purposes of the annual cash incentive program are to incentivize employees to achieve certain pre-determined business results over the fiscal year that are linked to stockholder value creation and to competitively reward employees for successfully achieving results.

Participants in the annual cash incentive program generally must be employed by the Company on the payment date to receive an award. Participants who are not employed by the Company on the payment date may receive a partial bonus award in certain circumstances at the discretion of the President/CEO and subject to confirmation by the compensation committee.

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Under the annual cash incentive program, each of the NEOs is eligible to receive a grant of performance units that determines his level of incentive compensation. Each of the NEOs may earn an annual cash incentive award based on the level of achievement with respect to the following performance metrics: (i) a corporate-wide performance goal, namely Return on Net Assets (RONA); (ii) function/team performance goals; and (iii) individual performance goals. These performance metrics are weighted 50%, 25% and 25%, respectively.

The annual incentive program is designed to provide a link to goals and objectives in addition to RONA. Function/team and individual goals are highly specific and are limited to four to six such goals per participant.

In 2009, the compensation committee approved an increase in the CEO's target cash incentive award to 100% of annual base salary (from 80% of annual base salary in 2008). The compensation committee also approved an increase in each other NEO's target cash incentive award to 50% of annual base salary (from 40% of annual base salary in 2008). An NEO can receive 0% to 150% of the target cash incentive award, depending on whether the threshold, target, target-plus or stretch goal is attained with respect to each performance metric. The target-plus goal applies only to the RONA metric.

The threshold goal for each performance metric must be achieved for the NEO to receive any award with respect to that metric. The attainment of threshold, target, target-plus and stretch goals results in increasing levels of award payments, as indicated in the following table:

Performance Metric	Percentage of Target Cash Incentive Award Payable upon Goal Achievement			
	Threshold	Target	Target-Plus	Stretch
Corporate-Wide (RONA)	25.00%	50.00%	62.50%	75.00%
Function/Team	12.50%	25.00%	25.00%	37.50%
Individual	12.50%	25.00%	25.00%	37.50%
Total	50.00%	100.00%	112.50%	150.00%

Corporate-Wide (RONA) Performance Metric. The Company uses RONA because, for our type of business and asset base, it is an effective metric for measuring how efficiently the Company's assets are being managed to generate earnings and returns. The goals ensure that incentive awards based on RONA are paid only when returns meet or surpass the Company's financial objectives. If these objectives are not met or surpassed, no incentive awards based on RONA are paid. The RONA goal for 2009 is described below.

RONA is defined as Operating Income divided by Average Net Assets. Operating Income is defined as earnings computed under generally accepted accounting principles, after accrual for current year's salaried bonus expenses and before interest, taxes and other income and expenses excluded from operating income by generally accepted accounting principles. Average Net Assets is the sum of average annual (computed on a monthly basis) receivables, inventory and property, plant and equipment net of accumulated depreciation, goodwill and other intangible assets less payables.

Function/Team Performance Metric. Function/team performance metrics and related performance goals represent specific objectives of the NEO's department or organizational unit. The CEO develops such metrics and related performance goals (including threshold, target and stretch performance goals) for both himself and for each of the other NEOs and submits them to the compensation committee for its consideration and adoption. The 2009 function/team performance metrics for each NEO are summarized below. Where possible, targets are identified below. Where targets are not identified below,

the performance metric had significant qualitative components and/or represented competitively sensitive information. With respect to performance metrics that are not disclosed below for

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competitive reasons, the Company believes that the specific metrics were difficult or very difficult to achieve given the challenging business environment the Company faced in 2009.

Mr. Ragot

Financial objectives

Net income (\$1.029 million)

Operating income (\$1.000 million)

Strategic initiatives

International expansion

Enterprise Resource Planning (ERP) implementation

Organization development

Mr. Baun

Unit sales and leasing

After-market component parts sales

International unit and after-market component parts sales

Organization budget

Mr. Matthews

Production schedule

Organization budget

Cost improvement

After-market development

Mr. Nagel

Financial objectives

Net Income (\$1.029 million)

Operating Income (\$1.000 million)

Timely and accurate filings

Strategic initiatives support

Organization budget

Mr. Trusdell

Organization budget

Outside fees

Inside/outside fee variance

Services delivered

Individual Performance Metric. Individual performance metrics and related performance goals represent specific personal objectives related to the NEO's job responsibilities and ability to contribute to overall Company goals. The CEO develops such metrics and related performance goals (including threshold, target and stretch performance goals) for both himself and for each of the other NEOs and submits them to the compensation committee for its consideration and adoption. The 2009 individual performance metrics for each NEO are summarized below. Targets are not identified below because the individual performance metrics had significant qualitative components and/or represented competitively sensitive information. With respect to performance metrics that are not disclosed below for competitive reasons, the Company believes that the specific metrics were difficult or very difficult to achieve given the challenging business environment the Company faced in 2009.

Mr. Ragot

Strategic plan

Investor relations/governance

Organization and executive development

Industry and customer initiatives

Mr. Baun

Leasing execution

Strategic initiatives support

International sales development

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The CEO, subject to confirmation by the compensation committee, may change the target awards applicable to NEOs and other senior management employees at any time prior to the final determination of bonus awards for any year if, in his judgment, such changes are desirable in the interest of equitable treatment of one or more NEOs, other senior management employees, or the Company as a result of extraordinary or nonrecurring events, changes in applicable accounting rules or principles, changes in our method of accounting, changes in

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applicable law, changes due to consolidation, acquisitions, reorganization or unusual circumstances or any other changes of a similar nature to any of the foregoing. The CEO does not have the authority to make any such changes to his own target awards. The compensation committee did not approve or confirm any such discretionary changes to the 2009 goals of NEOs or other senior management employees at any time during the 2009 fiscal year.

Relation of annual incentives to other components of compensation

Cash severance benefits are determined, in part, by reference to an NEO's annual incentive award opportunity. In addition, actual incentive award payments are one component of the formula for determining pension benefits under the Company's Pension Plan.

Long-Term Awards

Long-term awards are those awards that are designed to provide incentives to the Company's executives over a period of time in excess of one year. The Company has made long-term awards in the form of equity awards only. On May 12, 2009, the compensation committee approved the grant of restricted shares of the Company's common stock to all executive officers. The value of the restricted shares granted to each executive officer was targeted to equate to the 5% reduction in the annual base salary of each officer in 2009. Executive officers did not reduce their work schedule by 5% unlike all other salaried employees whose work schedules were reduced by 5% from May through the end of 2009. There were no other equity grants to executive officers in 2009 (except to Mr. Nagel upon joining the Company) due to management's recommendation that no stock options or restricted shares be granted as a result of the difficult business conditions that the Company faced in 2009.

The primary purpose of the long-term award program is to align employee and stockholder interests through equity instruments that incentivize employees to increase stockholder value, competitively reward employees for increasing stockholder value and achieving pre-determined business goals and retain employees who are critical to stockholder value creation.

At the Company's 2008 annual meeting of stockholders, our stockholders approved an amendment to the LTIP that increased the number of shares authorized for issuance under the LTIP from 659,616 to 1,659,616. As of December 31, 2009, 1,068,003 shares remained available for issuance under the LTIP.

Stock Ownership Guidelines

The board of directors has requested that the Company's NEOs and certain other senior management employees meet minimum stock ownership requirements that are consistent with industry standards. Accordingly, the following minimum stock ownership requirements apply to corporate officers:

Chief Executive Officer:	40,000 shares
Chief Financial Officer and Other Corporate Officers:	10,000 shares

In addition, stock ownership guidelines applicable to non-executive directors require that each non-executive director maintain Company stock holdings at least equal to the aggregate number of shares (including options or shares granted but not vested) that the Company has awarded to the non-executive director during the three-year period ending on any given date of determination. The director may reduce the amount of stock holdings by the number of shares the director has applied directly to the payments of taxes on such awards.

Company stock holdings that count towards meeting ownership requirements include: (a) shares owned outright or in trust; and (b) restricted stock or restricted stock units, including shares or units that have been granted but are unvested. A covered individual hired by the Company or promoted into a position with ownership requirements (or higher ownership requirements) will have three years from date of hire or promotion to meet the applicable ownership requirements. Non-employee directors also will have three years to satisfy the requirements. The compensation committee reviews each covered individual's compliance with the ownership requirements annually.

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Retirement and Other Post-Employment Benefits

Overview

The Company maintains tax-qualified 401(k) savings plans (the 401(k) Plans) and a tax-qualified pension plan (the Pension Plan). All NEOs participate in the 401(k) Plans. Messrs. Whalen and Baun participate in the Pension Plan.

In addition, as described in more detail in the section below entitled Potential Payments Upon Termination or Change in Control, each of the NEOs is entitled to receive certain benefits in the event of a qualifying termination of employment or a change in control of the Company.

Why these elements are paid to executives and how they further the program's objectives

In general, the 401(k) Plans and the Pension Plan are designed to provide executives (and other eligible salaried employees) with financial security after their employment has terminated. The Company does not maintain an excess pension plan or non-qualified deferred compensation plan. Therefore, the retirement plan benefits for our NEOs are no greater than those for other salaried employees.

