



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 40 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 thousands of businesses across the country and around the globe. This legacy of powerful economic growth continues today, with freight rail providing the safest, most fuel-efficient and environmentally sustainable transportation option.

To continue this trajectory, we urge Congress to:

- Update tax policies that incentivize private investment in infrastructure.
- Guarantee full and consistent funding and encourage innovative technology applications in safety-enhancing federal rail grants, including the Consolidated Rail Infrastructure and Safety Improvements (CRISI), Railroad Crossing Elimination (RCE) and Railway-Highway Crossings (Section 130) programs.
- Accelerate speed to build, advancing permitting reforms that provide greater transparency and predictability while ensuring timely, focused environmental reviews.
- Restore the Highway Trust Fund (HTF) to a true user-based system; oppose increases to truck size and weight limits.

1: MODERNIZE THE 45G SHORT LINE MAINTENANCE TAX CREDIT

The 45G tax credit has been instrumental in improving safety on short line railroads, addressing the leading cause of derailments – worn out track and ties. First enacted in 2005, and made permanent in 2020, the credit has spurred more than \$8B in private infrastructure investment. The 45G tax credit allows a credit of 40 cents for each dollar railroads invest, capped at \$3,500 per mile. Over time, inflation has eroded the credit's impact.

To continue to drive investment against the \$12B backlog, improve safety on short lines, and drive additional economic growth, the credit must be modernized to address inflation.



TAKE ACTION: Cosponsor and support H.R. 516 and S. 1532, the 45G Tax Credit Modernization Act, which increases the per-mile cap to an inflation adjusted \$6100 per mile, includes all short line track, and indexes the cap to inflation moving forward. To co-sponsor the Short Line Tax Credit Modernization Act, contact:

H.R. 516

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Learn more at ASLRRA.org/45G

2: SUPPORT CRITICAL RAIL SAFETY GRANTS & ENCOURAGE INNOVATIVE TECHNOLOGY DEPLOYMENT

Freight rail is the safest way to move freight over land and the industry is continually striving to improve. Safety and efficiency improvements should be encouraged by streamlining grant programs and the regulatory process to widely deploy proven technologies.

Federal grant programs like **CRISI, RCE and Section 130** are essential to keeping railroads – and the communities they serve – safe. Program success has been driven by guaranteed rail grant funding, allowing railroads to forward plan, presenting projects that will improve safety, efficiency, and fluidity for the U.S. railroad network.

The **CRISI** program has been a game-changer for short line railroads particularly, driving improvements that have attracted new business to rail. The **RCE and the Section 130** programs also play a vital role in public safety by providing funding to remove or improve hazardous railway-highway grade crossings – the leading cause of fatalities and injuries involving trains.



TAKE ACTION: Guarantee robust, long-term funding for these programs in the next Surface Transportation bill and streamline the regulatory process to encourage safety innovation and the deployment of technologies that have proven to enhance safety and efficiency.

[Learn more at ASLRRA.org/STR](https://ASLRRA.org/STR) | AAR.org/issue/surface-reauth

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.



TAKE ACTION: Congress should modernize permitting rules and encourage timely environmental reviews that reflect a project’s relative complexity.

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

4: RESTORE THE HTF TO A TRUE USER-BASED SYSTEM AND OPPOSE LONGER AND HEAVIER TRUCKS

Freight railroads invest more than \$20 billion annually in their own infrastructure, reducing the burden on taxpayers and removing millions of trucks from our highways. Heavy trucks place significant wear on publicly funded highways, creating costs that are not fully covered by user fees. 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.



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

[Learn more at ASLRRA.org/TSW](https://ASLRRA.org/TSW) | AAR.org/TSW