

SHORT LINE FREIGHT RAILROAD PRIORITIES FOR A STIMULUS OR INFRASTRUCTURE PACKAGE

Supporting and Rebuilding the Economy in the Wake of Covid-19


THE SHORT LINE CONNECTION: A CRITICAL PIECE OF THE U.S. FREIGHT RAIL SYSTEM

 **First & Last mile of service**
for 1 in 5 cars moving throughout the system each year.

47,500
route miles are operated by short lines

29%
of the freight rail network in the U.S.

10,000+
customers are served by short lines

 **SHORT LINES PROVIDE 100% OF RAIL SERVICE IN 4 STATES, AND MORE THAN 25% IN 36 STATES.**


Support for short lines in this time of crisis will keep goods moving and retain family-sustaining American jobs while building infrastructure useful in the immediate recovery and well beyond.

FREIGHT RAILROAD'S IMPACT DURING THE CORONAVIRUS PANDEMIC

America's freight railroads move approximately **40% of the nation's freight ton-miles**, including a vast array of goods critical to pandemic response, including fertilizer for crops, chemicals for medicines and food packaging, grain and corn for feeding animals, municipal waste to keep cities and towns clean, energy products for generating electricity, retail products to keep store shelves stocked with items for consumers, such as toilet paper, wheat for baking, and so much more.

Freight rail also provides significant public benefits for the environment, safety, mobility, and public infrastructure.

ECONOMIC RECOVERY RECOMMENDATIONS

TAX POLICY: 45G

MAKE THE SHORT LINE REHABILITATION TAX CREDIT (45G) PERMANENT

45G is the industry's most effective economic recovery tool, allowing short lines to continue to provide crucial connectivity across the country.

Short lines support nearly 500,000 employees in 49 states - 45G helps stimulate the economy by supporting new investments in rails, ties and bridges. These projects will improve service to communities and shippers, fueling economic recovery.

Making 45G permanent now will enhance the ability and willingness of short lines to invest during this period of economic uncertainty – particularly for larger projects involving long-lived assets such as bridges and new rail. The Short Line Tax Credit gives railroads the certainty needed to plan and make these investments today.

The credit is fast and efficient: no applications, waiting periods or government agreements are necessary before work can begin.

NO CONTROVERSIAL PROVISIONS

Congress should avoid including any controversial provisions like increasing truck size and weight limits or mandating railroad crew sizes. These provisions are longstanding policy debates, would cause more harm than good, and do nothing to help stimulate the economy.

INFRASTRUCTURE GRANT PROGRAMS

EXPAND AND IMPROVE CRISI

- Fund at \$650m for first year with funding increases over the life of the bill.
- Reserve 50% of the program for short lines, rural or smaller projects.
- Cap non-federal share and prevent it from being a factor in application evaluation.
- Speed deployment through short deadlines for NOFO issuance, selection, and subsequent obligation.
- Increase FRA take-down percentage for program administration to help speed deployment.
- Extend eligible recipient definition to include associations of eligible recipients.

EXPAND AND IMPROVE INFRA GRANT PROGRAM AND THE STATE FREIGHT FORMULA PROGRAM (NHFP)

Make changes to allow stimulus dollars to go to the most effective and quickly completed projects - including important projects that can not over-match.

- Remove or increase the cap on non-highway portions of multimodal freight projects.
- Increase the small project set-aside from 10% to at least 25%.
- Prevent non-federal match from being a factor in evaluating projects.