In the event of certain qualifying terminations of employment, termination benefits provide our NEOs with additional financial security, which we believe is necessary to attract and retain talented executives. In addition, we provide NEOs (and certain other executives) with certain change in control benefits that we believe help minimize inherent conflicts of interest that may arise for executives in potential change in control transactions.

How the amount to be paid is determined

The Company provides contributions under the 401(k) Plans ranging from 4% to 6% of eligible compensation. These contributions and any earnings thereon generally are held and invested under the plans until paid to participants upon termination of their employment. The Pension Plan benefits are calculated using formulas set forth in the section of this proxy entitled Pension Benefits and generally start when a participant reaches retirement age.

The termination and change in control benefits for the NEOs are stated in their respective employment agreements, except for those for Mr. Baun, which are set forth in the Company's Executive Severance Plan adopted in 2009. The termination and change in control benefits for all the NEOs (including amounts and benefits to which Mr. Ragot is entitled in connection with his termination of employment) are described below in Potential Payments upon Termination or Change in Control. The Company has set termination and change in control benefits in each employment agreement or, in the absence of an employment agreement, in the Executive Severance Plan, to levels that we believe fall within the range of observed, competitive market practices, as follows:

Mr. Whalen. Under his letter agreement relating to his employment, Mr. Whalen's employment may be terminated by the Company or Mr. Whalen upon notice to the other party. Upon a termination of Mr. Whalen's employment for any reason, he would be entitled to accrued base salary and accrued and unused vacation through the date of termination, any earned and unpaid prior fiscal year bonus, any accrued and vested benefits and unreimbursed expenses incurred and unpaid on the date of termination and any pro rata bonus due to him. Mr. Whalen does not participate in the Company's Executive Severance Plan or any other severance plan or policy applicable to Company employees.

Mr. Ragot. Under his employment agreement, upon involuntary termination without cause or termination for good reason, Mr. Ragot was entitled to continuation of base salary for 24 months, plus two annual payments, each equal to the greater of (i) the

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termination year target bonus or (ii) prior year bonus paid. In addition, he was entitled to the continuation of certain health benefits for a period of 24 months.

Mr. Baun. On September 1, 2009, Mr. Baun became a participant in the Company's Executive Severance Plan. Under this plan, upon involuntary termination without cause or termination for good reason, Mr. Baun would be entitled to continuation of base salary for 12 months, plus an amount equal to the average of the annual bonuses paid to him for the last two full years. In addition, Mr. Baun would be entitled to continuation of certain health benefits for a period of 12 months.

Mr. Matthews. Under his employment agreement, upon involuntary termination without cause or termination for good reason, Mr. Matthews would be entitled to continuation of base salary for 12 months, plus an amount equal to his current year target bonus. In addition, Mr. Matthews would be entitled the continuation of certain health benefits for a period of 12 months.

Mr. Nagel. Under his employment agreement, upon involuntary termination without cause or termination for good reason, Mr. Nagel would be entitled to continuation of base salary for 12 months (or 24 months for a termination for good reason due to a change in control), plus an amount equal to his current year target bonus (or two times his current year target bonus for a termination for good reason due to a change in control). In addition, Mr. Nagel would be entitled to the continuation of certain health benefits for a period of 12 months (or 24 months for a termination for good reason due to a change in control).

Mr. Trusdell. Under his employment agreement, upon involuntary termination without cause or termination for good reason, Mr. Trusdell would be entitled to continuation of base salary for 12 months (or 24 months for a termination for good reason due to a change in control), plus an amount equal to his current year target bonus (or two times his current year target bonus for a termination for good reason due to a change in control). In addition, Mr. Trusdell would be entitled to continuation of certain health benefits for a period of 12 months (or 24 months for a termination for good reason due to a change in control).

In the event of a change in control, all outstanding stock awards under the LTIP would become fully vested.

Perquisites and Other Benefits

The NEOs participate in a number of benefit plans that are available generally to all employees of the Company, including group health insurance, dental insurance, vision insurance, life insurance, paid vacation, accidental death and dismemberment insurance and long-term disability insurance plans. These benefits provide financial security and peace of mind for employees and executives and are seen as a standard part of basic employee benefits within the industry.

The Company provided the NEOs with perquisites during 2009, the details of which are provided in footnote 7 to the Summary Compensation Table. These perquisites included reimbursement for health club membership (Mr. Matthews), payment of automobile allowance (Messrs. Matthews, Nagel, Ragot and Trusdell) and payment of moving and relocation costs (Mr. Nagel). Mr. Ragot was granted an annual payment of up to \$9,000, plus a tax gross-up, in lieu of payments for the more costly country club membership and dues to which he was entitled under his employment agreement.

Table of Contents*Tax Treatment and Accounting*

Code Section 162(m) limits the deductibility for federal income tax purposes of certain compensation paid in any year by a publicly held corporation to its chief executive officer and its three other highest compensated officers other than its chief financial officer to \$1 million per executive (the \$1 million cap). The \$1 million cap does not apply to performance-based compensation as defined under Code Section 162(m). Awards made under the LTIP may qualify as performance-based compensation for purposes of Code Section 162(m). The compensation committee will review and approve or recommend to the board of directors awards based on a number of factors, including preserving related federal income tax deductions, although the compensation committee retains the ability to approve awards that do not qualify as performance-based compensation. For example, the Company may decide to award restricted stock and other awards without performance conditions under certain circumstances.

In addition, the Code has been amended to provide an excise tax under Section 409A with respect to various features of deferred compensation arrangements, mostly for compensation deferred on or after January 1, 2005. The Company has made the appropriate changes to our employment agreements to help ensure that there are no adverse effects on the Company or our executive officers as a result of these Code amendments. We do not expect these changes to have a tax or financial consequence on the Company.

The Company has calculated and discussed with the compensation committee the accounting treatment and tax impact on the Company and the executives of each of its cash and equity compensation awards and agreements. As noted above, the Company has reconsidered its annual cash incentive program in light of Section 162(m) with a view to ensuring that bonuses to covered employees, as defined in that section, will be deductible in the future. The Company also calculates and monitors the Statement of Financial Accounting Standards No. 123 (revised 2004) (SFAS 123(R)) accounting expense related to equity compensation. To date, the SFAS 123(R) expense has not been a significant factor in setting or changing equity compensation grant practices.

Timing of Awards

The Company's stock has been publicly traded since April 2005. During that time, the compensation committee has not timed the award of stock options or other equity-based compensation to coincide with the release of favorable or unfavorable material non-public information about the Company. It is the policy of the compensation committee not to time the award of stock options or other equity-based compensation to coincide with the release of favorable or unfavorable material non-public information about the Company in the future.

Determination of Compensation

In 2009, the compensation committee considered competitive market data in evaluating and setting executive officer compensation. In January 2009, the compensation committee reviewed competitive market data from Hewitt Associates LLC (Hewitt) for each executive officer position. Hewitt determined the market competitors from several published and private surveys, including data from both general industry and the manufacturing industry. The Company historically derived competitive market data from a broad-based general industry group and a manufacturing-based group. The compensation committee determined in 2009 that it would be appropriate to compare executive compensation primarily against a manufacturing-based group, since the companies within that group more closely resemble the Company.

The surveys used to develop the competitive market data for the Company for 2009 included the following: the Hewitt TCM Cash Compensation Survey (sample size: 389 organizations); the Mercer Benchmark Database (sample size: 2,486 organizations); and the Watson-Wyatt Industry Report of Top Management Compensation (sample size: 2,567 organizations). While the financial profile, organizational structure and size of organizations in the Company's industry differ significantly, the Company used the information in these surveys to review its executive compensation versus these organizations for comparison purposes. Compensation data derived from these sources is size-adjusted through regression analysis to reflect the Company's average revenue size over time relative to the revenues of the companies in the comparison group.

In general, the Company's objective is to provide base compensation slightly below the market median, and annual and long-term incentive compensation at the market median with upside for superior performance. Under

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Mr. Ragot's compensation package, his 2009 base compensation was at approximately the 82nd percentile of the median of the comparison group, and total compensation was at approximately the 94th percentile of the median of the comparison group. The compensation packages for other NEOs place their base salaries in a percentile range from the 90th percentile to the 120th percentile of the median of the comparison group. Total compensation for other NEOs is in the same percentile range. NEOs at the higher percentile ranges are those with the longest tenures and industry experience.

Role of Compensation Consultants

At the beginning of 2009, Hewitt provided independent compensation consulting services to the compensation committee pursuant to its earlier engagement initiated by the compensation committee. Concurrently, Hewitt was in a long-standing engagement, initiated by management with the knowledge of the compensation committee, to provide non-compensation related services to the Company. These services include actuarial, pension plan valuation, filing and administrative activities.

In mid-2009, the compensation committee engaged Pearl Meyer & Partners LLC to provide the compensation committee with independent compensation consulting services and discontinued its use of Hewitt for such services. Pearl Meyer & Partners LLC received \$52,454 in fees for compensation consulting services in 2009. In 2009, prior to the discontinuation of the engagement of Hewitt for compensation consulting services, Hewitt received \$1,300 in fees for such services. Hewitt received \$317,000 in fees in connection with its non-compensation related services in 2009.

