MAKE PERMANENT THE SHORT LINE RAILROAD 45G TAX CREDIT

America’s rail industry thanks Congress for its support of the Section 45G short line railroad rehabilitation tax credit. 45G allows the nation’s short lines — approximately 600 small Class II and III freight railroads — to preserve and upgrade rail service for thousands of rail customers and communities in 49 states that might otherwise have no rail service. In five states, short lines operate 100% of the freight route miles, and in 36 states they operate more than 25%. Approximately 478,000 jobs depend on short line service. Small business railroads, their customers and the communities in which they operate all benefit from the local investment spurred by 45G. Since enactment of the credit in 2005, short lines have invested over $5 billion in track and bridge upgrades, rail safety has improved and short line tie purchases have increased by more than one million ties per year.

While the recent extension of 45G through 2022 is appreciated, it is now time to make this smart policy permanent. And much of Congress agrees: stand-alone legislation to make Section 45G permanent (H.R. 510 and S. 203) is one of the most widely cosponsored, bipartisan pieces of legislation in Congress, with 300 Representatives and 63 Senators co-sponsoring. Congress should act now to make the 45G credit permanent, with inclusion in surface transportation reauthorization legislation being the most viable option.

- **COSPONSOR**: H.R. 510 and S. 203, the Building Rail Access for Customers and the Economy (BRACE) Act to make the short line 45G tax credit permanent.

- **INCLUDE**: The short line railroad 45G tax credit in a larger legislative package, most likely surface transportation reauthorization.

OPPOSE LONGER & HEAVIER TRUCKS

As Congress considers solutions for repairing and improving our nation’s transportation infrastructure, we urge you to oppose any provisions that would increase maximum truck size or weight (TSW) limits on federal highways. Proposals to increase TSW limits have been rejected in bipartisan House and Senate floor votes over the past several years. Any changes overturning current federal law would shift traffic off railroads and onto highways with detrimental impact on road infrastructure, costing billions of dollars. Rail is the safest and most environmentally friendly way to move freight over land, and no policies should be introduced that would artificially shift traffic away from rail.

In 2016, the U.S. Department of Transportation (DOT) recommended to Congress that no changes be made to federal TSW limits, concluding that heavier and longer trucks would cause billions of dollars in infrastructure damage. Following a request from the Federal Highway Administration, the Transportation Research Board released a report in November 2018 identifying 27 research projects focused on pavement, bridges, safety, enforcement, and shipper decisions that are needed to more fully evaluate the impacts of heavier or longer trucks on our infrastructure and the safety of other motorists. Congress has since directed DOT to publish an implementation plan for conducting this research and include timelines for its completion. We believe it is prudent that these research projects be completed before any action is taken to change TSW limits.

Finally, we urge you to oppose legislative language that would permit heavier or longer trucks to operate in individual states. DOT has questioned this kind of piecemeal approach for our interstate highways, finding that it makes enforcement and compliance more difficult, contributes little to productivity, and may have unintended consequences for safety and highway infrastructure.

- **OPPOSE**: All efforts to increase truck length and weight limits, including any pilot programs, or special exemptions for commodities.
PRESERVE BALANCED ECONOMIC REGULATION OF THE RAILROAD INDUSTRY

The success of the U.S. freight rail industry is a direct result of sound regulatory policy that reasonably balances the needs of railroads, shippers and consumers. This success stems from the current regulatory model, established by the landmark Staggers Rail Act of 1980 and preserved by Congress.

Since partial economic deregulation, train accident rates are down 76%; railroads have poured more than $685 billion of private capital into their infrastructure and equipment; and average rates for railroad shippers have fallen 44%. On average, rail shippers today can move close to twice the amount of goods for about the same price they paid in 1980.

The current system ensures that railroads can continue to provide the safe, reliable and sustainable service their customers, and the communities they serve rely upon. This service ultimately benefits American businesses striving to compete in the global marketplace, as well as the U.S. economy at large.

- WRITE TO THE STB: Urge the Surface Transportation Board (STB) to maintain the balanced economic framework established by Congress that has been the bedrock of STB decisions for almost 40 years. It is crucial that any proposals the STB considers continue to be grounded in sound principles of rail regulation economics and supported by data-driven empirical analyses. It is imperative that railroads are able to compete on an equal playing field with other modes of transportation and be incentivized to invest in new infrastructure, enhanced rail service and improved safety.

- OPPOSE: Any legislative or regulatory effort that would adversely impact the economic regulatory balance established under existing federal law.

MODERNIZE RAILROAD RETIREMENT BOARD (RRB)

The RRB is an independent federal agency that administers retirement, survivor, unemployment, sickness, and Medicare benefits to over 750,000 railroad beneficiaries. Wholly funded by railroad workers and the nation’s railroads, the RRB’s annual congressional appropriations requires no outlays and simply allows the agency to access its own trust funds.

Stagnant appropriations in FY 2018-20 has left the agency severely understaffed, with reduced customer service, and unable to meet its mission mandate. To better serve railroaders critical to America’s rail network, the RRB needs $155.8 in FY2021 funding to not only continue the modernization of its 40-year old IT system, but fully staff the agency.