

Short Line and Regional Railroads Seek Key Improvements to Railroad Financing Program

Enhancing the RRIF Program Would Add Jobs, Stimulate Local Economies and Leverage Private Infrastructure Investment

Washington, D.C., April 22, 2009 – Richard F. Timmons, president of the American Short Line and Regional Railroad Association (ASLRRRA), spoke to members of Congress today about specific improvements to the Railroad Rehabilitation and Improvement Financing (RRIF) Program that would greatly impact local communities and businesses reliant on short line railroad service.

“Short lines have grown from 8,000 miles of track in 1980 to nearly 50,000 miles today. There are over 500 short lines operating in 49 states,” said Timmons before the U.S. House of Representatives Committee on Transportation and Infrastructure’s Subcommittee on Railroads, Pipelines and Hazardous Materials. “Short lines are the ‘first mile-last mile’ for over 14 million carloads of goods annually – nearly one out of every four carloads moving on the national rail network.

“Railroading is the single most capital intensive industry in the country... Based on comprehensive data surveys ASLRRRA has conducted since 2004, short lines invest nearly 30 percent of their annual gross revenues in track rehabilitation and maintenance,” Timmons said.

Increased investment in freight rail projects can stimulate the economy by adding jobs, lowering shipping costs, improving infrastructure and preserving an environmentally friendly shipping mode. RRIF loans fund key track maintenance and rehabilitation projects that secure safe, reliable and efficient transportation service to local businesses around the country. The projects are labor intensive, requiring short lines to hire contractors and additional laborers, as well as purchase track ties and other U.S.-made materials.

Currently, the RRIF program leverages substantial private investment in the short line infrastructure but the program is not being fully utilized. ASLRRRA proposes that Congress subsidize an interest rate reduction to one percent on all RRIF loans, as well as defer payments for up to 5 years after substantial completion of a project. A third improvement to the RRIF program to extend the loan term from 25 to 35 years was proposed by ASLRRRA and adopted by the Transportation & Infrastructure Committee last year.

“I am proud to say, in the ten years the RRIF loan program has been on the books, not a single short line railroad has missed a single quarterly payment on its debt,” said Timmons.

Short line railroads take the equivalent of nearly 33 million truck loads off the highways, saving the country over \$1.4 billion annually in highway repair costs and improving highway safety and congestion. America’s short line railroads provide fuel savings and environmentally friendly shipping for small businesses and communities around the country. One freight train can move one ton of cargo 436 miles on just one gallon of fuel.

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.