Fiscal Year 2010 Compensation Decisions

The compensation committee made several decisions that relate to fiscal year 2010 compensation. These decisions are summarized below:

Base compensation. The compensation committee approved a decision that, in light of market and industry conditions, all salaried employees of the Company would forego base compensation increases in 2010. Should market and industry conditions markedly improve during the year, this decision may be revisited.

2010 annual incentive bonus plan. The board of directors approved a recommendation from the compensation committee that participants be eligible for bonus payment consideration only if threshold earnings are achieved in 2010.

Long-term incentive compensation. On February 23, 2010, the compensation committee approved the grant of options to purchase the Company's common stock to all executive officers and certain other salaried employees. The value of the stock options granted to each eligible employee was targeted to equate approximately to the Company's manufacturing-based compensation peer group and align with the expected revenue performance of the Company.

Compensation Risk Analysis

The Company does not utilize compensation policies or practices that are reasonably likely to have a material adverse effect on it. The "Compensation Discussion and Analysis" section of this proxy statement describes generally our compensation policies and practices that are applicable to executive and management employees. Where they exist, the Company uses common variable compensation designs, with a significant focus on business financial performance.

Table of Contents**EXECUTIVE COMPENSATION***Executive Officers*

The following table sets forth certain information concerning each of our executive officers:

Name	Age	Position(s)
Edward J. Whalen	61	President, Chief Executive Officer and Director
Theodore W. Baun	37	Senior Vice President, Marketing and Sales
Nicholas J. Matthews	36	Senior Vice President, Operations (1)
Christopher L. Nagel	47	Vice President, Finance, Chief Financial Officer and Treasurer
Laurence M. Trusdell	63	General Counsel and Corporate Secretary

- (1) Subsequent to 2009, Mr. Matthews terminated his employment with the Company, effective April 6, 2010.

Edward J. Whalen, 61, was appointed as our President and Chief Executive Officer on December 18, 2009 and has served as a director since that date. Previously, he served as our Senior Vice President, Marketing and Sales, from December 2004 to September 2008. He also served as Senior Vice President, Marketing and Sales, for our subsidiaries from 1991 to December 2004. In 1991, Mr. Whalen was a member of the group of investors that acquired the Company from Bethlehem Steel. Prior to that, Mr. Whalen was President of Pullman Leasing Company, a railcar leasing business, after serving in various finance positions for Pullman Leasing Company, including Vice President of Finance and Treasurer. Mr. Whalen originally joined Pullman, Inc., the parent of Pullman Leasing Company, in 1972.

Theodore W. Baun, 37, has been our Senior Vice President, Marketing and Sales since September 1, 2008. Mr. Baun first joined us in 1994 and has held roles of increasing responsibility in operations, marketing and sales. From 2003 to 2005, he was Director of Sales at Mitsui Rail Capital, a railcar leasing and services company, after which he returned to FreightCar America. He has been the leader of our sales team since November 2007.

Nicholas J. Matthews, 36, served as our Senior Vice President, Operations from May 15, 2008 to April 6, 2010. Mr. Matthews previously served as our Vice President, Operations from January 10, 2008 to May 15, 2008. He joined FreightCar America from Trinity Industries, Inc., a diversified industrial company providing products and services for the transportation, industrial and construction sectors, where he spent fourteen years serving in various technical and operations positions of expanding leadership scope. Most recently, he served as Trinity's Senior Vice President Operations for Trinity's freight car business. Mr. Matthews also served Trinity as Senior Vice President Component Sales and Distribution, and Vice President and General Manager of the boxcar business. Earlier in his career, he held roles in business planning, manufacturing engineering, quality assurance and site operations leadership.

Christopher L. Nagel, 47, has served as our Vice President, Finance, Chief Financial Officer and Treasurer since January 14, 2009. Prior to joining us, Mr. Nagel was Chief Financial Officer of The Wallick Companies, a real estate development, construction and management firm, from September 2007 to December 2008. Prior to joining The Wallick Companies, Mr. Nagel spent nine years in various senior leadership positions at The Scotts Miracle-Gro Company, a manufacturer and distributor of lawn and garden care products, serving as its Executive Vice President, North American Consumer Business from September 2006 to July 2007 and its Executive Vice President and Chief Financial Officer from January 2003 to September 2006. Mr. Nagel was Senior Vice President, North America and Corporate Finance of Scotts from 2001 to 2003 and Vice President and Corporate Controller of Scotts from 1998 to 2001.

Laurence M. Trusdell, 63, has served as our General Counsel and Corporate Secretary since June 2007. Prior to joining us, Mr. Trusdell was Vice President, Law and Corporate Secretary of W.W. Grainger, Inc., an international distributor of maintenance, repair and operating supplies, having joined Grainger as Associate General Counsel in 2004. He was an independent legal consultant in 2003-2004 and Vice President General Counsel and Secretary of Videojet Technologies Inc., a manufacturer of variable data printing and coding products and accessories, from 1997

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to 2003. He previously served in the North American legal group of The General Electric Company p.l.c. of London, England and practiced corporate law at the Chicago law firm of Mayer, Brown & Platt.

Summary Compensation Table

The following table sets forth information regarding 2009 compensation for each of the Company's 2009 Named Executive Officers (NEOs); 2008 and 2007 compensation is presented for such executives who were also NEOs in 2008 and 2007. In accordance with SEC guidance, 2007 compensation is not presented for Messrs. Trusdell and Matthews and 2008 and 2007 compensation is not presented for Messrs. Nagel and Baun because they were not NEOs in those years. Salary includes amounts deferred at the officer's election.

Summary Compensation Table

Name and Principal Position	Year	Salary(1) (\$)	Bonus(2) (\$)	Stock Awards(3) (\$)	Option Awards(4) (\$)	Change		All Other Compensation(7) (\$)	Total (\$)
						Non-Equity Incentive Plan Compensation(5) (\$)	in Pension(6) (\$)		
Edward J. Whalen President and Chief Executive Officer; Former Senior Vice President, Marketing and Sales (8)	2009								
	2008	206,667		66,425	171,062			102,200	546,354
	2007	300,000		385,840		180,000	43,592	9,072	918,504
Christian B. Ragot Former President and Chief Executive Officer (9)	2009	601,682		31,996				61,737	695,415
	2008	632,500		379,352	977,182	695,750		54,302	2,739,086
	2007	497,436	320,000	2,245,600		640,000		96,291	3,799,327
Christopher L. Nagel Vice President, Finance, Chief Financial Officer and Treasurer (10)	2009	327,171	60,000	213,296		163,586		48,836	812,889
Laurence M. Trusdell General Counsel and Corporate Secretary	2009	269,506		13,911		168,442		22,356	474,215
	2008	274,783	22,487	76,175	195,535	123,653		21,622	714,255
Nicholas J. Matthews Senior Vice President, Operations (11)	2009	249,453		12,877		171,499		25,444	459,273
	2008	243,742	165,900	402,899	146,590	134,058		48,198	1,141,387
Theodore W. Baun Senior Vice President, Marketing and Sales	2009	213,125		51,133	8,130	133,203	85,687	9,800	501,078

1 Amounts disclosed in the Salary column represent salary earned by the NEO during the year.

2

Amounts disclosed in the Bonus column represent the bonuses paid to Messrs. Ragot, Nagel, Trusdell and Matthews after their commencement of employment with the Company with respect to bonuses foregone from their previous respective employers.

- 3 Amounts disclosed in the Stock Awards column relate to grants of restricted stock made under the LTIP. With respect to each restricted stock grant, the amounts disclosed generally reflect the grant date fair value computed in accordance with FASB ASC Topic 718. Grant-date fair value for each restricted stock award was determined by multiplying the number of restricted shares granted by the average of the high and low

stock trading prices for the Company's common stock as reported by the Nasdaq Global Market on the grant date. The amounts for 2008 and 2007 have been restated to reflect the grant-date fair value for the restricted stock awards in accordance with new SEC rules.

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- 4 Amounts disclosed in the Option Awards column relate to grants of stock options made under the LTIP. With respect to each stock option grant, the amounts disclosed generally reflect the grant-date fair value computed in accordance with FASB ASC Topic 718. Grant-date fair value was determined using a generally accepted option valuation methodology referred to as the Black-Scholes option pricing model. The assumptions used in calculating the grant-date fair value of each stock option award are disclosed in the footnotes to the consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

- 5 Amounts disclosed in the Non-Equity Incentive Plan Compensation column represent amounts earned under the Company's annual cash incentive program.

- 6 Amounts disclosed in the Change in Pension Value column represent the actuarial increase in the present

value of the NEO's benefits under the Pension Plan, determined using interest rate and mortality rate assumptions consistent with those used in the Company's financial statements, and include amounts that the NEO may not currently be entitled to receive because such amounts are not vested. Messrs. Ragot, Nagel, Trusdell and Matthews are not participants in the Pension Plan. The Pension Plan is described in greater detail in the section of this proxy statement entitled "Executive Compensation - Pension Benefits at December 31, 2009." The Company does not maintain a non-qualified deferred compensation plan or a supplemental pension plan (sometimes called a SERP).

- 7 See the following table for details regarding amounts disclosed in the All Other Compensation column for 2009.

