



American Short Line and
Regional Railroad Association

February 10, 2026

Chair Cindy Hyde-Smith
Subcommittee on Transportation, Housing,
Urban Development and Related Agencies
Senate Committee on Appropriations
S-128, The Capitol
Washington, DC 20510

Ranking Member Kirsten Gillibrand
Subcommittee on Transportation, Housing,
Urban Development and Related Agencies
Senate Committee on Appropriations
S-128, The Capitol
Washington, DC 20510

Dear Chair Hyde-Smith and Ranking Member Gillibrand:

I write on behalf of the more than 600 Class II and III freight railroads (known as short line railroads) that support our nation's economy, families and communities. **As you develop the Fiscal Year (FY) 2027 Transportation, Housing and Urban Development funding bill, we urge the subcommittee to provide the full authorized FY22-26 discretionary funding of \$1 billion for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program.** It is important that this vital program continues to make the investments in our supply chain that are critical to the communities and workers that you represent. In addition, we have other suggestions for policies that could further enhance the bill you are drafting.

The short line freight rail industry

Short lines are proud of their activity in each state represented on the subcommittee. Our members are critical links in the nation's freight supply chain, and vital engines of economic activity, tied to 478,000 jobs nationwide, \$26 billion in labor income and \$56 billion in economic value-add. More than 10,000 shippers rely on our railroads to bring their goods and products to market.¹ We typically serve as the first and last mile links of the national freight rail network, providing critical connections for components of the economy that are key to America's economic success, including the manufacturing, agriculture, energy, chemical, mining and metals sectors. For large areas of rural and small-town America, we are the only connection to the national rail network. Using rails instead of trucks to move freight helps avoid damage to roads and bridges, sparing local, state and federal road budgets, while reducing congestion and accidents. Short lines also provide their customers with a freight logistics option that is more cost effective and energy efficient than trucking.

Our industry was spurred to new life in the early 1980s when Congress took action to restructure the nation's struggling freight rail system, including allowing the large railroads to spin off moribund rail

¹ The Section 45G Tax Credit and the Economic Contribution of the Short Line Railroad Industry, prepared by PwC for ASLRRRA (2018).

lines. Entrepreneurs acquired and revived these marginal lines, which were typically in very poor condition at the outset, preserving freight rail service for thousands of customers in small town and rural America. Unfortunately, even after decades of investment by short lines, a quarter to a third of their annual revenue—the backlog of repairs is still substantial. We estimate that more than \$12 billion is needed to allow short lines to fully modernize and meet the country’s freight needs.²

Importance to safety, competitiveness, and production

In 2015, Congress, responding in part to the needs of short lines, created the CRISI program, making Class II and III railroads directly eligible recipients. Since 2017, CRISI has invested \$5.2 billion in projects across 48 states and the District of Columbia, of which roughly \$2.7 billion has been for short line projects.³ Short lines have used CRISI funds to replace track and crossties, add and extend sidings, rehabilitate and replace bridges, invest in technology systems, and upgrade locomotives. These investments have helped short lines handle today’s industry-standard 286,000-pound railcars, enhancing network interoperability and supply chain efficiency. Importantly, CRISI has allowed short lines to improve safety, as upgrading track helps prevent the top causes of derailments on short lines: broken rail accidents caused by old, worn-out rail and wide gauge accidents caused by poor crosstie and roadbed conditions.

This record of success led Congress to substantially increase CRISI’s funding levels in the last surface transportation authorizing package, providing \$1 billion per year in advance appropriations and authorizing up to \$1 billion per year through FY 2026. In recent years, Congress provided \$100 million and \$137 million respectively in the FY 2025 and 2026 annual appropriations bills, for annual totals of \$1.1 billion and \$1.137 billion. 62 House offices signed a letter in 2025 showing strong support for funding the CRISI program.

Evidence of unmet need is demonstrated by the significant oversubscription for CRISI funding every year since the program’s inception. That demand has only grown - with advance appropriations for the FY 2027 funding cycle no longer available, **strong annual discretionary appropriations are essential as the sole mechanism to meeting this demonstrated demand. An FY27 funding level of \$1 billion would be a strong investment by Congress in rail safety and freight supply chain efficiency and an appropriate acknowledgement of the popularity and success of this critical infrastructure program.**

At the same time, the bipartisan popularity of the CRISI program underscores the need for a more durable, long-term funding solution. As Congress turns toward reauthorization of the surface transportation bill, we encourage Congress to establish a dedicated and sustainable funding framework for freight rail programs such as CRISI, reducing reliance on year-to-year discretionary appropriations while providing greater certainty for project planning and delivery.

² Ibid. PwC.

³ Forty-nine out of fifty states and the District of Columbia have benefitted from 383 CRISI awards.

Ensure the program remains capable of bolstering short line freight rail

We request your bill includes safeguards to ensure that CRISI remains capable of providing investments consistent with Congress' intent to support short line networks.

