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Congressional Support for Short Line Railroads Grows

Economic Stimulus Bill to Extend Short Line Tax Credit Hits Milestone with 101 Co-sponsors

Washington, D.C., June 24, 2009 – The American Short Line and Regional Railroad Association announced today that they reached an important milestone in securing Congressional support to extend and improve the short line railroad tax credit. The legislation in the House (H.R. 1132), introduced by Reps. Pomeroy (D-ND) and Moran (R-KS), gained support in the triple digits as the number of co-sponsors of the bill reached 101. The Senate bill (S. 461), introduced by Sens. Lincoln (D-AR) and Crapo (R-ID) currently has 22 co-sponsors. More than one thousand businesses that rely on smaller freight railroads for shipping products are also on record for supporting this legislation.

Rep. Earl Pomeroy (D-ND), author of H.R. 1132 said, "Small freight railroads are critical to the continued growth of the agriculture and oil and gas industries in North Dakota, and across the country. I believe the strong level of bipartisan support for this legislation demonstrates the impact short line railroads have on our economy, and I am confident that support for this legislation will continue to grow."

The legislation would extend and improve the Short Line Rehabilitation Tax Credit, which allows short line and regional railroads to undertake critical projects, assuring continued investment in the nation's transportation infrastructure. The Section 45G Railroad Track Maintenance Credit is set to expire on December 31, 2009. The legislation proposes the credit be extended for 3 years, changed to allow eligibility for new short line railroads and an increase in the credit limitation.

The tax credit helps short lines maximize infrastructure spending, which is important for railroads that serve small businesses that do not ship volumes high enough to fund all the rehabilitation needs of the railroad. The credit allows the railroad to take on and complete track upgrades quickly and efficiently, securing safe and reliable service. This is particularly important at a time when the federal government is trying to spur immediate economic activity.

"America's short line and regional railroads play a critical role in our nation's transportation infrastructure by connecting rural communities, strengthening local economies and protecting our environment," said Richard F. Timmons, president of the American Short Line and Regional

Railroad Association. “As our economy is on the cusp of recovery, the tax credit is timely and vital to the small freight railroads and the local businesses and communities that rely on them to ship local products, create local jobs and even divert trucks off of local roads.”

Russ Harrison, Chairman of Saving Our Service, a coalition of more than one thousand rail shippers, said, “Short line railroads are vital to our businesses and they serve areas that are not served by the larger freight railroads. Tax credits are a smart way to help ensure these lines remain open for businesses so shippers can continue to create good jobs and ship needed consumer products and raw materials in and out of smaller communities coast-to-coast.”

The American Short Line and Regional Railroad Association represents over 550 short line and regional railroads, which operate over 50,000 miles of track, employ nearly 20,000 people and support local economies by providing competitive rates and fuel efficient shipping to businesses around the country. For more information, please visit our website, www.aslrra.org and for details on tax credit projects, go to www.aslrra.org/45Gsuccess.pdf. For more information on shippers supporting the short line tax credit extension, please visit www.savingourservice.org.

To set up an interview with representatives from your local railroads, or for information about completed tax credit projects or potential projects that offer significant economic benefits to the communities, please contact Anne Duke at aduke@aslrra.org or 202-589-2763.

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