All Other Compensation for 2009

	Health Club Membership Fees^a	Moving and Relocation^b	Transportation and Travel-Related Payments^c	401(k) Contribution^d	Severance Payment^e	Total All Other Compensation
--	--	--	---	--	--------------------------------------	-------------------------------------

Name	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Mr. Whalen						
Mr. Ragot			34,052	9,367	18,318	61,737
Mr. Nagel		25,970	10,192	12,674		48,836
Mr. Trusdell			10,192	12,164		22,356
Mr. Matthews	552		10,192	14,700		25,444
Mr. Baun				9,800		9,800

a. Represents amounts reimbursed for health club membership fees for Mr. Matthews.

b. Represents reimbursement of qualifying moving and relocation expenses.

c. Represents
 (i) payment of automobile allowance to NEOs (Mr. Ragot was paid a monthly automobile allowance of \$750 plus insurance and auto maintenance costs; Messrs. Nagel, Trusdell and Matthews were paid a monthly allowance of \$500) and
 (ii) payments to Mr. Ragot for personal transportation-related expenses in lieu of the more costly country club allowance provided for in his employment agreement.

d. Represents amount contributed by the Company on behalf of the NEOs to the 401(k) Plan.

e.

Represents installment severance payments paid to Mr. Ragot in connection with his termination of his employment. For more information regarding Mr. Ragot's severance payments, see the section of this proxy statement entitled Potential Payments upon Termination or Change in Control.

- 8 Mr. Whalen was appointed as President and Chief Executive Officer on December 18, 2009. He served as Senior Vice President, Marketing and Sales from December 2004 to September 2008.
- 9 By agreement between Mr. Ragot and the Company, Mr. Ragot's employment was terminated without cause under his employment agreement effective December 18, 2009.
- 10 Compensation information for Mr. Nagel represents compensation since he began serving as Vice President, Finance, Chief Financial Officer and Treasurer on January 14, 2009.

Subsequent to 2009,
Mr. Matthews
terminated his
employment with the
Company, effective
April 6, 2010.

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A substantial portion of the total compensation reported in the Summary Compensation Table above is paid to the NEOs pursuant to the terms of their employment agreements or other compensation plans maintained by the Company.

Employment Agreements and Other Arrangements for NEOs

Edward J. Whalen. On January 26, 2010, the Company entered into a letter agreement with Mr. Whalen effective January 1, 2010 pursuant to which he serves as President and Chief Executive Officer. Under the letter agreement, Mr. Whalen's initial annual base salary is \$340,000, subject to annual review by the compensation committee. On the execution date of the agreement, Mr. Whalen was awarded options to purchase 200,000 shares of common stock of the Company. The option award vests in two equal annual installments beginning on December 18, 2010 and would become fully vested upon a Change in Control (as defined in the agreement) or a termination of Mr. Whalen's employment under certain defined circumstances. Mr. Whalen is not entitled to any benefits under the Company's Executive Severance Plan or any other severance plan or policy applicable to Company employees.

Mr. Whalen is entitled to participate in the Company's annual cash incentive program applicable to senior executives. His target bonus is 100% of his salary, upon achievement of a target level of performance, payable in cash or securities of the Company within two and one-half months after the end of the fiscal year to which the bonus relates. The amount of his maximum bonus can equal up to 200% of his base salary. Mr. Whalen also is entitled to participate in all management incentive plans and to receive all benefits under any employee benefit plan or arrangement, vacation policy or perquisite made available to executive employees.

Christian B. Ragot. Pursuant to an employment agreement dated January 3, 2007, Mr. Ragot served as the Company's Chief Operating Officer from January 29, 2007 to April 30, 2007 and as President and Chief Executive Officer from April 30, 2007 to December 18, 2009. He was also a member of the Company's board of directors from January 29, 2007 to December 18, 2009. By agreement between Mr. Ragot and the Company, Mr. Ragot's employment was terminated without cause effective December 18, 2009. Under the employment agreement, the Company paid Mr. Ragot an initial annual base salary of \$500,000, which was increased to \$550,000 on April 30, 2007 and to \$640,000 on February 1, 2008, and was reduced to \$608,000 on May 16, 2009. Mr. Ragot's base salary was subject to annual review by the compensation committee. Mr. Ragot was eligible for an annual cash incentive award based on performance and calculated as a percentage of his base salary.

The Company provided Mr. Ragot with the use of an automobile with lease payments of no more than \$750 per month plus auto insurance and maintenance expenses throughout the term of his employment. Mr. Ragot was granted an annual payment of up to \$9,000 for personal transportation-related expenses, plus a tax gross-up, in lieu of payment for the more costly country club membership and dues to which he was entitled under his employment agreement. Mr. Ragot was also entitled to participate in any employee benefit plan made available by the Company to its executive employees at any time during his employment, and to certain termination and change-in-control benefits under his employment agreement.

Christopher L. Nagel. Under his employment agreement, effective January 14, 2009, Mr. Nagel serves as the Company's Vice President, Finance, Chief Financial Officer and Treasurer. Under the employment agreement, Mr. Nagel's initial annual base salary was \$350,000, which was reduced to \$332,500 on May 16, 2009. Mr. Nagel's base salary is subject to annual review by the compensation committee.

As an inducement to sign the employment agreement, the Company agreed to pay Mr. Nagel an amount equal to his foregone 2008 bonus from his previous employer, if any, up to a maximum of \$60,000. Pursuant to this agreement, the Company paid Mr. Nagel \$60,000 on April 14, 2009. On the effective date of the agreement, Mr. Nagel was awarded 10,000 shares of restricted stock. The restricted stock award vests in three equal annual installments beginning on the first anniversary of the effective date of the agreement and would become fully vested upon a

Change in Control (as defined in the employment agreement). The agreement provides for his employment for an initial term of three years, which term automatically extends for one-year periods until terminated prior to the end of the term by either party upon 90 days' notice. In 2009, the Company reimbursed Mr.

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Nagel's reasonable moving expenses incurred in relocating to the Chicago, Illinois area. The Company provides Mr. Nagel \$500 per month to defray the costs associated with his automobile.

If the Company terminates Mr. Nagel's employment without Cause, or Mr. Nagel terminates his employment for Good Reason (each as defined in his employment agreement), the Company will pay Mr. Nagel's base salary for 12 months following the date of termination (or 24 months if Mr. Nagel terminates his employment for Good Reason due to a Change in Control). Mr. Nagel also is entitled under the agreement to participate in all management incentive plans and to receive all benefits under any employee benefit plan or arrangement, vacation policy or perquisite made available to executive employees.

Laurence M. Trusdell. Under his employment agreement effective June 11, 2007, Mr. Trusdell serves as the Company's General Counsel and Corporate Secretary. Under the employment agreement, Mr. Trusdell's initial annual base salary was \$270,000, which was increased to \$278,200 on June 1, 2008 and reduced to \$264,290 on May 16, 2009. Mr. Trusdell's base salary is subject to annual review by the compensation committee.

If the Company terminates Mr. Trusdell's employment without Cause, or Mr. Trusdell terminates his employment for Good Reason (each as defined in his employment agreement), the Company will pay Mr. Trusdell's base salary for 12 months following the date of termination (or 24 months if Mr. Trusdell terminates his employment for Good Reason due to a Change in Control). Mr. Trusdell also is entitled under the agreement to participate in all management incentive plans and to receive all benefits under any employee benefit plan or arrangement, vacation policy or perquisite made available to executive employees.

Nicholas J. Matthews. Under his employment agreement effective January 10, 2008, Mr. Matthews serves as the Company's Vice President, Operations. He was promoted to Senior Vice President, Operations on May 15, 2008. Under the employment agreement, Mr. Matthews's initial annual base salary was \$250,000, which was increased to \$257,500 on December 15, 2008 and reduced to \$244,625 on May 16, 2009. Mr. Matthews' base salary is subject to annual review by the compensation committee.

If the Company terminates Mr. Matthews's employment without Cause, or Mr. Matthews terminates his employment for Good Reason (each as defined in his employment agreement), the Company will pay Mr. Matthews's base salary for 12 months following the date of termination. Mr. Matthews also is entitled under the agreement to participate in all management incentive plans and to receive all benefits under any employee benefit plan or arrangement, vacation policy or perquisite made available to executive employees. Subsequent to 2009, Mr. Matthews terminated his employment with the Company other than for Good Reason, effective April 6, 2010.

Theodore W. Baun. Mr. Baun does not have a written employment agreement with the Company. He has served as the Company's Senior Vice President, Marketing and Sales since September 1, 2008. Mr. Baun agreed to an initial annual base salary of \$220,000, which was reduced to \$209,000 on May 16, 2009. The compensation committee agreed to increase Mr. Baun's annual base salary to \$235,000 effective January 1, 2010. Mr. Baun's base salary is subject to annual review by the compensation committee.

Mr. Baun became a participant in the Company's Executive Severance Plan effective September 1, 2009. Under the terms of the plan, if the Company terminates Mr. Baun's employment without Cause, or Mr. Baun terminates his employment for Good Reason (each as defined in the plan), the Company will pay Mr. Baun's base salary for 12 months following the date of termination. Mr. Baun also is entitled to participate in all management incentive plans and to receive all benefits under any employee benefit plan or arrangement, vacation policy or perquisite made available to executive employees.

