



American Short Line and Regional Railroad Association

February 16, 2024

The Honorable Pete Buttigieg
U.S. Department of Transportation
1200 New Jersey Ave., SE
Washington, DC 20590

The Honorable Shalanda Young
Office of Management and Budget
725 17th St., NW
Washington, DC 20503

Dear Secretary Buttigieg and Director Young:

We are nearly halfway through the implementation of the Bipartisan Infrastructure Law (BIL), or Infrastructure Investment and Jobs Act, and it is clear this legislation has made critical advances in programs like the Consolidated Rail Infrastructure and Safety Improvements program (CRISI), which bolsters safety on short line railroads, strengthens the supply chain, and mitigates climate change. It is imperative we keep momentum going for CRISI and allow it to live up to its full potential. **When you submit your Fiscal Year 2025 budget request to Congress in the coming weeks, I urge you to seek from Congress the full BIL-authorized amount of \$1 billion for CRISI, in addition to the advance appropriations funds already guaranteed by the infrastructure law.**

As you know, there are more than 600 small Class II and III railroads that are the crucial first and last miles of the country's freight rail network. These railroads are tied to nearly half a million jobs nationwide and tens of billions of dollars in economic productivity, and they support industries critical to our country's economic success, including the manufacturing, agriculture, energy, chemical, minerals, and metals sectors.

Class II and Class III railroads are directly eligible recipients of CRISI grants. Since the first grants were awarded in 2017, U.S. Department of Transportation (USDOT) and short lines have used these resources – as Secretary Buttigieg noted in his testimony to the Senate Appropriations Committee in March 2023 – to advance “the economic and the safety responsibilities that we have when it comes to rail infrastructure” and to “support the safety, the reliability, [and] the efficiency of these railroads that are so important in every part of the country.”

Short lines have been grateful to have such a strong partner in the USDOT. This collaboration has allowed short lines to use CRISI funds to bolster safety by replacing old bridges and upgrading thousands of miles of outdated track – the leading cause of derailments on short line railroads. Short lines have used CRISI funds to strengthen the supply chain, helping rural and urban communities achieve better access to the global marketplace. And beyond safety and reliability, short lines have used CRISI funds to achieve vital environmental goals, like procuring lower- and zero-emission locomotives and easing GHG-emitting congestion by shifting the movement of freight from truck to rail, allowing railroads to offer customers a more environmentally friendly shipping option.

Still, though, short lines need extensive additional resources to continue to improve their networks. We estimate more than \$12 billion in investments are necessary to ensure the short line freight rail industry can modernize and meet the needs of our country's economic base.¹

Unfortunately, the administration's two most recent budget requests have shortchanged CRISI's potential to aid the rail network. While the BIL dramatically bolstered the funds available for CRISI, providing \$1 billion each year in guaranteed resources and authorizing an additional \$1 billion for Fiscal Years 2022 through 2026, the FY2023 and FY2024 requests submitted by this administration to Congress sought not the full authorized \$1 billion – but a mere half of that amount: \$500 million for FY2023 and \$510 million for FY2024. Evidence of the needs that went unmet was provided by the significant oversubscription in terms of funding sought from this program in the last cycle.

The upcoming Fiscal Year request is a chance to change this trajectory. **To fully unlock CRISI's potential and unleash the rail-focused momentum of the BIL, your Fiscal Year 2025 budget request should demonstrate to Congress your whole-hearted support for funding CRISI to the fullest extent authorized, truly reflecting the robust, rail-rebuilding spirit of the BIL.**

Our view on CRISI is also seemingly reflected in the wise remarks of Federal Railroad Administration (FRA) Administrator Amit Bose, who in testifying in January 2024 before the House Transportation and Infrastructure Committee said, "We definitely want to use CRISI as much as possible. And we hope we can get even more funding from the authorized levels." Your Fiscal Year 2025 budget request is a chance to do just that – to get even more funding and continue the administration's smart investments in short line infrastructure and the critical work they do for safety, the supply chain, and the environment.

Finally, we urge you to propose funding the Short Line Safety Institute (SLSI) and Operation Lifesaver (OLI) programs at robust levels. SLSI has been instrumental in improving safety culture at short line railroads nationwide. SLSI provides critical Safety Culture Assessments and HazMat training, education, and research that lead to enhanced safety practices throughout the rail industry. OLI, similarly, is an entity that focuses on advancing public safety, focused vigorously on efforts to prevent collisions, injuries and fatalities on tracks and at highway-rail grade crossings. We continue to support funding SLSI and OLI through the FRA's Research and Development and Safety and Operations accounts, respectively.

We appreciate your attention to these important investment opportunities and the administration's tremendous support for the short line freight rail industry, and we stand ready to answer questions or discuss these matters further.

Sincerely,



Chuck Baker
President
American Short Line and Regional Railroad Association (ASLRRA)

Cc: The Honorable Amit Bose, Administrator, Federal Railroad Administration

¹ ASLRRA's capital investment needs estimate based on compendium of studies from the Federal Railroad Administration, Kansas State University, American Association of State Highway Transportation Officials (AASHTO), and ZETA-TECH Associates.