The Nation’s Freight Rail System is Succeeding During COVID-19, Says Baker and Jefferies

In a May 8 op-ed on the Morning Consult, ASLRRA President Chuck Baker and Association of American Railroads (AAR) President and CEO Ian Jefferies praised U.S. railroads for continuing to deliver critical goods despite widespread shutdowns due to the COVID-19 pandemic.

While some are calling the current economic downturn a good opportunity to begin rebuilding national systems, including infrastructure, Baker and Jefferies focus on the ways the current rail system is succeeding.

The article highlights a number of railroads across the country and the raw materials and goods they are delivering to aid the production of vital products and maintain the supply chain to prevent shortages. Baker points to several ASLRRA member railroads, such as GVT Rail and Sandersville Railroad, whose stories are also featured on ASLRRA’s COVID-19 Short Line Stories webpage.

Baker and Jefferies point out that while trains may not excite people as much as the idea of delivery drones, and are not as visible as a convoy of big rigs on the highway, they remain “the reliable backbone of the economy,” with resilient and committed workers who have kept the nation going and will continue to “bolster the nation’s recovery.”

Act Quickly to Apply for Remaining PPP Loan Funding

Approximately $120 billion is still available for the Small Business Administration’s Paycheck Protection Program (PPP) loans meant to help small businesses affected by the current COVID-19 pandemic.

Funding is expected to be depleted quickly, so ASLRRA encourages its members who may be eligible for a PPP loan to apply soon. ASLRRA’s On-Demand Library features helpful webinars regarding this program. Accessing on-demand webinars is free to members, and by subscription to non-members. Other information can be found at ASLRRA’s COVID-19 resources page.

ASLRRA member Bowers & Company is also available to assist members calculate, apply and obtain their PPP loan. Bowers & Company has contacts at many institutions if your company does not have a bank or your bank cannot meet your needs. Please contact them for more information at info@bcpllc.com.

Tell Your Story: How Does Your Railroad Work With Military and Veterans?

Railroads have long worked with the U.S. military, and images of soldiers boarding trains en route to training or overseas assignments and lines of railcars carrying tanks and supplies are iconic. Still today, veterans and railroads find themselves a particularly good match for each other, with military experience often well suited to our industry.
May is National Military Appreciation Month in the U.S., and in honor of the longstanding partnership between the military and railroads, ASLRRA wants to recognize the efforts of its members to acknowledge veterans and military members, and highlight how your railroad supports today’s military operations.

Those stories will be featured in ASLRRRA publications. Please submit information to Vice President of Communications Amy Krouse at akrouse@aslrra.org.

**Los Angeles Times Feature Highlights BNSF Railway and Its Work During the COVID-19 Crisis**

The *Los Angeles Times* recently published an article profiling ASLRRRA Class I supporting member BNSF Railway and its contributions to the national supply chain during the COVID-19 pandemic.

Reporter Susanne Rust visited a transit hub in La Mirada, Calif., where she talked to engineer Russ Abbott about his experiences at BNSF as the pandemic and subsequent lockdowns developed.

Overall freight rail has played an important role in moving essential items during the pandemic, from raw materials for medical and food supplies to chemicals, produce and finished products.

Rust further describes the effect of the current crisis on the industry. She mentions some of the smaller changes, like the increased attention paid to social distancing and cleanliness, as well as bigger issues, like a drop in business and overall economic uncertainty.

Still, Rust notes that Warren Buffett, whose company Berkshire Hathaway owns BNSF, is confident in the rail industry, saying that “the American miracle, the American magic has always prevailed.”

**Bookmark ASLRRRA’s COVID-19 Pages for Reopening Tips, Short Line Stories**

As the COVID-19 situation evolves and changes, so does ASLRRRA’s online resources pages. The newest addition to our COVID-19 website focuses on resources, links and articles to help companies develop reopening policies and protocols in light of some states’ moves to lift current restrictions.

ASLRRRA is also still adding to its Short Line Stories page, which highlights the ways member companies are able to survive and thrive in the midst of the crisis. Railroads wanting to share their efforts and experiences can send information and photos to Vice President of Communications Amy Krouse at akrouse@aslrra.org.
Apply for RRIF Express Loans Before June 15

Only a month remains until the application window closes for Railroad Rehabilitation & Improvement Financing (RRIF) Express loans. Applications will be accepted through June 15.