Table of Contents*2005 Long Term Incentive Plan*

The Company adopted the LTIP in April 2005, effective upon the closing of our initial public offering on April 11, 2005. Under the LTIP, the Company may grant to NEOs and other eligible employees cash incentive awards, stock options, share appreciation rights, restricted shares, restricted share units, performance shares, performance units, dividend equivalents and other share-based awards. At the Company's 2008 annual meeting of stockholders, our stockholders approved an amendment to the LTIP that increased the number of shares authorized for issuance under the LTIP from 659,616 to 1,659,616. As of December 31, 2009, 1,068,003 shares remained available for issuance under the LTIP.

Annual Cash Incentive Program

In 2008, the compensation committee approved a new annual cash incentive program to replace the Salaried Bonus Plan. Under the new program, each of the NEOs is eligible to receive a grant of performance units based on the level of achievement with respect to the following performance metrics: (i) a corporate-wide performance goal, RONA; (ii) function/team performance goals; and (iii) individual performance goals. These performance metrics are weighted 50%, 25% and 25%, respectively. The new incentive program is designed to provide a link to the Company's goals and objectives in addition to RONA. The number of performance units granted determines the NEO's cash incentive award. In 2009, the CEO's target cash incentive award was 100% of annual base salary and each other NEO's target cash incentive award was 50% of annual base salary. Under the new program, the NEOs can receive 0% to 150% of the target cash incentive award.

Grants of Plan-Based Awards for the Year Ended December 31, 2009

Name	Grant Date	Estimated Future Payouts			All Other Stock Awards: Number of Shares or Units of Stock(2) (#)	All Other Option Awards: Number of Securities Underlying Options(3) (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards(4) (\$)
		Thres-hold (\$)	Target (\$)	Max-imum (\$)				
Edward J. Whalen								
Christian B. Ragot	1/1/09 5/13/09	300,841	601,682	902,523	1,794		31,996	
Christopher L. Nagel	1/14/09 1/14/09 5/12/09	81,793	163,586	245,379	10,000 981		195,800 17,496	
Laurence M. Trusdell	1/1/09 5/12/09	67,377	134,753	202,130	780		13,911	
Nicholas J. Matthews	1/1/09 5/12/09	62,363	124,727	187,090	722		12,877	
Theodore W. Baun	1/1/09 5/12/09	53,281	106,563	159,844	2,867	1,000	17.84 59,263	

¹ Represents estimated

payouts under the Company's annual cash incentive program.

2 Represents restricted stock awards made under the LTIP.

3 Represents stock option awards made under the LTIP.

4 Represents grant-date fair value of restricted stock and option awards computed in accordance with FASB ASC Topic 718. Assumptions underlying the valuations are set out in footnotes 3 and 4 to the Summary Compensation Table above.

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Awards of restricted stock are made by the compensation committee under the LTIP. An NEO who is granted a restricted stock award receives certain stockholder rights with respect to the unvested stock, including the rights to vote and receive dividends. Awards vest in three annual installments of equal size beginning on the first anniversary of the award date, provided that the NEO is continuously employed by the Company until each respective vesting date. Unvested restricted stock would become fully vested upon a Change in Control (as defined in the LTIP). If the NEO's employment with the Company terminates, all unvested shares are forfeited and the NEO forfeits his stockholder rights with respect to the forfeited shares.

Awards of stock options are also made by the compensation committee under the LTIP. The exercise price for the options is based on the average of the high and low trading prices of the Company's stock on the award date (unless there are no trades on the award date, in which case the exercise price is based on the closing price of the Company's stock on the last trading day preceding the award date). The options are non-qualified options for federal income tax purposes. As with restricted stock awards, stock option awards vest in three annual installments of equal size beginning on the first anniversary of the award date, provided that the NEO is continuously employed by the Company until each respective vesting date. Options expire on the tenth anniversary of the award date. Unvested option awards would become fully vested upon a Change in Control (as defined in the LTIP). If the NEO's employment with the Company terminates prior to the final vesting of the award, all unexercised options are forfeited unless the termination is due to the NEO's death, disability or retirement, in which case vested options may be exercised until the earlier of the first anniversary of the termination date or the option expiration date.

Outstanding Equity Awards at 2009 Fiscal Year-End

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable ¹	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) ²
Edward J. Whalen						
Christian B. Ragot ³					4,150(c)	\$ 82,295
					13,334(c)	\$ 264,413
Christopher L. Nagel					10,000(d)	\$ 198,300
					981(e)	\$ 19,453
Laurence M. Trusdell	5,274	10,546(a)	\$30.47	1/13/2018		
					1,666(f)	\$ 33,037
					2,166(g)	\$ 42,952
					780(e)	\$ 15,467
Nicholas J. Matthews	3,954	7,906(a)	\$30.47	1/13/2018		
					9,200(h)	\$ 182,436
					1,246(f)	\$ 24,708
					722(e)	\$ 14,317
Theodore W. Baun	550	1,100(a)	\$30.47	1/13/2018		
		1,000(b)	\$17.84	5/12/2019		
					173(f)	\$ 3,431

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- 1 Nonvested option awards are disclosed in the table as unexercisable.
- 2 Market value of unvested shares of restricted stock based on market closing price of the Company's common stock on the Nasdaq Global Market of \$19.83 on December 31, 2009.
- 3 Mr. Ragot forfeited 79,060 outstanding options and 5,944 unvested shares of restricted stock upon his termination of employment on December 18, 2009.
 - a. Option award vesting in two equal annual installments beginning on January 13, 2010.
 - b. Option award vesting in three equal annual installments beginning on May 12, 2010.

- c. Restricted stock award vesting on March 15, 2010.
- d. Restricted stock award vesting in three equal annual installments beginning on January 14, 2010.
- e. Restricted stock award vesting in three equal annual installments beginning on May 12, 2010.
- f. Restricted stock award vesting in two equal annual installments beginning on January 13, 2010.
- g. Restricted stock award vesting on June 11, 2010.
- h. Restricted stock award vesting in four equal annual installments beginning on January 10, 2010.

Option Exercises and Stock Vested for the Year Ended December 31, 2009

Option Awards	Stock Awards
Number of Shares	Number of Shares

Name	Acquired on	Value Realized	Acquired on	Value Realized
	Exercise (#)	on Exercise (\$)	Vesting (#)	on Vesting (\$)
Edward J. Whalen				
Christian B. Ragot			17,483	347,921
Christopher L. Nagel				
Laurence M. Trusdell			3,001	54,620
Nicholas J. Matthews			2,924	57,587
Theodore W. Baun			87	1,768

Pension Benefits at December 31, 2009

Name (a)	Plan Name ¹	Number of Years Credited Service ² (#)	Present Value of	Payments
			Accumulated Benefit ³ (\$)	During Last Fiscal Year (\$)
Edward J. Whalen ⁴	JAC Nonrepresented Salaried Pension Plan			
Christian B. Ragot ⁵				
Christopher L. Nagel ⁵				
Laurence M. Trusdell ⁵				
Nicholas J. Matthews ⁵				
Theodore W. Baun ⁴	JAC Nonrepresented Salaried Pension Plan	13.34	163,609	

¹ The Company does not maintain a non-qualified or supplemental pension plan that provides benefits in excess of the limitations set forth in Code Sections 415 and 401(a)(17).

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2 Years of credited service as of the same pension plan measurement date used for financial statement reporting purposes with respect to the fiscal year s audited financial statements. The number of years shown is the actual service for each of the executives. The Company does not give credit for additional years of service to executives for any reason.

3 The actuarial present value calculated as of the same pension plan measurement date used for financial statement reporting purposes with respect to the fiscal year s audited financial statements, as disclosed in the Company s Annual Report on Form 10-K for the year ended December 31, 2009.

4 Messrs. Whalen and Baun are fully vested in their accrued benefits under the Pension Plan.

5 Messrs. Ragot, Nagel, Trusdell and Matthews are not eligible to participate in the Pension Plan because they were hired after 2004.

Supplemental Narrative to Pension Benefits Table

The Company maintains the Johnstown America Corporation Salaried Pension Plan (the Pension Plan) for the benefit of its eligible salaried employees. The Pension Plan is a tax-qualified defined benefit pension plan. Benefits provided under the Pension Plan are limited by Code Sections 415 and 401(a)(17). Code Section 415 limits the benefit amount payable from the plan based on the pensioner's service, pay, and a dollar amount cap that is indexed. Code Section 401(a)(17) limits the pensionable earnings that may be used to determine the pension benefit amount. All salaried employees of Johnstown America Corporation and JAC Operations, Inc. hired prior to January 1, 2005 who are not members of any collective bargaining unit and who have attained age 21 and completed at least one year of service with the Company are eligible to participate in the Pension Plan. A participant must complete at least five years of service with the Company to be vested under the Pension Plan. Eligibility for normal retirement is at age 65.

Subject to the Code limits noted above, the Pension Plan's normal retirement payment and benefit formula is the maximum of (a), (b) and (c), minus (d) and (e), as follows:

(a) 1.35% times average monthly earnings (defined as: the highest 60 consecutive months of earnings out of the last 120 months divided by 60) times years of service. Earnings are defined as the participant's W-2 pay plus Code Section 401(k) and Code Section 125 deferrals, minus bonus, overtime, expense reimbursements, moving expenses, salary gross-up payments, and imputed income. Service is determined as elapsed time measured on years and months since last hiring date, and includes service with Bethlehem Steel Corporation. For active participants who had 25 years of service on November 1, 1991, an extra month of service is credited for every month of service earned between November 1, 1991 and October 31, 1994.

