Historic Number of Senators Sign on to Support 45G

Sixty-one members of the Senate have signed on as sponsors and co-sponsors of S.203, the Senate version of the Building Rail Access for Customers and the Economy (BRACE) Act, which would make the short line infrastructure tax credit permanent.

The number of sponsors and co-sponsors in the Senate is a record for the short line tax credit, also known as 45G, and having at least 60 of 100 senators supporting a bill is a symbolically important number, as it allows for limiting debate (invoking cloture, avoiding filibuster). The House version of the BRACE Act, H.R.510, currently has 269 members on record, which exceeds the 218 needed for a majority.

“Both Houses of Congress are on record through their co-sponsorships on the need for permanence for the Short Line Tax Credit. The time for action, securing certainty and renewed investment, is now,” said ASLRRRA President Chuck Baker in a press release. “The evidence is clear - this is simply smart public policy that a) allows the short line railroad industry to maximize its own investment in efficient, safe, and environmentally friendly freight transportation, b) is not a single-industry impact, as it affects thousands of companies across America, particularly in rural and small towns, that rely on rail as a reliable and cost-effective option to compete in the national and international economies, and c) benefits employment and growth in the railroad supplier community and in the regional economies as more businesses locate because of rail options.”

The tax credit offers $.50 for each private dollar spent on freight rail upgrades and maintenance up to a cap of $3,500 per track mile annually. It was introduced in 2005 and has been renewed six times since. It expired Dec. 31, 2017 and has yet to be renewed.

The 60-co-sponsor benchmark is only one of the many examples of the strong bi-partisan support enjoyed by the BRACE Act in particular and the 45G tax credit in general. Reviews of expired tax credits have singled out 45G as one worth being made permanent, while the Taxpayer Certainty and Disaster Tax Relief Act of 2019, passed by the House Ways and Means Committee in June 2019, would extend the credit retroactively from 2018 through 2020.

ASLRRRA Partnership with Herzog Technologies Offers Short Lines PTC Compliance at Affordable Price

ASLRRRA and supplier member Herzog Technologies have partnered to offer members a complete back-office hosted solution (CI-BOS) designed for short line railroads. Herzog’s positive train control (PTC) solution allows railroads to offload complicated PTC technical responsibilities in order to focus on daily operations. A template agreement has been developed and made available, reducing CI-BOS implementation cost and complexity for short lines.

The PTC solution includes a hosted infrastructure at its core, utilizing the required production and test environments, and includes interoperable train control messaging (ITCM), crew initialization and PTC-consist management software allowing railroads to initialize locomotives and edit crew and consist
data, as well as configuration management reports. State-of-the-art data centers, year-round support and near 100% availability, combined with centralized hardware and personnel, make Herzog PTC hosting secure, reliable, and efficient.

“We are pleased to be able to offer a leading solution for short lines who must equip with PTC per regulation, or as required by their Class I partners. Via our agreement with Herzog, we offer a PTC solution from an industry leader at a price that is reasonable for our small business railroad members,” said ASLRRRA President Chuck Baker in a press release.

Herzog’s offering joins a select group of ASLRRRA-curated PTC vendors providing specific services for Class II and III railroads, made possible through a $2.5 million grant awarded by Federal Railroad Administration to assist short lines in meeting PTC deadlines. ASLRRRA’s [website](#) offers a variety of products and services related to PTC requirements.

[ASLRRRA Training Videos are available for download](#)
Visit [www.aslrra.org](http://www.aslrra.org) for more information!

**Latest in RRB Question and Answer Series Looks at Financial Report**

The Railroad Retirement Board (RRB) has released the most recent installment of its question and answer series, which discusses the annual financial report it is required to submit to Congress.

The RRB’s annual report discusses the financial condition of the railroad retirement and railroad unemployment insurance systems, and includes recommendations for potential financing changes needed to ensure the system’s solvency.

The information provided by the document includes a summary of the program’s assets as of the end of the 2018 fiscal year, as well as a comparison between the 2018 and 2019 reports and an explanation of system evaluation methodology. Overall, the railroad retirement system is not expected to experience any cash-flow problems for the next 25 years as long as there is no “sudden, unanticipated, large decrease in railroad employment or substantial investment losses.”
Short Line Interests Prevail at NCSL Annual Meeting

Due to the concerted efforts of ASLRRA, the Association of American Railroads (AAR), and GoRail, a resolution urging the U.S. Congress to draft legislation requiring switcher locomotives to meet Tier 4 emission standards was withdrawn at the National Conference of State Legislatures (NCSL) annual meeting Aug. 5-8 in Nashville, Tenn.

