New Tax Plan to Extend 45G Short Line Tax Credit Passes House

The 45G short line infrastructure tax credit will be retroactively applied from 2018 and extended through 2022 in a new tax plan proposed by lawmakers in the early morning hours on Dec. 17.

The tax package has been attached to HR 1865, which was passed by the House on Dec. 17, with the Senate to vote before government funding runs out on Friday.

“This credit is critical to ensuring safe, reliable, cost effective, and environmentally friendly rail service to rural and small-town America, and the certainty of having the credit in place will spur additional short line railroad infrastructure investment,” said ASLRRA President Chuck Baker. “If this is indeed signed into law, it will be a tremendous victory for the thousands of agricultural, energy, industrial, and manufacturing shippers that rely on short line railroad service every day to connect them to the domestic and global economies.”

Only 45G and the biodiesel tax credits were extended through 2022. Some of the other tax credits in the plan include temporary cuts in alcohol taxes, certain deductions for college costs and large medical expenses and breaks for alternative fuel use. Those will be extended through 2020.

ASLRRA members and their lobbying team at Chambers, Conlon & Hartwell have been working since the tax credit expired at the end of 2017 to get lawmakers to extend 45G or make it permanent.

“We first thank the 296 House co-sponsors and 62 Senate co-sponsors of the stand-alone tax credit legislation - their support was the crucial factor in this development,” said Baker. “We also thank the many outside groups that have endorsed and supported this credit over the years, recognizing the value of this program and helping make the public case. We urge both the House and the Senate to pass the bill this week and the President to sign the legislation, and we stand ready to help in any way necessary.”

DOT Announces New RRIF Express Pilot Program to Speed Up Loan Process for Short Lines
The U.S. Department of Transportation (DOT) has launched a pilot program, the Railroad Rehabilitation and Investment Financing (RRIF) Express, to help Class II and III railroads secure loans more quickly and cheaply.

“We’re so pleased that this administration is launching a serious and smart effort to make the RRIF program work for smaller operators,” said ASLRA President Chuck Baker. “Access to long-term low-cost capital is a challenge in this industry, especially for railroads serving small town America. RRIF can be an effective solution, but only if it can be reliably and quickly accessed; this express program shows great promise for meeting that need.”

Using member input, ASLRA staff worked closely with the Build America Bureau to create a program that would be more attractive to short lines.

Like with traditional RRIF loans, RRIF Express funding can be used to finance railroad infrastructure development. The benefits for short line an regional railroads include advisory fee assistance, low rates and expedited loan processing. The credit risk premium, up to 5 percent of the total loan amount, is also waived.

Letters of interest will be accepted from Jan. 12 until April 11, 2020. Click here for information about eligibility and how to apply, or here for the notice of funding opportunity in the Federal Register.

Railway Age Profile Examines Ways ASLRA President Baker Works to Keep Short Lines Moving

A recent profile of ASLRA President Chuck Baker on the Railway Age website explores some of his efforts to promote the interests of the Association’s short line members and help insulate them from external threats.

“We fight and claw for every inch,” Baker said in the article. “For short lines, inches are the difference between winning and losing.”

Those inches for which Baker and ASLRA fight include extension of the 45G short line infrastructure tax credit that has been expired since the end of 2017 and only this week appears poised for inclusion in a final congressional spending plan.

Extreme weather events and other natural disasters are another threat to small railroads’ solvency, and privately owned railroads are ineligible for relief from FEMA or certain U.S. Department of Transportation programs. Beyond the disaster preparedness resource page recently developed by ASLRA, Baker is also proposing to Congress the idea of a permanently funded disaster relief program.

As the profile notes, many short lines are independent and often family owned, making them more susceptible to economic change, politicians’ whims and nature’s power. That’s why ASLRA’s work is so important, and why the “exceptional deftness” Baker has already shown “in aligning interests of his small-railroad members with those of the majors represented by the Association of American Railroads” can help short lines win the game of inches in which they are engaged.
ASLRRA Offers Reply to Comments Regarding STB’s Demurrage Rules

ASLRRA has submitted a reply to the Surface Transportation Board (STB) regarding the board’s trio of decisions regarding railroad demurrage and accessorial charges.

The Association previously submitted comments on Nov. 6 to the STB regarding its demurrage statement and proposed rules, which expressed concern about the potential burdens such policies would place on short line and regional railroads.

ASLRRA’s Dec. 6 reply focuses on issues raised in the 39 other comments made by shippers, receivers, warehousemen, associations representing various parties, and individuals, examining each of the three decisions individually before discussing whether Class II and III railroads should be excluded from these demurrage rules.

Throughout the reply, ASLRRA maintains that the STB should take little to no action in regards to the proposed changes, such as when it comes to requiring additional information on demurrage invoices. And, if the STB decides to uphold its proposed rule changes, ASLRRA maintains that Class II and III railroads have not demonstrated problematic billing practices and should be exempt from any new requirements.