The RRIF Express loan program is meant to provide expedited, low-cost loans for short line and regional railroads. Funding from the RRIF Express program is meant to help railroads modernize aging freight rail infrastructure.

Interested railroads needing help understanding RRIF loans and how to apply can access a recorded version of ASLRA’s webinar titled “Insights into the RRIF Express Loan Application Process” presented by Richard Sherman and David Tennent of The Seneca Group. The recording can be found in ASLRA’s On-Demand Webinar library, and access is free to ASLRA members. Non-members can purchase a subscription to view this and other webinar recordings.

PHMSA Withdraws NRPM Regarding Vapor Pressure Rules for Flammable Liquid Shipments by Rail, and Preempts Washington State Regulations

The Pipeline and Hazardous Materials Safety Administration (PHMSA) has withdrawn an advanced notice of proposed rulemaking regarding vapor pressure for unrefined petroleum products and other flammable liquids.

The decision to rescind the proposed rule, which was first announced in January 2017, is based on a study conducted by Sandia National Laboratories, as well as a review of public comments on the issue. The study concluded that imposing vapor pressure limits would not reduce the risks of transporting crude oil and other flammable liquids by rail.

In a related announcement, PHMSA decided that Federal Hazardous Material Transportation Law preempts regulations made by the state of Washington regarding required vapor pressure for crude oil transportation by rail.

PHMSA said, in part, that the vapor pressure requirement imposed by Washington state does not conform to U.S. Hazardous Materials Regulations and impedes the carrying out of Federal Hazardous Materials Transportation Law.

RRB Discusses Statements of Service, CARES Act Unemployment Benefits

The Railroad Retirement Board (RRB) issued two May press releases, one concerning this year’s release of Certificate of Service Months and Compensation forms and the other explaining extended unemployment benefits under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Every year, the RRB generates a Form BA-6, the statement of service form, for railroad employees with creditable railroad compensation in the previous calendar year. The RRB will mail reports to employees during the first half of June, and those who reported compensation in 2019 but do not receive a report by July 1 should contact an RRB field office through the agency's toll-free number, 1-877-772-5772.

The press release further explains the information contained on Form BA-6, such as a record of the employee’s railroad retirement service and compensation, whether the employee qualifies for benefits and the amount of those benefits. Employees are encouraged to review all details on the form, including personal information, for accuracy.

The RRB’s second press release explains extended unemployment insurance benefits for railroad workers during the COVID-19 pandemic. The RRB began processing and paying extended benefits on May 11.
Railroad workers with less than 10 years of service can be eligible for up to 65 days of extended benefits, while workers with 10 or more years of service can be eligible for up to 130 days of benefits.

House Democrats Introduce Heroes Act, H.R. 6800

On May 12, House Democrats introduced a $3 trillion coronavirus response package called the Heroes Act. It is an extremely wide-ranging bill that builds on the tenets of and goes far beyond the CARES Act.

The bill provides another round of stimulus checks for individuals, an extension of expanded unemployment insurance benefits, housing assistances, medical research funding, postal service funding, more small business loans, tax relief, massive amounts of aid for state and local governments, food assistance, broadband support, a COVID-19 Heroes Fund for essential workers, and more.

The text of the bill can be found here. A 90-page summary of the bill can be found here. Here are links to two articles that provide broad, but shorter overviews of the bill: Politico and Roll Call. The House Committee on Small Business has also issued an overview.

The Heroes Act is an opening bid from House Democrats and not expected to be enacted in its current form. It is scheduled to be marked up by the House Rules Committee on Thursday with full House consideration on Friday. While House Republicans were never expected to support the measure, House progressives have also pushed back against the bill saying it doesn’t go far enough and have requested Friday’s vote be delayed so members have more time to review the more than 1,800-page document.

Whether the vote happens on Friday or sometime next week, it is likely to pass the House and then be ignored by Senate Republicans. Most Senate Republicans feel that there isn’t an urgent need for another coronavirus response bill yet, and Majority Leader Mitch McConnell says the next package must include liability protections for reopening businesses; this bill does not include any such provisions.