The chairman of the NCSL Natural Resources and Infrastructure (NRI) Committee, Utah state representative Stephen Handy, sponsored the resolution, which he ultimately removed after it appeared the measure would not pass the impending vote.

The financial impact on railroads, particularly on small business railroads, was key to defeating the resolution. Representative Brian Patrick Kennedy, a Rhode Island state legislator, read parts of a letter from ASLRRA member Providence and Worcester Railroad in his statement urging Handy to withdraw the resolution. Several other state representatives also opposed the measure.

In opposing the resolution, Kennedy suggested a more constructive approach to the issue would be working with railroads individually to encourage the move to more eco-friendly switcher locomotives, as well as supporting grant programs that would help support such transitions.

ASLRRA expects the issue to arise again at the Dec. 10-13 NCSL Capitol Forum meeting in Phoenix, and urges short lines to reach out to their state representatives to educate them on the negative impact of this measure.

"ASLRA Compliance Assessments

Keeping up with federal rule-making and regulatory interpretation is difficult at best, so the ability to review all of our regulatory programs with the knowledge base of the ASLRA was invaluable.

Visit www.aslra.org to learn more!"
ASLRRRA New Members

ASLRRRA Welcomes Its Newest Member

RESPEC is a consulting and services company specializing in developing innovative solutions to critical environmental issues. The employee-owned firm has been advising clients for over 50 years, and currently employs over 300 professionals in 12 states and one Canadian province. ASLRRRA wishes to thank Jack Parliament of D&I Railroad for his assistance with this membership. Our contact is Watershed Engineering Manager Katy Thompson.

ASLRRRA Announcements

To further tell the short line story, ASLRRRA will profile some of its members who are noteworthy movers and shakers in the railroad industry. These railroads’ savvy decision-making and ingenuity make their business achievements worth sharing.

Texas Department of Transportation’s 10-Year Plan Shows the Importance of Supporting Freight Rail Projects

As the state with the most freight rail miles, Texas is at the heart of America’s rail network, and recognizes its key position in support of local, state, national and international economies. That is why the recently approved Texas Department of Transportation’s 10-year transportation plan, the 2020 Unified Transportation Program, outlines plans for continuing rehabilitation of the state-owned South Orient Railroad (SORR), which is run by ASLRRRA member Texas Pacifico Transportation.

Funding has already been secured for over 205 miles of projects for the 391-mile-long SORR. Rehabilitation of 167 miles of SORR’s rail line had been completed as of 2017, resulting in a stunning increase in traffic. The average number of annual carloads from 2001 to 2009 was 2,031, while the number of carloads in 2017 alone was 43,757.

The TxDOT plan lists an additional $85 million worth of as-yet-unfunded projects to improve SORR’s line, as well as develop and construct customs and inspections facilities for an international rail gateway in Presidio, Texas. A study done by HNTB Corporation shows that, with current improvements, Texas will see $823 million in pavement maintenance, emissions, and safety savings over the next 20 years, with that number more than doubling to $1,794 million in savings if the entire SORR were rehabilitated and the Presidio gateway completed.
As SORR’s operator, Texas Pacifico contributes funds toward the railroad’s rehabilitation projects, and is required to maintain the rail line in its rehabilitated condition. In addition to current maintenance jobs, Texas Pacifico is working to upgrade the entire line to continuously welded rail.

Funding rail projects is more difficult in Texas since most of the TxDOT’s revenue is directed by law toward highway projects. Nevertheless, the TxDOT Rail Division is committed to pursuing funding opportunities, whether through federal grants, state appropriations or private contributions, to support Texas rail projects. The clear benefits of such efforts - including the use of public-private partnerships - are evident in the success of the SORR and Texas Pacifico.

**ASLRRA’S Crystal Gitchell Named to the Board of LRW**

Crystal Gitchell, Assistant Vice President, Legislative and Regulatory Policy, American Shortline and Regional Railroad Association, has been named to the League of Railway Women’s Board of Directors for the 2019-2021 term. She will be taking the position of Scholarship Chair.

**ASLRRA Remembers Publishing Executive Alan Glass**

[Image of Alan Glass]

ASLRRA mourns the passing of Alan Glass, a business executive who was instrumental in the formation of ASLRRA’s annual convention trade show and the Murray Scholarship.

Glass began his career in publishing at *The Wall Street Journal*, and went on to hold various executive leadership posts with multiple companies, including Primedia, Commonwealth Business Media, United Business Media, CFO Publishing LLC, and EnsembleIQ. He was a fixture at ASLRRA conventions and a strong supporter of the rail industry, with a special fondness for short lines.

