



## American Short Line and Regional Railroad Association

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### STATEMENT SUBMITTED FOR THE RECORD

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HEARING ON “OVERSIGHT AND EXAMINATION OF RAILROAD GRADE CROSSING ELIMINATION AND  
SAFETY”

U.S. HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

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### INTRODUCTION

As president of the American Short Line and Regional Railroad Association (ASLRRRA), the trade association representing the more than 600 Class II and III freight railroads (commonly known as short line railroads or short lines) and hundreds of suppliers that make up the country’s short line freight rail economy, I submit this statement for inclusion in the record of this subcommittee’s hearing.

Grade crossing safety and trespass prevention are issues of paramount importance to the entire rail industry. We join our industry partners and the witnesses before the committee in a shared commitment to reducing and eliminating grade crossing collisions and preventing trespasser injuries and fatalities. This statement provides the short line industry’s perspective on these issues, including suggestions and ideas for Congressional and regulatory focus. ASLRRRA appreciates the opportunity to provide this statement and to serve as a resource and partner on any issue related to rail safety.

### THE SHORT LINE FREIGHT RAIL INDUSTRY

**Short line railroads and the national network.** Short lines have been serving customers for well over a century and play a significant role in the country’s freight supply chain. Short lines are nearly all small businesses: the typical short line employs about 30 people, operates about 80 route miles, and earns about \$8 million in revenue per year. These businesses provide first-mile and last-mile freight rail service, touching one in five railcars on the system, serving urban centers and also ensuring other businesses in small towns and rural communities that would otherwise be cut off from the North American freight rail network have the access they need to the global marketplace.

**Short lines’ history and investment needs.** The short line industry as we know it today is the product of the Staggers Act of 1980, which made the sale or long-term lease of light density lines from Class I railroads to local entrepreneurs possible and thankfully avoided the abandonment of those lines and ripping up of their track for scrap. These lines were spun off for a reason: they faced high hurdles to

continued business operations, were burdened with decades of deferred maintenance, and often had few customers. These small railroads now spend up to a third of their annual revenues for maintenance and improvements, making short line railroading one of the most capital-intensive industries in our nation. Despite the challenges, the short line industry has emerged as a great American success story. Short lines have kept viable those marginal lines they inherited, turned them into thriving enterprises and emerged as a pivotal link in the freight economy. The industry now manages one-third of the freight rail network and touches one-fifth of all carloads while still only accounting for only six percent of the industry's total revenue.

**Short lines are economic engines for localities, particularly small-town and rural America.** Together, our members are tied to 478,000 jobs nationwide, \$26.1 billion in labor income and \$56.2 billion in economic value-add – providing a service that 10,000 businesses nationwide rely upon to get goods and products to market.<sup>1</sup> Our members ship all commodities, and industries essential to our country's economic health – like the manufacturing, agricultural, energy, and chemical sectors – are particularly reliant on short line service. The availability of rail service provided by short lines is often the tipping point for manufacturers and shippers deciding where to grow and expand, driving new, well-paying jobs particularly in rural and small-town America. Short lines proved their flexibility during the pandemic, responding to customers' and the nation's needs.

**Short line personnel live and work in the communities they serve.** Short lines are owned, managed, and staffed by individuals who are part of the fabric of their local communities. Because short lines run short distances, employees live near their job – and customers. Many short lines are family-run businesses — providing safe, efficient, friendly and cost-effective service is personal to them.

**Short lines are environmental stewards.** The rail industry is a sustainable, environmentally friendly mode of transportation. U.S. Environmental Protection Agency (EPA) data show freight railroads account for only 0.6% of total U.S. greenhouse gas emissions and only 2.1% of transportation-related sources. On average, freight railroads move one ton of freight 480 miles on a single gallon of diesel fuel, approximately four times as far as our over-the-road competition. Short line service alone keeps 31.8 million heavy trucks off highways and public roads, preventing costly wear and tear, relieving congestion, and reducing the still horrifying number of deadly motor vehicle crashes. Short lines are committed to doing their part, by continuously seeking ways to reduce their environmental impact with the implementation of technology and operating practices that reduce emissions.<sup>2</sup>

### **GRADE CROSSING SAFETY**

Short lines are not immune from the dangers of trespassing and grade crossing collisions in the communities we serve. While we are integral to these communities, it is critical that anyone living or working near railroads recognizes the dangers of crossings and of trespassing on railroad rights of way. Moreover, while moving goods and freight is significantly safer on rail than by truck, it is important that all rail stakeholders work together to make rail even safer by reducing trespassing incidents and

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

<sup>2</sup> ASLRRRA is currently partnering with the FRA and short line railroads to test locomotive emissions by studying fuel injectors and additives. Products like these that increase fuel economy may also yield emissions benefits. This is a two-year project that will give ASLRRRA a better understanding of how small railroads can utilize cost effective methods for reducing their impact on the environment.

collisions. There are several policy areas where we encourage you to focus in order to help our industry continue advancing solutions:

**Support the FHWA's Section 130 Program.** The Railway-Highway Crossings program, known as the Section 130 program, supports improvements at crossings to reduce fatalities, injuries, and collisions. The 2021 Infrastructure Investment and Jobs Act (IIJA) rightfully renews it and authorizes \$245 million per year for Fiscal Years 2022 through 2026. The legislation also increases incentive payments for closures from \$7,500 to \$100,000 and enables replacement of functionally obsolete warning devices. There are also other tweaks and refinements in the law, including increasing from 90 percent to 100 percent the federal share for set aside funds. We represent many short lines who serve rural communities, and these communities often do not have the resources for even a 10 percent match on a project that improves safety at crossings. Accordingly, we strongly endorse any efforts that provide 100 percent federal share for these projects from Section 130 or any other account.