(b) (\$40.00 times years of service before May 2005) plus (\$50.00 times years of service after April 2005).

(c) 1.05 times (1.60% of average monthly earnings times years of service) minus (0.475% of Social Security covered compensation times years of service (maximum 35 years)). Covered compensation offset begins at age 62.

(d) Accrued monthly benefit from Bethlehem Steel Corporation pension plans for service prior to October 28, 1991.

(e) Accrued monthly benefit from Transportation Technologies pension plans for service prior to June 4, 1999.

The Pension Plan also provides a special payment for early and normal retirees with at least 10 years of service with the Company (and replaces the first three monthly pension benefit payments) as follows: nine weeks of base pay plus remaining unused vacation in the year of retirement.

Eligibility for early unreduced retirement is at age 62 and 15 years of service, or at any age with 30 years of service. A participant can take early reduced retirement after age 60 with 15 years of service, subject to a reduction for

early commencement of 16.18% at age 60 and 8.55% at age 61.

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The normal form of benefit is a life annuity. If the participant is married and receives payments in the form of a joint and survivor annuity, or otherwise elects another form of benefit under the Pension Plan, the amount of monthly benefits payable to the participant would be reduced to reflect the actuarially increased cost of providing such other benefit forms.

Nonqualified Deferred Compensation for the Year Ended December 31, 2009

The Company does not make available a non-qualified deferred compensation plan for its NEOs or other employees.

Potential Payments upon Termination or Change in Control

This section describes and quantifies potential payments that may be made to each NEO at, following, or in connection with the resignation, severance, retirement or other termination of the NEO or a change of control of the Company, other than with respect to Mr. Ragot, whose actual termination benefits are described below. These benefits are in addition to benefits generally available to salaried employees.

Mr. Ragot terminated his employment with the Company effective December 18, 2009 and is entitled pursuant to the terms of his employment agreement to aggregate severance payments of \$2,626,833 as described in footnote 7 to the Summary Compensation Table. In addition, Mr. Ragot received additional vesting of 17,484 shares of restricted stock with a value of \$437,625 as of March 15, 2010.

The potential payments described below are estimates only. As such, the potential payments do not necessarily reflect the actual amounts that would be paid to each NEO, which would be known only at the time the NEO becomes eligible for payment due to a termination of employment or change in control. The following tables reflect potential amounts that could be payable to the applicable NEO if a change in control or the indicated termination of employment occurred at December 31, 2009. For Mr. Whalen, who signed a letter agreement of employment with the Company on January 26, 2010, we have provided the amounts that would have been payable under these circumstances had his letter agreement been in place as of December 31, 2009.

Mr. Whalen

As of January 26, 2010, upon a termination of Mr. Whalen's employment for any reason, he will be entitled to (i) his accrued salary and accrued and unused vacation through the date of termination, (ii) his prior fiscal year bonus, to the extent earned and unpaid, (iii) any accrued and vested benefits and unreimbursed expenses incurred and unpaid on the date of termination and (iv) any pro rata bonus due and payable. Mr. Whalen is not entitled to any benefits under the Company's Executive Severance Plan or any other severance plan or policy applicable to Company employees.

Mr. Whalen's unvested stock options would become fully vested upon a Change of Control, as defined in the LTIP, or upon a Qualifying Termination, which is defined to mean a termination of Mr. Whalen's employment (i) by the Company without Cause, (ii) by Mr. Whalen for Good Reason or (iii) by reason of Mr. Whalen's death, disability or retirement. Cause and Good Reason each have the meaning set forth in the Company's Executive Severance Plan as in effect on January 26, 2010.

Mr. Whalen has agreed to keep confidential certain information during the term of the agreement and thereafter, and has agreed to certain non-solicitation restrictions that apply for one year following termination of his employment.

Messrs. Nagel, Trusdell, Matthews and Baun

Each of the employment agreements with Messrs. Nagel, Trusdell and Matthews provides for employment for an initial term of three years, which automatically extends for one-year periods until terminated prior to the end of the term by either party upon 90 days' notice. Mr. Baun does not have a written employment agreement with the

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Company. Payments available to Mr. Baun upon termination or change in control are set forth in the Company's Executive Severance Plan in which Mr. Baun became a participant effective September 1, 2009.

If the Company terminates the employment of any of Messrs. Nagel, Trusdell, Matthews or Baun without Cause, or if any of them terminates his employment for Good Reason (each as defined in his employment agreement), then the Company will provide the following payments and benefits to him: (i) base salary for 12 months following the date of termination (or 24 months for Messrs. Nagel and Trusdell for a termination for Good Reason following a Change in Control); (ii) one payment equal to his target bonus for the year of termination (or one payment equal to two times his target bonus for the year of termination for Messrs. Nagel and Trusdell for a termination for Good Reason following a Change in Control); and (iii) continued participation in the Company's group health benefit plan by him, and such members of his family who participated in the group health plan at the time of his termination, for a period of 12 months (or 24 months for Messrs. Nagel and Trusdell for a termination for Good Reason following a Change in Control) at the same costs and coverage levels as applicable to active employees of the Company.

Each of Messrs. Nagel, Trusdell and Matthews has agreed to keep confidential certain information during the term of the agreement and thereafter, and has agreed to certain non-solicitation and non-competition restrictions that apply for one year following termination of employment. Mr. Baun has agreed to similar terms and additional non-disparagement restrictions as a participant in the Company's Executive Severance Plan.

Under the terms of the LTIP and the restricted stock and stock option agreements of Messrs. Nagel, Trusdell, Matthews and Baun, unvested restricted stock and stock options would become fully vested upon a Change in Control (as defined under the LTIP).

Subsequent to 2009, Mr. Matthews terminated his employment with the Company other than for Good Reason, effective April 6, 2010.

Summarized below are the potential payments and benefits payable by the Company to Messrs. Nagel, Trusdell, Matthews and Baun, respectively, at, following or in connection with the indicated termination of employment or change in control as of December 31, 2009:

POTENTIAL PAYMENTS AND BENEFITS UPON TERMINATION OR CHANGE IN CONTROL MR. NAGEL

Executive Benefits and Payments Upon Change in Control or Termination of Employment	Change in Control No Termination ¹	Change in Control Termination without Cause ¹	Change in Control Termination for Good Reason ¹	Termination without Cause or for Good Reason ²	Death Disability
Compensation:					
Base Salary		\$ 332,500	\$ 665,000	\$ 332,500	
Incentive Compensation		\$ 163,586	\$ 327,171	\$ 163,586	
Restricted Stock and Stock Options: Unvested and Accelerated ¹	\$ 217,753	\$ 217,753	\$ 217,753		
Benefits and Perquisites:					
Continuing Benefits ³		\$ 11,211	\$ 22,423	\$ 11,211	
Total:	\$ 217,753	\$ 725,050	\$ 1,232,347	\$ 507,297	

¹ In the event of a Change in Control,

Mr. Nagel becomes fully vested in his outstanding restricted stock and stock option awards.

- ² In the event that the Company terminates Mr. Nagel's employment without Cause or if he terminates his employment for Good Reason, the Company will pay the severance and benefits described in the table above.

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3 In the event that the Company terminates Mr. Nagel's employment without Cause or if he terminates his employment agreement for Good Reason, Mr. Nagel will be entitled to continued participation in the Company's group health benefit plan by him and such members of his family who participated in the group health benefit plan at the time of his termination for a period of 12 months at the same costs and coverage levels as applicable to active employees of the Company (or 24 months for a Good Reason termination following a Change in Control).

POTENTIAL PAYMENTS AND BENEFITS UPON TERMINATION OR CHANGE IN CONTROL MR. TRUSDELL

Executive Benefits and Payments Upon Change in Control or Termination of	Change in	Change in Control Termination	Change in Control Termination for Good	Termination without Cause or for Good
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Employment	Control No Termination¹	without Cause¹	Reason¹	Reason²	Death Disability
Compensation:					
Base Salary		\$ 264,290	\$528,580	\$264,290	
Incentive Compensation		\$ 134,753	\$269,506	\$ 134,753	
Restricted Stock and Stock Options: Unvested and Accelerated ¹	\$91,456	\$ 91,456	\$ 91,456		
Benefits and Perquisites:					
Continuing Benefits ³		\$ 9,667	\$ 19,333	\$ 9,667	
Total:	\$91,456	\$ 500,166	\$908,875	\$408,710	

¹ In the event of a Change in Control, Mr. Trusdell becomes fully vested in his outstanding restricted stock and stock option awards.

² In the event that the Company terminates Mr. Trusdell without Cause or if he terminates his employment for Good Reason, the Company will pay the severance and benefits described in the table above.

³ In the event that the Company terminates Mr. Trusdell without Cause or if he terminates his employment

agreement for Good Reason, Mr. Trusdell will be entitled to continued participation in the Company's group health benefit plan by him and such members of his family who participated in the group health benefit plan at the time of his termination, for a period of 12 months at the same costs and coverage levels as applicable to active employees of the Company (or 24 months for a Good Reason termination following a Change in Control).