Mandated Short Lines Closer to Achieving PTC Operation

According to the Federal Railroad Administration’s third quarter 2019 positive train control (PTC) implementation status report, as of Sept. 30 most of the 42 railroads required to install PTC are operating their systems in revenue service or revenue service demonstration (RSD).

Six Class II and III railroads are mandated by law to implement PTC on main lines providing or hosting regularly scheduled passenger rail transportation. All six report having 100 percent of locomotives PTC equipped and operable, track segments completed and training completed.

Of those six short lines, one, ASLRRA member Portland and Western Railroad, has been operating its FRA-certified and interoperable PTC system in revenue service since 2018. Terminal Railroad Association of St. Louis, another ASLRRA member, started RSD on its main line in the third quarter 2019, while the other four railroads are conducting field testing in preparation for RSD.
Pennsylvania Awards Funding to Freight Rail Projects

Pennsylvania Governor Tom Wolf announced funding for 26 freight rail improvement projects throughout the state.

According to Wolf, the funding “increases mobility options and improves the efficiency of freight travel.” It is predicted that the projects will create or sustain over 390 jobs in Pennsylvania.

ASLRRA members are responsible for 13 of the 26 projects receiving money. Below is a list of those members and the amount each will receive. For brief descriptions of each project, follow the link above.

- Allegheny Valley Railroad − $2.5 million
- Buffalo & Pittsburgh Railroad Company − $1.9 million
- CSX Transportation − $14.4 million
- Everett Railroad − $232,554
- Gettysburg & Northern Railroad − $487,900
- Lehigh Valley Rail Management − $456,269
- North Shore Railroad − $813,834
- Pittsburgh & Ohio Central Railroad − $399,105
- RJ Corman Railroad − $3 million
- Standard Steel, LLC − $529,890
- Strasburg Rail Road Company − $1.7 million
- Union Railroad Company − $457,450
- Wheeling and Lake Erie Railway − $1.1 million

ASLRRA Announcements

Damage Prevention & Loading Services Team Publishes Fall Newsletter

The Transportation Technology Center, Inc.’s Damage Prevention & Loading Services Team (DP&LS) published its fall 2019 newsletter, including updates from the team’s various committees.

The newsletter includes a list of new loading patterns and securement methods from the Damage Prevention and Freight Claim Committee, as well as information from the Open Top Loading Rules Committee (OTLR) such as descriptions of recently initiated OTRL field shipments tests.

Give a Gift to a Fellow Railroader by Donating to ASLRRA’s Short Line Education Fund

While gift giving is on the minds of many this time of year, a charitable donation might not be at the top of everyone’s to-buy lists. Yet one of the best ways to help support a fellow member of the railroad family is through a contribution to ASLRRA’s Short Line Education Fund.

The Association’s fund supports educational opportunities for those in the short line industry, including providing scholarships to help railroad employees attend industry events, like ASLRRA’s annual Connections Convention, and access educational resources.
The fund also develops and implements programming, including a Leadership Development Training course created by ASLRRA and the Short Line Safety Institute and a new General Code of Operating Rules (GCOR) training seminar. Training videos and additional industry-specific education resources are other examples of programs the education fund supports.

The fund is a 501c3 nonprofit organization. Donations can be made by individuals or corporations, and all contributions are tax deductible, so donations made before the end of 2019 can be claimed on this year’s tax returns. Please help support ASLRRA’s efforts - follow the link here to donate today.

With Access to ASLRRA’s On-Demand Webinar Library, Users Will Never Miss Our Most Popular Webinars

Even though the year is almost over, it’s not too late to view one of ASLRRA’s top webinars of 2019. This year’s most popular topics, including the Railroad Retirement Board’s Three-Part Series; FRA Regulatory & Program Requirements for Short Lines, Part 1; Ops Testing with Employee Performance Tracking for Compliance; Making the Digital Shift to Safety Culture; Diagnosis, Protocol, Compliance and Regulation - A Guide to Better Understanding Sleep Apnea; and Effective On-the-Job Training (OJT) Strategies can be found in ASLRRA’s On-Demand Resource Library.

ASLRRA’s On-Demand Webinars page features over 100 recordings covering subjects for all aspects of railroad operation and management, presented by industry and subject-matter experts. Members can access these archived presentations for free, while non-members can purchase a subscription that offers unlimited access for a designated period of time.

ASLRRA Webinars

Upcoming Webinars

FRA Regulatory & Program Requirements for Short Lines, Part 2 - Jan. 7, 2020

In part two of this two-part series, ASLRRA Vice President of Safety and Compliance JR Gelnar will review the program and training requirements of 18 FRA regulations, providing a simple description and overview of the regulation and discussing which regulations require programs and training.

Click here for more ASLRRA events.

Industry Events

Click here for a listing of industry events.

Views & News is published by American Short Line and Regional Railroad Association. Please contact Amy Krouse, editor, with questions or comments.