



**American Short Line and
Regional Railroad Association**

July 6, 2023

Chairman Brian Schatz
Subcommittee on Transportation, Housing
Urban Development, and Related Agencies
Senate Committee on Appropriations
S-128, The Capitol
Washington, DC 20510

Ranking Member Cindy Hyde-Smith
Subcommittee on Transportation, Housing Urban
Development, and Related Agencies
Senate Committee on Appropriations
S-146, The Capitol
Washington, DC 20510

Chairman Tom Cole
Subcommittee on Transportation, Housing
Urban Development, and Related Agencies
House Committee on Appropriations
2358-A Rayburn House Office Building
Washington, DC 20515

Ranking Member Mike Quigley
Subcommittee on Transportation, Housing
Urban Development, and Related Agencies
House Committee on Appropriations
1036 Longworth House Office Building
Washington, DC 20515

Dear Chairman Schatz, Chairman Cole, Ranking Member Hyde-Smith and Ranking Member Quigley:

In April, I wrote to both of your panels stressing the importance of robust funding for programs critical to short line railroads in the Fiscal Year 2024 Transportation, Housing and Urban Development, and Related Agencies (THUD) appropriations bill. As you finalize drafting your panel's respective measures for full committee consideration, I write to re-emphasize the vital importance of the Consolidated Rail Infrastructure and Safety Improvements program (CRISI) to the transportation network and the nation's economic well-being.

CRISI is critical for short lines

As I noted previously, the 600 small short line railroads I represent are critical to the nation's supply chain, serving as the first and last mile between shippers and the global economy. Among the very top priorities for our industry is CRISI, which is instrumental to ensuring that short line railroads can continue to meet the needs of their growing customer base – which stretches across many vital industries, including manufacturing, agriculture, energy, timber, metals, chemicals and minerals. CRISI is critical to our ability to serve these sectors; the program is proven to help revitalize vast sections of the national rail network, allowing for a greater volume of service, eliminating bottlenecks, and reducing congestion – as well as helping to harness the enormous environmental and safety benefits of moving goods and freight by rail instead of truck.

The Infrastructure Investment and Jobs Act (IIJA) provided a critical infusion of resources to CRISI to ensure short line railroads could leverage the program to keep our freight economy moving. Our industry has billions of dollars in unmet needs and is one of the most capital-intensive industries in the country. We are hungry for vigorous investment, and realizing the promise of CRISI in IIJA could not be a more worthwhile economic, environmental and safety policy goal.

Strong bipartisan support for CRISI continues

A bipartisan coalition of Senate and House members are in strong agreement with the need to provide robust funds for CRISI in Fiscal Year 2024. As you are aware, 28 Senators and 97 House members this spring urged your panels to provide robust funding for the CRISI program in any FY24 spending bill. We are humbled by their strong advocacy on behalf of the many short line constituents.

In the days since the respective House and Senate letters were submitted, the Biden administration and Congress came to terms on a budget deal and both appropriations panels established overall spending levels to guide decisions for the next fiscal year. It is clear that members in both houses of Congress and on both sides of the aisle will have to make some tough choices in finalizing any bill governing spending in Fiscal Year 2024, including any transportation measure. As you make these choices, please remember the tremendous support your colleagues have shown in urging you to provide CRISI with robust resources to advance American competitiveness and reduce costs and delays that burden businesses and consumers.

Your panels could consider additional small refinements to ensure the program's success

As you complete drafting on the respective bills, we suggest the following additional points, which could be helpful in ensuring that CRISI is administered in a smart, efficient and effective way.

- **Require FRA to publish CRISI applicant lists from recent application cycles and for future cycles upon announcement of awards.** Other competitive USDOT capital grant programs routinely provide this information, which helps applicants understand the relative competitiveness of the program and which can facilitate their project development and application efforts. This data will also help support better outreach to underrepresented applicant groups and project types, enabling improved access to the program. This goal could be achieved with the following bill or report language:

Provided further, That within 30 days of enactment, the Secretary shall publish a list of applications received for fiscal years 2021 through 2022 to include the applicant, project title, state, amount of program funding requested and total estimated project cost. Within 30 days of announcement of awards for fiscal year 2023 and 2024 funding, the Secretary shall publish the list of applications for that funding.

- **Require FRA to provide more detailed data on grant award status:** This data will support development of enhanced performance objectives for the CRISI program, improving the exchange of relevant data with Congress for performance monitoring and oversight. We suggest the following adjustments based on the report language in the FY 2023 omnibus:

Competitive grants.—

Further, the Committee directs the FRA to provide bi-annual reports to the House and Senate Committees on Appropriations on the status of grant agreements and obligations for all awards for fiscal years 2017 through 2024 for the Federal-state partnership for intercity passenger rail, CRISI, restoration and enhancement, railroad crossing elimination, and interstate rail compacts grant programs. Reports shall include all announced awards, identify the applicant and award identification number, the date of satisfaction of requirements of the National Environmental Policy Act precedent to grant obligation, date of grant agreement execution, and date of grant closeout. Reports shall be inclusive of awards made through Congressionally-directed spending. Reports shall provide the award status data in tabular spreadsheet format. The reports shall identify any frequent causes of significant delays in awards achieving grant agreement or closeout. The reports shall identify any categories of material or equipment where federal domestic content requirements are significantly and regularly impacting project schedules and costs.

- **Modify match requirements in the upcoming CRISI funding round:** Making a small tweak to match requirements could help address many short line railroads' concerns around the combining of two fiscal years of funding into one competition, which is anticipated for the Fiscal Year 2023 and Fiscal Year 2024 funding notice later this calendar year. For small railroads, assembling the match for a grant-funded project can be difficult and absorb years of cash reserves. Adjusting the match could improve the competitiveness of short lines in an environment that includes very large public entities with substantial resources that are seeking funding for intercity passenger rail projects. This goal could be achieved with the following bill or report language:

Provided further, That for any awards made from Fiscal Year 2024 funding, or unobligated Fiscal Year 2023 funding, for projects carried out on Class II and III railroads, the federal share of project costs shall not exceed 90%.

Conclusion

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

Sincerely yours,



Chuck Baker
President, ASLRRRA