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Short Line Freight Railroads Receive Record-Breaking Investment in Major U.S. Department of Transportation Announcement

A record \$720 million in funding awarded to 47 short line railroad projects across 36 states

"These awards make possible transformational improvements to short line rail infrastructure, pouring hundreds of millions of dollars into safety improvements, emissions-reducing technology, and track and bridge rehabilitation to enhance network resiliency, capacity, fluidity, and service to shippers," says ASLRRA President.

WASHINGTON, September 25, 2023 – Today, the American Short Line and Regional Railroad Association (ASLRRA) congratulates all recipients of the Fiscal Year 2022 Consolidated Rail Infrastructure and Safety Improvement (CRISI) grant awards and celebrates the unprecedented number of short line railroad proposals selected for funding. Forty-seven of the seventy projects selected by the Federal Railroad Administration (FRA) were put forward by short line railroads or their partners and are designed to invest in short line infrastructure to help these railroads better serve their customers and communities. This round of grant funding is the most successful ever for the short line industry.

"We are ecstatic to note that roughly half of the total available funding, or approximately \$720 million, was awarded to small business freight rail projects. Congress has signaled with growing bi-partisan vigor over the years, particularly through the Infrastructure Investment and Jobs Act (IIJA) and the annual

Congressional appropriations process, its support of short lines and our contribution to the economy and the freight rail network in nearly every state across America. In this round, the Administration, U.S. Department of Transportation (USDOT), and the FRA have done a fantastic job of implementing Congressional intent, resulting in two-thirds of the awards and half of the funding being invested in short line projects," said Chuck Baker, President of ASLRRA. "FRA's wise selections make clear that short line applicants and their partners provided fiercely competitive proposals that delivered on the USDOT's stated goals of providing infrastructure investment to improve safety, efficiency, economic vitality, and resiliency."

Short line freight railroads are the first- and last-mile service connections for thousands of industrial, manufacturing, energy, and agricultural shippers across America – particularly in small towns and rural communities. Without modern, safe, and efficient short line rail service, these shippers would risk being cut off from the national freight rail network and global economy – and they would be dependent solely on more expensive, less environmentally friendly transportation. The CRISI grant program makes possible transformational improvements to short line rail infrastructure that will address the number one cause of short line derailments (worn-out track and ties), rehabilitate and upgrade the capacity of older bridges, improve safety at crossings where rail intersects with pedestrians and motor vehicles, prevent trespassing, deploy rail safety technology, and reduce emissions from locomotives.

"Congress and the FRA should be confident that the projects funded will produce benefits far beyond the track itself in the form of safer short line operations, improved rail service, greater supply chain fluidity and efficiency, reduced environmental impact, and the support of hundreds of thousands of jobs across the country that are tied directly to these railroads and to the shippers and communities they serve," said Baker.

Among many benefits, this year's CRISI for short line project awards will address safety:

- o 13 projects included grade crossing safety and trespassing mitigation elements;
- 14 projects will invest \$300 million to upgrade track to move industry-standard railcars weighing up to 286,000 pounds, improving network fluidity and creating efficiency benefits for shippers; and
- 20 projects involve upgrading or repairing bridges;

and decrease the environmental impact of freight rail:

 6 short line projects will upgrade or purchase 24 locomotives at the Tier 3, Tier 4 or zero emission levels.

Multiple projects will allow for track speed increases and invest in resiliency to mitigate future extreme weather impacts on the interconnected U.S. freight rail system. The improvements to short line rail capacity, reliability, and resiliency will improve overall transportation safety, reduce highway congestion, and lower highway wear and tear paid for by American taxpayers by keeping tens of thousands of trucks off the road. Thirty-four of the short line awards will specifically benefit rural areas, where short lines frequently provide the only realistic transportation option for shippers.

"The CRISI program is 'the people's program' for the short line rail industry. It is the only federal grant for which short lines are directly eligible, it invests enough in individual short line projects to truly move the dial, and generally requires realistic matching for small businesses," said Baker. "There are many to thank for this historic day — Congress for funding CRISI through the bipartisan infrastructure bill and the annual appropriations process, the FRA for the tireless work to select the applications and the upcoming work to advance the projects to completion, the many State DOT and local governments who partnered with short lines to present compelling and comprehensive applications, and the thousands of shippers that trust their business to short lines every day."

A combined Notice of Funding Opportunity (NOFO) for the Fiscal Year 2023 and at least partial 2024 CRISI grant funding is expected to be released within the next few months.

"Although \$720 million is a meaningful dent in the industry-wide short line state of good repair backlog, there are many more short line projects that will be put forward for this next round of funding. We will continue to work with Congress to share the ongoing success of this popular program and ensure that FY24 CRISI funding is as robust as possible," said Baker. "There isn't a better bet to be made with scarce public funding than investing in short line projects that improve safety, add value to rail shippers, and enhance the interconnected freight rail industry. Short line CRISI awards are the best bang for the public buck around, and there is more where that came from!"

About ASLRRA - The American Short Line and Regional Railroad Association (ASLRRA) 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