POTENTIAL PAYMENTS AND BENEFITS UPON TERMINATION OR CHANGE IN CONTROL MR. MATTHEWS¹

Executive Benefits and Payments Upon Change in Control or Termination of Employment	Change in Control No Termination²	Change in Control Termination without Cause²	Change in Control Termination for Good Reason²	Termination without Cause or for Good Reason³	Death	Disability
Compensation:						
Base Salary		\$ 244,625	\$ 244,625	\$ 244,625		
Incentive Compensation		\$ 124,727	\$ 124,727	\$ 124,727		
Restricted Stock and Stock Options: Unvested and Accelerated ²	\$ 221,461	\$ 221,461	\$ 221,461			
Benefits and Perquisites:						
Continuing Benefits ⁴		\$ 11,211	\$ 11,211	\$ 11,211		

Total:	\$221,461	\$ 602,024	\$602,024	\$380,563
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- 1 Subsequent to 2009, Mr. Matthews terminated his employment with the Company other than for Good Reason, effective April 6, 2010.
- 2 In the event of a Change in Control, Mr. Matthews becomes fully vested in his outstanding restricted stock and stock option awards.
- 3 In the event that the Company terminates Mr. Matthews's employment without Cause or if he terminates his employment for Good Reason, the Company will pay the severance and benefits described in the table above.
- 4 In the event that the Company terminates Mr. Matthews's employment without Cause or if he terminates his

employment agreement for Good Reason, Mr. Matthews will be entitled to continued participation in the Company's group health benefit plan by him and such members of his family who participated in the group health benefit plan at the time of his termination, for a period of 12 months at the same costs and coverage levels as applicable to active employees of the Company.

POTENTIAL PAYMENTS AND BENEFITS UPON TERMINATION OR CHANGE IN CONTROL MR. BAUN

Executive Benefits and Payments Upon Change in Control or Termination of Employment Compensation:	Change in Control No Termination ¹	Change in Control Termination without Cause ¹	Change in Control Termination for Good Reason ¹	Termination without Cause or for Good Reason ²	Death	Disability
Base Salary		\$ 209,000	\$ 209,000	\$ 209,000		
Incentive Compensation		\$ 74,298	\$ 74,298	\$ 74,298		
Restricted Stock and Stock Options: Unvested and Accelerated ¹	\$ 62,273	\$ 62,273	\$ 62,273			
Benefits and Perquisites:						
Continuing Benefits ³		\$ 11,211	\$ 11,211	\$ 11,211		
Total:	\$ 62,273	\$ 356,782	\$ 356,782	\$ 294,509		

¹ In the event of a Change in

Control,
Mr. Baun
becomes fully
vested in his
outstanding
restricted stock
and stock option
awards.

2 In the event that
the Company
terminates
Mr. Baun's
employment
without Cause
or if he
terminates his
employment for
Good Reason,
the Company
will pay the
severance and
benefits
described in the
table above.

3 In the that event
the Company
terminates
Mr. Baun's
employment
without Cause
or if he
terminates his
employment
agreement for
Good Reason,
Mr. Baun will
be entitled to
continued
participation in
the Company's
group health
benefit plan by
him and such
members of his
family who
participated in
the group health
benefit plan at
the time of his

termination, for
a period of
12 months at the
same costs and
coverage levels
as applicable to
active
employees of
the Company.

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Compensation Committee Report

The Compensation Committee of the Board (the Committee) has reviewed and discussed the Compensation Discussion and Analysis in this Proxy Statement with the Company's management and, based on such review and discussions, the Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement, portions of which, including the Compensation Discussion and Analysis, have been incorporated by reference into the Company's Annual Report on Form 10-K for the Company's fiscal year ended December 31, 2009.

Respectfully submitted by the compensation committee,

Thomas A. Madden, Chairman
William D. Gehl
Robert N. Tidball

Table of Contents**DIRECTOR COMPENSATION**

2009 Director Compensation Table

Name	Fees Earned or Paid		All Other	Total
	in Cash (\$) ¹	Stock Awards (\$) ²	Compensation (\$)	
James D. Cirar	62,500	44,999		107,499
Thomas M. Fitzpatrick	112,000	44,999		156,999
William D. Gehl	82,500	44,999		127,499
Thomas A. Madden	86,500	44,999		131,499
S. Carl Soderstrom, Jr.	89,000	44,999		133,999
Robert N. Tidball	81,000	44,999		125,999

¹ Includes the following annual retainer fees, board of directors and committee meeting attendance fees, and committee chairmanship fees:

	Mr. Cirar	Mr. Fitzpatrick	Mr. Gehl	Mr. Madden	Mr. Soderstrom	Mr. Tidball
Retainer	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Chairmanship	\$2,500	\$65,000	\$2,500	\$7,500	\$15,000	\$5,000
Attendance	\$30,000	\$17,000	\$50,000	\$49,000	\$44,000	\$46,000
Total	\$62,500	\$112,000	\$82,500	\$86,500	\$89,000	\$81,000

² Represents the grant-date fair value of restricted shares granted by the Company during 2009 computed in accordance with FASB ASC Topic 718. Grant-date fair

value was determined by multiplying the number of restricted shares granted by the average of the high and low stock trading prices for the Company's common stock as reported by the Nasdaq Global Market on the grant date.

The number of shares awarded to directors during 2009 and the aggregate unvested stock awards as of December 31, 2009 are as follows:

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	Shares Awarded	Aggregate Unvested Stock Awards
Director	During 2009	
James D. Cirar	2,654 shares	2,654 shares
Thomas M. Fitzpatrick	2,654 shares	2,654 shares
William D. Gehl	2,654 shares	2,654 shares
Thomas A. Madden	2,654 shares	2,654 shares
S. Carl Soderstrom, Jr.	2,654 shares	2,654 shares
Robert N. Tidball	2,654 shares	2,654 shares

General Description of Director Compensation

We reimburse directors for expenses incurred in connection with attendance at board or committee meetings. During 2009, we compensated each of our independent directors as follows: \$30,000 as an annual retainer; \$1,000 for board meeting attendance; \$1,000 for committee meeting attendance; \$15,000 annual compensation for the chairperson of the audit committee; \$5,000 annual compensation for the chairperson of any other committee; and an annual restricted stock award of \$45,000. The annual fee for the non-executive Chairman of the Board was \$65,000. Effective January 1, 2010 directors will be compensated as follows: \$27,000 as an annual retainer; \$900 for committee meeting attendance; \$13,500 annual compensation for the chairperson of the audit committee; \$4,500 annual compensation for the chairperson of any other committee; and an annual restricted stock award of \$40,500. Also effective January 1, 2010, the annual fee for the non-executive Chairman of the Board is \$58,500. We also have adopted customary expense reimbursement and related policies for all directors. The Company does not provide any incentive based non-equity compensation to directors and does not maintain a defined benefit or actuarial pension plan or a deferred compensation plan for directors.

Stock Ownership Requirements

The board of directors expects that each non-executive director will maintain Company stock holdings at least equal to the aggregate number of shares (including options or shares granted but not vested) that the Company has awarded to the non-executive director during the three-year period ending on any given date of determination. The director may reduce the amount of stock holdings by the number of shares the director has applied directly to the payments of taxes on such awards. Company stock holdings that count towards meeting ownership requirements include: (a) shares owned outright or in trust; and (b) stock options, restricted stock or restricted stock units, including options or shares granted but not vested. If a director consistently fails to comply with the stock ownership requirements, the compensation committee will take such actions as it deems appropriate, including, but not limited to allocating an additional amount of the director's annual compensation to the purchase of stock in accordance with the program or reducing future equity compensation awards.

Registration Rights Agreement

We entered into a registration rights agreement, dated as of April 11, 2005, with substantially all of our stockholders as of immediately prior to the completion of our initial public offering. The stockholders that are party to the registration rights agreement had the right to require us, subject to certain terms and conditions, to register their shares of our common stock under the Securities Act of 1933, as amended, at any time. The selling stockholders in our secondary offering exercised their demand registration rights to require us, subject to certain terms and conditions, to register their shares of our common stock under the Securities Act of 1933, as amended. We and certain of our stockholders remain party to the registration rights agreement.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

This table contains information as of December 31, 2009 about FreightCar America's equity compensation plans, all of which have been approved by FreightCar America's stockholders.

	Number of common shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of common shares remaining available for future issuance under equity compensation plans (excluding common shares reflected in the first column)
Equity compensation plans approved by stockholders	142,159(1)	\$ 33.12(2)	1,068,003(3)
Equity compensation plans not approved by stockholders	-0-	N/A	-0-
Total	142,159	\$ 33.12	1,068,003

(1) Includes an aggregate of 73,499 restricted shares that were not vested as of December 31, 2009.

(2) Weighted-average exercise price of outstanding options excludes restricted shares.

(3) Represents shares of common stock authorized for issuance under the LTIP in connection with awards of stock options, share appreciation

rights, restricted
shares, restricted
share units,
performance
shares,
performance
units, dividend
equivalents and
other share-based
awards.