- **Avoid set asides for passenger rail projects or expansion of eligibility to commuter railroads.** With so many challenges facing our supply chain, short lines ought to remain viable competitors for these limited funds. Congress provides Amtrak and passenger rail applicants with massive funding, far beyond what is available through CRISI. Commuter rail transit has access to substantial dedicated funding programs administered through the Federal Transit Administration, such as formula funding and the Capital Investment Grant program. Commuter entities are eligible for department-wide competitive grant programs, like Mega and RAISE, and federal loan programs such as RRIF. It would be unfair, unnecessary and against Congressional intent to divert limited funds that would otherwise be open to small freight railroads instead to passenger and commuter rail. We are aware of challenges faced by the commuter rail industry, but Congress was aware of similar challenges when it created the program and nonetheless explicitly chose to exclude commuter railroads from eligibility for CRISI. Lawmakers specifically limited CRISI funding eligibility to projects on intercity passenger rail lines and to freight rail projects and specifically made Class II and Class III short line railroads a directly eligible applicant. The effects of this wise policy can be seen in the growing strength and efficiency of the short line freight rail network, particularly in the rural areas and small towns that most short lines serve.
- **Ensure realistic match requirements.** We understand there may appear to be rationale at times to favor grant applications that “over-match,” or that pay more of their cost share than required. This could come at the detriment of important short line projects that simply cannot provide an overmatch in funds. We appreciate committee efforts to support projects that may need a significant federal cost share, especially smaller projects in rural areas and with severely limited resources. We ask that bill language again direct FRA to disregard 49 USC 22907(e)(1)(A), which requires that projects be given preference for selection for which the proposed Federal share of project costs does not exceed 50 percent. This language, which has been included in prior years, should be incorporated again and apply to FY 2027 annual appropriations, as well as to unobligated prior fiscal year resources. The current language in 22907(e)(1)(A) competitively disadvantages smaller applicants seeking CRISI funding.
- **Maintain holding structure eligibility for Class II and III railroad projects.** Even small groups of short lines can be organized into holding structures for legal and administrative purposes. It can be optimal for these holding entities to be the grant applicant and signatory party to the grant agreement instead of the individual railroad. Appropriators have recognized this and for many years included this eligibility in annual appropriations laws. We request that you direct this to continue.

- **Increase transparency.**
 - In recent appropriations laws, Congress directed FRA to provide reports on the status of grant agreements and obligations, from FY 2017 forward for CRISI and other discretionary grant programs. These reports provide valuable transparency for stakeholders in FRA’s grants programs and support agency accountability to the taxpayers. We request that you direct those reports to continue.
 - Congress has required that DOT publish basic information on applications for discretionary grant programs for each cycle, such as for RAISE and INFRA. We encourage the committee to direct FRA to do so in a similar manner for the CRISI program, including retroactively for FY 2022 through 2026.
- **Consider effective administration of grant programs when evaluating agency resource reductions.** The federal government is undertaking a broad drive to improve efficiency that has reduced staff and contract support resources at many agencies, including FRA. A stable core of permanent and experienced staff is needed to support CRISI program administration. As the program grew rapidly with substantial additional resources from Congress, we observed that understaffing, use of inexperienced staff, or the aggressive use of contract resources were all variables that could negatively impact program delivery. Environmental clearance and grant agreement negotiation are particularly sensitive processes. Agency capacity is important for smaller grant recipients who do not have extra resources that can mitigate limitations at the agency. It takes several years for a new staffer to develop domain expertise in the rail industry and grant administration. As this process proceeds, we encourage careful consideration of the FRA’s workforce needs to effectively administer the agency’s grant programs.
- **Restrict agency requirements that lack a statutory basis.** Since the first CRISI competition, the program notice of funding opportunity (NOFO) has more than doubled in length. Some of these elaborations provided enhanced guidance to applicants that improved communication of the program, application form and content requirements. However, NOFOs have seen the growing imposition of post-selection requirements that are described as mandatory (“...projects must...as a condition of receiving construction funds...”). This is notable within the NOFO section on *Administrative and National Policy Requirements*, but not exclusive to this section. These may mandate studies and preparation of complex planning documents. Making these requirements a condition of grant funding post-selection may violate federal law. There is potential for the agency to use such “shadow” requirements to bypass the evaluation criteria specified for the program by Congress. These additional requirements confuse applicants as to how to write their narratives and can cause them to provide significant additional material in appendices to their applications. We encourage Congress to reassert its authority over the program in this area through statutory language in the bill.

Fund SLSI and Operation Lifesaver accounts at a robust level

Since 2015 the Short Line Safety Institute (SLSI) has worked with short line railroads to identify and close gaps in safety culture and to train railroad personnel and first responders on the safe transportation and handling of hazardous materials. USDOT’s Volpe Center recently found that for railroads evaluated by SLSI and that had a follow-up evaluation, “each railroad in the sample demonstrated evidence of safety culture growth” in all areas measured. Operation Lifesaver (OLI), is an entity that advances safety on the nation’s railroads, focusing vigorously on efforts to prevent collision, injuries, and fatalities on tracks and at highway-rail grade crossings.

Due to your leadership and that of your counterparts in the Senate, the FY 2026 Consolidated Appropriations Act provided \$2.75 million to SLSI for safety training, administrative costs, insurance, maintenance, and repairs of the congressional supported safety trains. We thank you for your support and respectfully request that the committee again direct funding for SLSI for FY 2027 at \$2.75 million.

In addition, we recommend continuing to support funding SLSI and OLI through the FRA’s Research & Development account, which is now part of the broader FRA Safety and Operations group. Continuing to fund these safety efforts from this traditional source allows CRISI and other FRA accounts to remain available for critical projects that will bolster the rail network while also advancing safety and sustainability.

We appreciate your close attention to these points and your strong leadership on transportation policy.

Sincerely yours,



Chuck Baker
President, ASLRRA

Cc:

Sen. Susan Collins
Sen. John Boozman
Sen. Shelley Moore Capito
Sen. Lindsey Graham
Sen. John Hoeven
Sen. John Kennedy
Sen. Jerry Moran
Sen. Katie Britt

Sen. Patty Murray
Sen. Richard Durbin
Sen. Jack Reed
Sen. Christopher Coons
Sen. Brian Schatz
Sen. Chris Murphy
Sen. Chris Van Hollen