Darr Calls for 45G Permanency, Modal Equity, and Short Line Support in Infrastructure Package


“There are three critical items for the more than 600 small business railroads as Congressional focus turns to an infrastructure funding package: the long-term extension, or permanency, of the short line tax credit (which the Association hopes will be included in a 2018 Budget deal on a short-term basis), modal equity, and ensuring eligibility and priority for short line freight railroad projects in funding programs,” said Linda Bauer Darr, President, American Short Line and Regional Railroad Association (ASLRRA).

Darr explained to the Chamber that short lines were largely created from abandoned or marginalized lines from Class I railroads. Years of deferred maintenance had left
unsafe/inoperable tracks and bridges. Much of the operable track would not support modern car configurations. It has been a 30+ year effort to create the vibrant network of 603 railroads that operate in 49 states and move one in five cars on the national network. This effort has been supported by the tax credit, which has afforded $4 billion dollars of investment in capital improvements to date.

“As an industry, we have largely addressed tie replacement and some of the upgrades to allow modern rail cars on the system. However, heavier rail and significant bridge repairs are still badly needed across much of the network to allow all short lines to operate modern cars and run as efficiently as our Class 1 partners,” explained Darr. “We have estimated that our industry will need to invest $10 billion to complete this additional work.”

As privately held entities, short lines must largely fund their track and bridge upgrades from operating cash flows. This is in stark contrast to competing modes of transportation that do not cover their cost for the public infrastructure they use.

“We are advocates for modal equity, ensuring that infrastructure is paid for by a user-based system such as a diesel tax or vehicle miles traveled (VMT) fee for those using the network,” shared Darr.

Finally, the ASLRRA wants to ensure that there is adequate consideration for project funding in rural areas, where many short lines operate.

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**About ASLRRA** - The American Short Line and Regional Railroad Association (ASLRRA) is a non-profit trade association representing the interests of the nation’s 603 short line and regional railroads and railroad supply company members in legislative and regulatory matters. Short lines operate 47,500 miles of track in 49 states, or approximately 29% of the national railroad network, touching in origin or termination one out of every five cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network.