



American Short Line and Regional Railroad Association

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Short Lines Outline Key Economic Impacts, Environmental Benefits, and Growth Strategies During Congressional Hearing

ASLRRRA Member Caren Kraska, President and Chairman of A&M Railroad, Provides Testimony

WASHINGTON, March 10, 2021 – Today, Caren Kraska, President and Chairman of the Arkansas and Missouri Railroad (A&M), and a member of the American Short Line and Regional Railroad Association (ASLRRRA), testified on behalf of the nation’s 600 Class II and III railroads before the United States House Committee on Transportation & Infrastructure Subcommittee on Railroads, Pipelines and Hazardous Materials during a [hearing](#) entitled, “Full Steam Ahead for Rail: Why Rail is More Relevant Than Ever for Economic and Environmental Progress.”

In her remarks, Ms. Kraska noted that the title of the hearing “captures the attitude of short line entrepreneurs endeavoring to preserve and grow what began as the nation’s most vulnerable railroad infrastructure and what is today a huge American success story.” She noted four defining characteristics of short line railroads –

- 1) Most short lines operate track that was headed for abandonment under previous Class I owners, necessitating significant private investments – frequently up to 33% of total revenue annually - to address deferred infrastructure maintenance and improvements.
- 2) The short line industry’s economic importance is not the size or total market share but in who and where short lines serve. For large areas of the country and particularly for rural and small-town America, short line railroad service is the only connection to the national railroad network.
- 3) Flexible local service is a key driver of success. Short lines deal face-to-face with customers and offer the flexible service their businesses require.

- 4) Short lines are small businesses. Although short lines come in all shapes and sizes, from 10 miles of track to over 150 miles, the combined annual revenues of all short lines are less than the annual revenues of any one of the nation's four largest Class I railroads. Short lines meet the Small Business Administration's small business industry size standard, employing on average 30 people or less, and a significant number run with less than a dozen employees. Like all small businesses, they are forced to do more with less.

Ms. Kraska noted the impact of short lines on the U.S. economy: according to a PwC [study](#), .51% of all business inputs rely on transportation services provided by short lines, amounting to 478,820 jobs, \$26.1 billion in labor income and \$56.2 billion in economic value added.

She also spoke to the non-traditional economic measurements, equally meaningful to the shippers and locales served, including preservation of well-paying jobs in rural and small town America, supporting thousands of small-business industry suppliers, and providing a lower-cost transportation option for shippers.

Kraska's A&M railroad operates 150 miles of track from Monett, Missouri to Fort Smith, Arkansas, employs 66 people and handles 32,000 carloads annually. The A&M serves 75 customers on that 150 miles and, in conjunction with Class I connections, delivers or receives their products to and from states as far away as California, Florida, New Jersey and Washington State.

The A&M also runs excursion trains in a very scenic portion of northwest Arkansas. Approximately 36,000 people ride these trains in a normal year.

A significant benefit of shipping by rail vs. other over-land transportation modes is the industry's environmental impact. "The environmental benefits of rail transportation have been well documented and are impressive. The transportation sector is the biggest source of greenhouse gases in the United States. EPA data show that rail, which accounts for 40% of U.S. long distance freight volume, is responsible for just 2.1% of the sector's emissions," said Ms. Kraska. "Freight trains move on average one ton of freight more than 470 miles on one gallon of diesel fuel. The rail industry handles about 12 million carloads annually which is the equivalent of about 40 million truckloads, plus another 13 million intermodal containers and trailers annually." Shipping by rail reduces congestion on already over-burdened highways.

Finally, Ms. Kraska outlined four ways that Congress can create more steam toward meeting economic and environmental goals as part of an infrastructure bill in the 117th Congress:

- Continued support of current federal grant programs, including CRISI and INFRA, and ensuring robust short line eligibility.

- Including short line railroad projects in any new transportation grant programs targeting emissions, congestion reduction, resilience or any other goal where short lines can help be part of the solution.
- Avoid any increases to Truck Size and Weight (TSW) limits, which would shift traffic from rail to highways and result in not only bigger trucks, but more of them.
- Avoid unnecessary operational mandates such as a crew size mandate.

The hearing also included testimony from Shannon Valentine, Secretary of Transportation, Commonwealth of Virginia, Greg Regan, President - Transportation Trades Department, AFL-CIO (TTD), and Tom Williams, Group Vice President for Consumer Products, BNSF Railway.

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About ASLRRRA - The American Short Line and Regional Railroad Association (ASLRRRA) is a non-profit trade association representing the interests of the nation's 600 short line and regional railroads and railroad supply company members in legislative and regulatory matters. Short lines operate 47,500 miles of track in 49 states, or approximately 29% of the national railroad network, touching in origination or termination one out of every five cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network. www.aslrra.org