FEES OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM AND AUDIT COMMITTEE REPORT

Fees Billed by Independent Registered Public Accounting Firm

The audit committee has adopted a pre-approval policy pursuant to which it must pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services and tax services. Under the policy, the audit committee may delegate the authority to pre-approve any audit or non-audit services to be provided by our independent registered public accounting firm to one or more of its members. The pre-approval of services by a member of the audit committee pursuant to this delegated authority, if any, must be reported at the next meeting of the audit committee.

From time to time, the audit committee may pre-approve specified types of services that are expected to be provided by our independent registered public accounting firm. Unless the audit committee determines otherwise, the term for any service pre-approved by the audit committee is twelve months from the date of pre-approval. Any pre-approval must set forth in detail the particular service or type of services to be provided and is generally subject to a specific cost limit. Any services that exceed these cost limits require specific approval by the audit committee. The audit committee may periodically review and, as necessary, revise the list of pre-approved services based on subsequent determinations.

The following table presents fees for audit services rendered by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the Deloitte entities) for the audit of our annual financial statements for the fiscal years ended December 31, 2009 and 2008, and fees billed for other services rendered by the Deloitte entities during those periods.

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	Fiscal Year Ended December 31, 2009	Fiscal Year Ended December 31, 2008
Fees		
Audit Fees ¹	\$ 766,669	\$ 777,632
Audit-Related Fees ²	65,252	57,203
Tax Fees ³		
 Total	 \$ 831,921	 \$ 834,835

¹ Audit Fees include fees billed or expected to be billed for professional services rendered for the audit of our annual consolidated financial statements, the review of the interim consolidated financial statements included in our quarterly reports, and other related services that are normally provided in connection with statutory and regulatory filings. Fees for 2009 include those related to the restatement of our 2008 financial statements.

² Audit-Related Fees include fees billed for assurance and related services

that are reasonably related to the performance of the audit or review of our annual consolidated financial statements and not reported under Audit Fees.

For 2009, Audit-Related Fees include fees for employee benefit plan audits and required subsidiary and statutory audits.

For 2008, Audit-Related Fees include fees for employee benefit plan audits and fees related to implementation of new accounting pronouncements.

- ³ Tax Fees include fees billed or expected to be billed for services performed related to tax compliance, tax advice and tax planning. There were no Tax Fees billed or expected to be billed in 2009 or 2008.

During fiscal years 2009 and 2008, the audit committee pre-approved 100% of all audit-related services provided to us by Deloitte & Touche LLP in accordance with the pre-approval policy described above pursuant to applicable laws and regulations.

Report of the Audit Committee

The following report of the audit committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this report by reference therein.

The audit committee is currently comprised of Messrs. Cirar, Gehl, Madden and Soderstrom. Our board of directors has determined that each member of the audit committee meets the independence requirements under the listing standards of the Nasdaq Global Market, the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission. The committee operates under a written charter that was adopted by our board of directors.

The committee oversees our accounting and financial reporting process on behalf of our board of directors. Management has the primary responsibility for the preparation of our financial statements and the disclosure and financial reporting process, including establishing a system of internal controls. In fulfilling its oversight responsibilities, the committee reviewed and discussed with management and Deloitte & Touche LLP, our independent registered public accounting firm, the audited financial statements as of and for the year ended December 31, 2009. Deloitte & Touche LLP is responsible for expressing an opinion on the conformity of these audited financial statements with generally accepted accounting principles.

The committee has discussed and reviewed with Deloitte & Touche LLP the matters required to be discussed by Statement on Auditing Standards No. 114 (The Auditor's Communication With Those Charged With Governance), which includes, among other things, matters related to the conduct of the audit of our financial statements. The committee has also received from Deloitte & Touche LLP the written disclosures describing the relationships between Deloitte & Touche LLP and us that might bear on the independence of Deloitte & Touche

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LLP consistent with and required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence, and has discussed with Deloitte & Touche LLP its independence.

In reliance on the reviews and discussions referred to above, the committee recommended to our board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2009 for filing with the Securities and Exchange Commission. The committee and our board of directors also have recommended, subject to stockholder approval, the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010.

Respectfully submitted by the audit committee,

S. Carl Soderstrom, Jr., Chairman

James D. Cirar

William D. Gehl

Thomas A. Madden

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our audit committee is responsible for the review of related-person transactions involving the Company or its subsidiaries and related persons. Under SEC rules, a related person is a director, executive officer, nominee for director, or 5% stockholder of the Company, and their immediate family members. The Company has adopted written policies and procedures that apply to any transaction or series of transactions in which the Company or a subsidiary is a participant, the amount involved exceeds \$120,000 and a related person has a direct or indirect material interest. There were no related-person transactions during 2009.

2011 ANNUAL MEETING OF STOCKHOLDERS

We expect that our 2011 annual meeting of stockholders will be held within 30 days of May 12, 2011, which will be the first anniversary of the upcoming annual meeting. Subject to certain exceptions set forth in our by-laws, proposals of stockholders intended for inclusion in the proxy statement for our 2011 annual meeting of stockholders must be received by our Secretary at our principal executive offices (currently at Two North Riverside Plaza, Suite 1250, Chicago, Illinois 60606) by December 8, 2010. If a stockholder intends to present a proposal at the 2011 annual meeting of stockholders, but not to have such proposal included in our proxy statement relating to that meeting, such proposal must be received by our Secretary not earlier than January 12, 2011 and not later than February 11, 2011. Such proposals must contain specific information concerning the person to be nominated or the matters to be brought before the meeting and concerning the stockholder submitting the proposal.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially provides convenience for stockholders and cost savings for companies.

A number of brokers with accountholders who are stockholders will be householding our proxy materials. As indicated in the notice previously provided by these brokers to stockholders, a single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from an affected stockholder. Once you have received notice from your broker or us that they will be householding communications to your address, householding will continue until you are notified otherwise.

Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request householding of their communications should contact their broker or, if a stockholder is a direct holder of shares of our common stock, they should submit a written request to our transfer agent, Computershare Investor Services, P.O. Box 43078, Providence, Rhode Island 02940.

By Order of the Board of Directors
FreightCar America, Inc.

/s/ Laurence M. Trusdell
LAURENCE M. TRUSDELL
General Counsel and Corporate Secretary

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FREIGHTCAR AMERICA, INC.

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas. x

Electronic Voting Instructions

You can vote by Internet or telephone!

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy. **VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.**

Proxies submitted by the Internet or telephone must be received by 12:00 a.m., Central Time, on May 12, 2010.

Vote by Internet

Log on to the Internet and go to **www.investorvote.com/RAIL**
Follow the steps outlined on the secured website.

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is **NO CHARGE** to you for the call.
Follow the instructions provided by the recorded message.

Annual Meeting Proxy Card

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proposals The Board of Directors recommends a vote FOR both nominees listed with respect to Proposal 1 and FOR Proposal 2.

1. Election of Class II directors:	For	Withhold		For	Withhold
Nominees:					
01 - William D. Gehl	c	c	02 - Edward J. Whalen	c	c

	For	Against	Abstain
2. Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2010.	c	c	c

Non-Voting Items

Change of Address Please print your new address below. **Comments** Please print your comments below.

Meeting Attendance
Please check here if you plan to attend the Annual Meeting of Stockholders.

c

Authorized Signatures This section must be completed for your vote to be counted. **Date and Sign Below**
Please sign this proxy exactly as your name appears on the proxy. If held in joint tenancy, all persons should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by president or other authorized officer. If a partnership, limited liability company or other similar entity, please sign in such entity's name by an authorized person.

Date (mm/dd/yyyy) Please print date below.

/ /

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 12, 2010:**

**Our Proxy Statement and Annual Report on Form 10-K for the year
ended December 31, 2009 are available at: www.railproxy.info**

Please return voted proxies to:

**Proxy Services
c/o Computershare Investor Services
PO Box 43101
Providence, RI 02940-5067**

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION,
DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

Proxy FreightCar America, Inc.

ANNUAL MEETING OF STOCKHOLDERS

MAY 12, 2010

Union League Club of Chicago

65 West Jackson Boulevard

Chicago, Illinois 60604

10:00 a.m. (local time)

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF FREIGHTCAR
AMERICA, INC. FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 12, 2010
AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF.**

The undersigned hereby appoints Christopher L. Nagel and Laurence M. Trusdell, and each of them, as proxies with full power of substitution to represent and to vote, as designated on the reverse side of this proxy card, all of the shares of common stock of FreightCar America, Inc. which the undersigned may be entitled to vote at the Annual Meeting of Stockholders to be held at 10:00 a.m. (local time) on May 12, 2010 at the Union League Club of Chicago, 65 West Jackson Boulevard, Chicago, Illinois 60604, and at any postponement(s) or adjournment(s) thereof and, in such proxies discretion, to vote upon such other business as may properly come before the meeting, and at any postponement(s) or adjournment(s) thereof, as set forth in the related Notice of Annual Meeting and Proxy Statement, the receipt of which is hereby acknowledged. The undersigned hereby revokes all prior proxies given by the undersigned to vote at said meeting and any adjournment(s) or postponement(s) thereof.

This proxy card is valid only when signed and dated.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED
HEREIN. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR WITH RESPECT TO THE
ELECTION OF BOTH CLASS II DIRECTOR NOMINEES AND FOR THE RATIFICATION OF THE
APPOINTMENT OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2010.**

(Continued and to be dated and signed on the reverse side.)