



America's freight railroads operate in 49 states and the District of Columbia, serving nearly every major industry – from agriculture and chemicals to energy and manufacturing. To deliver safe and reliable service, Class I railroads – the six largest – work closely with 600+ short line railroads.

Short lines are small businesses typically employing less than 30 people, operating nearly 30% of the nation's route miles, providing the first- and last-mile connections for thousands of shippers to the national rail system.

For nearly 200 years, freight railroads have been a key driver of America's economic development, linking businesses across the country and around the globe. Freight railroads continue this legacy using advanced technologies that improve safety, enhance efficiency, and expand economic opportunities for our customers, and reduce emissions. To support these goals, **we urge Congress to:**

- Maintain and extend tax policies that incentivize private investment in infrastructure.
- Restore the Highway Trust Fund (HTF) to a true user-based system and oppose increases to truck size and weight limits.
- Advance permitting reforms that provide greater transparency and predictability while ensuring timely, focused environmental reviews.
- Guarantee full and consistent funding for safety-enhancing rail grant programs, including the Consolidated Rail Infrastructure and Safety Improvements (CRISI), Railroad Crossing Elimination (RCE) and Section 130 programs.

#1: ADVANCE TAX POLICIES THAT SUPPORT RAIL INVESTMENT

Modernize the 45G Short Line Tax Credit

The **45G short line tax credit** has been instrumental in addressing the leading causes of short line derailments – worn out track and ties. First enacted in 2005 and made permanent in 2020, the credit provides **\$.40 for every dollar invested** in track and bridge improvements, capped at **\$3,500/mile**.

The tax credit has spurred **\$8B in private infrastructure investment**, but inflation and outdated rules have eroded its effectiveness, with maintenance **costs now exceeding \$15,000 per mile**, almost double the costs from 20 years ago. **Expenditures on track acquired since 2015 are ineligible for the credit**, and nearly **\$12B in upgrades remain**.

Action Request: Co-sponsor and support H.R. 516, and S. 1532, the 45G Tax Credit Modernization Act, which increases the per-mile cap to an inflation-adjusted \$6,100, includes all short line track miles, and indexes the cap to inflation moving forward.



Oppose Caps for Corporate SALT Deductions

At a time when the focus is on bringing jobs and investment back to the United States, Congress should not enact tax policies that target industries, like railroads, with the majority of their assets and activities based in the U.S.

Railroads operate large parcels of property, and cannot shift their businesses to locations with better tax rates. A cap on corporate SALT deductions would have the same impact as a tax rate hike.

Action Request: Oppose any caps on corporate SALT deductions, which could harm railroads' ability to operate safely and efficiently.

 Learn more at [AAR.org/Tax](https://www.aar.org/Tax) | [ASLRRR.org/45G](https://www.aslrra.org/45G)

#2: RESTORE THE HTF TO A TRUE USER-BASED SYSTEM AND OPPOSE BIGGER AND HEAVIER TRUCKS ON PUBLIC ROADS

Freight railroads invest billions of private dollars into their own infrastructure, reducing the burden on taxpayers and removing millions of trucks from our highways. In contrast, trucks rely on publicly subsidized highways while underpaying for the damage they cause. This imbalance threatens the integrity of our roads and the sustainability of the Highway Trust Fund (HTF).

Increasing truck sizes and weights would:

- cause significantly more damage to roads and bridges;
- further strain the HTF, which already relies heavily on general taxpayer funds; and
- undermine the competitive balance with freight railroads.

Action Request: Congress should oppose increases in federal truck size and weight limits until trucks pay their fair share.

 Learn more at [AAR.org/TSW](https://www.aar.org/TSW) | [ASLRRR.org/TSW](https://www.aslrra.org/TSW)

#3: STREAMLINE FEDERAL PERMITTING TO ACCELERATE INFRASTRUCTURE PROJECTS

Railroads consistently invest in improvements – bridges, terminals, track – but permitting delays can stall projects that enhance safety and efficiency.

The industry supports reforms to:

- Provide greater predictability and transparency in the federal permitting process.
- Expand “categorical exclusions” (CEs) under NEPA where no significant impact is anticipated.
- Use pre-award authority and bundling of similar CEs to reduce time between announcement and construction.
- Require Advisory Council on Historic Preservation (ACHP) to exempt railroads from Section 106 requirements, consistent with interstate highways, as directed in FAST Act

Action Request: Encourage USDOT to modernize permitting rules and ensure timely environmental reviews that reflect a project's relative complexity.

 Learn more at [AAR.org/Permitting](https://www.aar.org/Permitting)

#4: FULLY FUND CRITICAL RAIL SAFETY GRANT PROGRAMS

Federal grant programs like **Consolidated Rail Infrastructure and Safety Improvements (CRISI)**, **Railroad Crossing Elimination (RCE)**, and **Section 130** are essential to keeping railroads – and the communities they serve – safe.

The **CRISI program** has been a game-changer for short line railroads particularly, enabling substantial infrastructure projects that would not otherwise be possible, resulting in safer and more efficient service to thousands of customers, while attracting new business to rail. Currently, CRISI is funded at \$1 billion/year in **guaranteed funding** through FY 2026 (via advance appropriations), plus up to \$1 billion/year in **additional discretionary funds**.

The **RCE** and the **Section 130** programs play a vital role in public safety by providing funding to remove or improve hazardous highway-rail grade crossings – the **leading cause of fatalities and injuries involving trains**.

Action Request: Guarantee robust, long-term funding for these programs in the next Surface Transportation bill.



ADD YOUR NAME IN SUPPORT OF CONTINUED PUBLIC/PRIVATE PARTNERSHIP TO ADDRESS INFRASTRUCTURE INVESTMENT BACKLOG

To co-sponsor the Short Line Tax Credit Modernization Act, contact:

H.R. 516

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PARTICIPATING ASSOCIATIONS FOR RAILROAD DAY ON CAPITOL HILL 2025:



**American Short Line and
Regional Railroad Association**



**ASSOCIATION OF
AMERICAN RAILROADS**



**NATIONAL RAILROAD
CONSTRUCTION & MAINTENANCE
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THE RAILWAY ENGINEERING-MAINTENANCE SUPPLIERS ASSOCIATION



**Railway Tie
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Support, Connection, Advocacy