While the bulk of the bill does not directly impact short line railroads or their employees, here are some relevant highlights:

- $1 billion for railroad unemployment insurance
- Extends CARES Act expanded unemployment insurance benefits through the end of the year; provides parity for RUIA benefits (Secs. 190602-190606)
- $4.5 million to help the Railroad Retirement Board (RRB) administer railroad unemployment insurance benefits
- $500,000 for the RRB Office of Inspector General
May 13, 2020

- Eliminates the Balanced Budget and Emergency Deficit Control Act sequester that automatically cuts unemployment and sickness benefits provided to railroad workers under the Railroad Unemployment Insurance Act, allowing railroad workers to receive the full benefit amounts to which they are entitled and creating parity with the treatment of other unemployment insurance benefit programs.
- $200 billion for essential workers “hazard pay” via grants to employers
- Paycheck Protection Program improvements (summary can be found here)
- Ensures the next round of stimulus checks (provided by the bill) go to railroad retirement beneficiaries
- Increases and modifies employee retention tax credit (would cover a larger percentage of workers’ pay)
- Payroll tax credit to subsidize certain fixed expenses like rent and utilities
- Extends and expands credits related to paid sick and family leave
- No TSW provisions

Additional provisions aimed at helping essential workers, including ones that are intended to help pay for child and adult care of dependents, bolster the availability of and access to personal protective equipment (PPE).

ASLRRRA Announcements

Supplier Committee Holds Elections

ASLRRRA’s Supplier Committee has elected a new vice chair and secretary.

Rachel Stayton, president of Railroad Signaling Solutions, was elected vice chair. She succeeds Steven Youschak, executive vice president of ARE, whose term expired. Erika Bruhnke, vice president of training services for RailPros, was elected secretary.

Committee Chair JoAnne Miner, product manager for GE Transportation, a Wabtec Company, welcomes Stayton and Bruhnke and looks forward to working with them on the leadership team. The Supplier Committee thanks Youschak for his contributions during his term.
ASLRRA Webinars

Access On-Demand Webinars to Learn About Regulatory Issues

The language used to write federal regulations is not always the easiest to decipher. ASLRRA’s On-Demand Webinar library features several regulatory webinars that help explain certain requirements.

ASLRRA’s regulatory webinars include:

- FRA Regulatory & Program Requirements for Short Lines, Part 1 (12/4/19)
- FRA Regulatory & Program Requirements for Short Lines, Part 2 (1/14/20)
- FRA Penalties and Violations (2/19/20)
- Emergency Docket Waivers (3/12/20)

View these popular recordings and dozens more covering finance, communications, human resources and technology by visiting ASLRRA’s On-Demand Webinars resource library. Access is free to ASLRRA members and available by subscription to non-members.

In addition to on-demand webinars, ASLRRA is always working to provide its members with top-notch education, bringing industry and subject-matter experts right to your desk. Find out about our upcoming live webinars below, using the links to learn more or register.

Upcoming Webinars

Reviewing the Tax Provisions from the CARES Act - May 20, 2020

Bowers & Company’s David Ayoub will review and discuss the tax provisions included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and implications for both individuals and businesses.

Effect of COVID-19 on Industry and Trends - May 26, 2020

Joseph Bryan, vice president of freight and logistics advisory services at ASLRRA member WSP USA will explore the lasting effects of the Covid-19 pandemic on the railroad industry, looking at the acceleration of existing trends as well as new developments.

45G - What to Do Now That It’s Renewed - June 2, 2020

45G has been renewed for five years, and the renewal comes with some special rules relating to retroactivity, accrual versus cash-basis taxpayers, 45G expenditures versus income tax expenditures, and more. In this webinar, David Ayoub and Rick Tidd, partners-in-charge at Bowers & Company, CPAs, will explain these rules and discuss how short lines can take advantage of this important credit.

Click here for more ASLRRA events.

Industry Events

Click here for a listing of industry events. Changes due to COVID-19 restrictions will be noted as information becomes available.

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