In Glass’s directory publishing roles, he had responsibility over such titles as *The Official Railway Equipment Register*, *The Official Railway Guide* and ASLRRA member *The Pocket List of Railroad Officials* as well as two publications that specialized in small railroad coverage. He presided over a team that launched ASLRRA’s annual exhibition more than three decades ago and grew it dramatically to meet industry needs.

After retirement, Glass continued to serve as a judge for the Murray Scholarship, which is awarded annually to daughters and granddaughters of ASLRRA member companies.

ASLRRA’s Vice President of Membership and Business Development Kathy Keeney worked closely with Glass for about 20 years before joining ASLRRA.

“Alan was smart, funny and a sharp businessman,” said Keeney. “He loved to travel and to play golf - and if he could combine the two, that was perfect. He made an impact on our industry and I’m honored to be one of the countless colleagues he mentored along the way.”

The 70-year-old resident of Ocean City, N.J. and Marco Island, Fla., passed away on September 6. ASLRRA sends sincere condolences to his wife, Cathy, and daughters Jaimey and Kaitlin.

A memorial service was held Sept. 11 in Philadelphia. Contributions to the American Cancer Society, 1626 Locust St., Philadelphia, PA 19103, in his memory would be appreciated by the family.

**Early Bird Registration Ends Today for Eastern Region Meeting and Finance and Administration and General Counsel Symposium**

Today is the last day to save $50 on registration for ASLRRA’s [Eastern Region Meeting](#) Oct. 7-9 in Columbus, Ohio, as well as receive a discounted rate on a [hotel room](#) in the Association’s room block at
the Hyatt Regency Columbus. The early bird registration rate also applies to the Finance and Administration and General Counsel Symposium Oct. 9-11.

The Eastern Region Meeting features educational sessions on a variety of topics, including positive train control, disaster preparedness, crisis communications, marijuana and CBD drug testing issues. Participants will also enjoy numerous networking opportunities with industry suppliers and the region’s Class I partners.

Don’t miss the opportunity to participate in the Short Line Safety Institute (SLSI) Safety Train Tour on Oct. 9 or the SLSI Hazardous Materials Training, which is an all-day session on Oct. 10. Interested participants can add these events when registering for the meeting.

Companies interested in sponsoring ASLRA’s regional meetings can still do so. Contact Amy Westerman at awesterman@aslrra.org for more information, or click here to learn about the different sponsorship packages available.

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**ASLRA Webinars**

**Leveraging Analytics and Automation for Effective Crew Management** - Sept. 24, 2019

In this webinar, CloudMoyo’s Senior Railroad Consultant and Program Manager Shannon Bloxom will outline the challenges that crew managers face in their day-to-day jobs and look at how to automate processes for crew managers, streamlining their workflows as they leverage the power of crew analytics to drive efficiencies in crew management functions.

**Effective On-the-Job Training Strategies** - Oct. 2, 2019

In this webinar, Senior Railroad Consultant Ashok Madhavan of CloudMoyo will cover strategies that can make on-the-job training programs simple, effective, and compliant in today’s rail transportation industry.

**Maximizing Income Tax Savings Using Estate Tax** - Oct. 16, 2019

William Kriesel, partner-in-charge at Bowers & Company CPAs, will discuss the impact of significantly increased estate tax exemption levels, as well as several ways estate planning should be changed to accomplish income tax savings by maximizing estate tax law opportunities.

**Crossings: The Necessary Evil We Must Contend With** - Oct. 23, 2019
Attorney Michael Barron of Fletcher and Sippel will focus on the risks and pitfalls of utility crossings and some tools railroads may have to deal with them. Barron will also discuss the current state and best practices of dealing with blocked crossing issues.

Click here for more ASLRA events.

Industry Events

Operation Lifesaver’s Rail Safety Week Aims to Fight Railroad Accidents

Operation Lifesaver’s Rail Safety Week starts Sept. 22 and runs through Sept. 28, with the theme “Stop Track Tragedies.”

Throughout the week, Operation Lifesaver (OLI) will focus on different aspects of rail safety. The organization and its volunteers will talk about the dangers of using train tracks as backgrounds for photos, the importance of preventing and avoiding trespassing on tracks and railroad property, and the need to stay alert when at highway-rail crossings.

In addition to media interviews, news releases and community events, OLI will promote its message heavily through social media channels. Other members of the railroad industry are encouraged to participate not only in various events but by promoting the organization’s graphics, messages and videos, as well as the hashtags #RailSafetyWeek and #STOPTrackTragedies, on their social media profiles.

OLI is a nonprofit organization focused on reducing accidents, injuries and fatalities at highway-rail crossings and on or near railroad tracks. It started on a state level in Idaho in 1972, and a national office opened in 1986. The first Rail Safety Week was held in 2017.

Click here for a listing of industry events.