**Support the Railroad Crossing Elimination Program.** IIJA took an important step forward for grade crossing safety with the creation of the new Railroad Crossing Elimination (RCE) Program. This is a tremendous policy achievement, providing new resources to eliminate dangerous crossings. Moreover, the creation of this new program will allow the Consolidated Rail Infrastructure and Safety Improvements Program (CRISI) to focus on tackling even more rail safety challenges. For example, CRISI— with the robust funding levels unleashed in IIJA—can now advance even more projects like repairing worn-out track, the leading cause of derailments on Class II and III railroads.

For RCE, IIJA authorizes \$500 million per year for Fiscal Years 2022 through 2026 while also appropriating \$600 million per year for those same years. RCE funds projects to create grade separations, close or relocate crossings, improve or install warning devices at crossings as part of separation or relocation projects, and carry out some design efforts. While short line railroads are not directly eligible for RCE grants, ASLRRRA has encouraged its members interested in advancing an RCE project to coordinate with eligible public applicants. In the most recent round of awards announced in June 2023, of the 63 projects funded, ten involved Class II or III railroads – or about \$72 million of the \$573 million in awards. We understand the funding notice for Fiscal Year 2023 funds will be released sometime early this calendar year, and we are excited about any possibilities for this program to help address crossing safety in the communities we serve. We urge Congress to keep momentum for this program going strong as it finalizes funding decisions for Fiscal Year 2024, providing as much funding as possible beyond the guaranteed appropriations already set in IIJA.

**Support other critical programs and efforts funded in IIJA.** IIJA made major advances in addressing grade crossing safety through increased funding for several programs, as well as the establishment of a rail research and development Center of Excellence emphasizing rail safety. While the programs that received increased resources—like the Nationally Significant Multimodal Freight & Highway Projects (INFRA), the National Infrastructure Project Assistance Program (Mega), the Rural Surface Transportation Grant Program (Rural), and the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) programs—are not expressly designed for grade crossing safety projects, they can benefit projects that improve crossings and, accordingly, we urge that they be funded at robust levels.

**Support ongoing FRA efforts and Operation Lifesaver (OLI).** FRA is an important partner on grade crossing safety, and we appreciate the agency’s work and its resources, especially on recent efforts like the Trespass and Suicide Prevention Toolkit.

We support robust data collection efforts to ensure data is accurate and reflects the true scope of hazards, avoiding collection efforts that lead to the overreporting or underreporting of incidents.

We also support efforts to address hazards at private grade crossings; these comprise a significant number of incidents.

Finally, we support more funding for OLI. Thankfully, through collective industry, agency and volunteer work with OLI, there has been a significant reduction in highway-rail grade crossing collisions over several decades. Public awareness efforts by OLI and its partners have helped many communities recognize the hazards of ignoring warning devices and illegally accessing railroad rights-of-way. These efforts have involved spreading fundamental rail safety lessons, such as facts like trains can approach on a line at any moment, they cannot stop on a dime, and they can be quite lethal in a collision with a motor vehicle – striking a car with a level of force that is comparable to a car crushing an aluminum can.

Many of our members and ASLRRRA staff are deeply involved in advancing OLI’s message and mission.<sup>3</sup> As OLI notes, over 50 years, collisions at railroad crossings across the U.S. have dropped by 82 percent through education, engineering and enforcement efforts. In order to achieve these outcomes, OLI relies on federal funds. These funds have been flat for several years; accordingly, we encourage Congress and FRA to support any increases that ensure OLI’s resources keep up with inflation.

#### **ADDITIONAL SAFETY CONSIDERATIONS**

**Avoid misguided mandates.** In considering any rail safety issues, we urge Congress and the FRA to focus on efforts that are reasonable, realistic and responsive to recognized safety hazards. Many small railroads are unable to comply with costly “one size fits all” requirements that are written with much larger entities in mind. Each small railroad has a unique operating environment that can differ dramatically from others. Any action by Congress or the FRA that ignores this fact could inflict extreme duress and economic harm on a critical member of the freight rail network and require shifting of resources from known safety hazards toward extraneous issues. For example, the FRA is now finalizing a rule that mandates railroads’ hiring of an additional crew member —even though no hazard has been identified that would be mitigated through the hiring of these personnel and no safety data shows how expanded and unprecedented locomotive crew requirements would improve safety. But in order to comply with these mandates, short line railroads would need to divert limited resources from needed safety upgrades and investments.

**Advance proven safety efforts.** We encourage Congress and the FRA to advance known, demonstrably sound policies and practices that lead to real safety improvements. For example, as noted above, the leading cause of derailments on Class II and III railroads is outdated, worn-out track and ties. Providing robust resources for CRISI ensures that short lines can make necessary repairs that enhance the safety and reliability of the network, supporting projects that upgrade outdated infrastructure as well as fixing bridges, and improving crossing safety and preventing trespassing. We appreciate the leadership of

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<sup>3</sup> ASLRRRA’s Senior Vice President of Safety, Regulatory and Environmental Policy serves as chair of OLI’s board of directors.

everyone on this committee who has worked to have Congress provide the full \$1 billion in authorized funds for CRISI in addition to guaranteed advance appropriations. As another example, the Short Line Safety Institute (SLSI) helps short line railroads improve their safety culture and become even better trained in the transportation of hazardous materials. Ensuring this program has robust, necessary resources is a common-sense step for rail safety. We the language in the House transportation funding bill report that recommends that FRA fund the Short Line Safety Institute (SLSI) at \$5 million for Fiscal Year 2024.

### **CONCLUSION**

ASLRRRA appreciates the committee's close attention to the items we have noted in our statement, and we welcome future opportunities to work together on these matters.