

BEFORE THE  
FEDERAL RAILROAD ADMINISTRATION

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DOCKET NO. FRA-2025-0017:

NOTICE OF PROPOSED WAIVER OF BUY AMERICA REQUIREMENTS FOR TIER 0,  
TIER 1, AND NON-TIERED LOCOMOTIVES; REQUEST FOR COMMENTS

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COMMENTS OF THE AMERICAN SHORT LINE AND  
REGIONAL RAILROAD ASSOCIATION

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The American Short Line and Regional Railroad Association (“ASLRRA”), on behalf of itself and its member railroads, submits the following comments in response to the Federal Railroad Administration’s (“FRA’s”) request for comment on the activities identified in the notice titled, “Notice of Proposed Waiver of Buy America Requirements for Tier 0, Tier 1, and Non-Tiered Locomotives.”<sup>1</sup>

**ASLRRA, the Short Line Industry, and Importance of Federal Grants for Locomotive  
Technology**

ASLRRA is a small non-profit trade association representing the interests of about 600 short line and regional railroads. Short lines operate nearly 50,000 route miles in the United States, or approximately 30% of the national freight network, touching in origin or destination one out of every five cars moving on the national railroad system, serving customers who

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<sup>1</sup> 90 Fed. Reg. 2777 (January 13, 2025).

otherwise would be cut off from the national railroad network. Both in legislative matters before Congress and in regulatory matters before state and federal agencies, ASLRRA advocates for enlightened public policies which promote a strong regional and short line rail component for the national transportation infrastructure. Most short line railroads are considered small businesses.<sup>2</sup>

ASLRRA and its member railroads strongly support FRA’s grant programs, particularly the Consolidated Rail Infrastructure and Safety Improvement (“CRISI”) grant program. 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 efficient and less environmentally friendly transportation. The CRISI grant program enables 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.

The last category of CRISI program project type eligibility was clarified, highlighted and emphasized by amendment through the IIJA at 49 U.S.C. 22907(c)(16): *Rehabilitating, remanufacturing, procuring, or overhauling locomotives, provided that such activities result in a significant reduction of emissions.* Since that change, CRISI has provided 20 grants to short line projects that fund locomotive replacement or repowering projects. Within these projects, 85

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<sup>2</sup> See 13 C.F.R. § 121.201 and North American Industry Classification System code 482112, “Short Line Railroad.”

locomotives will be upgraded or replaced. Of these, 55 will upgrade diesel internal combustion engines (“ICE”) to the latest diesel technologies. Another 30 are for locomotive repowers with battery-electric technologies. Significant reduction in emissions means cleaner air for workers at railroads and the shippers they serve, and for residents in the communities adjacent to rail operations. Emissions reductions also represent significant improvements in fuel and operating efficiency, a benefit to railroads, shippers, supply chains and the broader economy.

The short line industry differs significantly in the composition of its motive power (locomotive) fleet relative to the six very large Class I freight railroads. Our collective locomotive fleet is much smaller, much older, and of different locomotive types and U.S. Environmental Protection Agency (“EPA”) emissions tier composition.

Class I railroads reported more than 37,000 active locomotives in 2023.<sup>3</sup> The median age for this fleet was 24 years, including rebuilt units. Some 56% of the fleet was composed of units that are 4,000 horsepower or greater and 69% were over 3,000 horsepower. 68% were six-axle locomotives. This reflects the nature of Class I’s predominant operations over substantial lengths of haul on main lines using high-powered heavy-duty locomotives. As of 2022, only 22.5% of the active Class I fleet was EPA Tier 1 or below.<sup>4</sup> Most Class I units are acquired new and may be rebuilt once or twice during their tour of duty before reaching the end of their service life at one of the “big six” largest freight railroads.

Short lines are estimated to operate over 5,800 locomotives.<sup>5</sup> The ratio of horsepower levels is generally flipped, with the fleet composed predominantly of road switchers and switchers. Of these, 88% are estimated to be EPA Tier 1 or below. 60% of the total fleet is non-

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<sup>3</sup> AAR. The North American Locomotive Review, 2024.

<sup>4</sup> US EPA. 2022 National Emissions Inventory, Locomotive Methodology.

<sup>5</sup> ASLRRA. Survey of Locomotives. 2024.

tier, which are locomotives of pre-1973 manufacture. A high proportion of these units have four axles rather than six axles. This is an important consideration as many short lines have segments of their networks where six-axle locomotives can't operate due to restrictive geometry or other track condition constraints. Short lines, with their much smaller operations and less intense duty cycles, can run very old locomotives almost indefinitely. As can be noted from the tier statistics above, fifty-plus-year-old locomotives are the rule in short line service, not the exception. Most locomotives operating at short lines began their lives at large railroads. When they reached the limit of their ability to support extremely punishing Class I duty cycles, they would be sold to short lines where the less demanding environment enables them to operate nearly indefinitely. Costs of acquiring a used locomotive in this fashion on the secondary market can be as low as one tenth of the cost of acquiring a freshly manufactured locomotive, which is critical for the viability of small business low density short line railroads. There is also extremely limited availability of new four axle units offered by manufacturers on the market, and even when they do exist, they are generally still too expensive for most short lines. If a short line is constrained to operate four axle locomotives, then to rebuild or repower one, they must get the chassis from the existing four axle short line fleet, their own fleet or that of another short line.

Many short lines have an interest in upgrading their locomotives, including trying out the newest zero-emissions technologies that are just being developed and piloted on the market. Short lines upgrade their locomotives to improve operational efficiency and reduce fuel consumption, as well as to reduce emissions. However, the price differential of purchasing a new locomotive compared to the cost of a used locomotive is such that, even in the face of the operating and public benefits, the cost of buying new has typically been an insurmountable financial barrier for most short lines. The CRISI program's locomotive eligibility, however, has

enabled some short lines to leverage their matching funds, to acquire or repower locomotives. These projects mostly involve new, cleaner diesel ICE engine technologies, but also battery-electric technologies.

The locomotive project eligibility in CRISI has been well-received by short line railroads. We expect to see continued short line interest in grant funding for these types of projects, for diesel ICE replacements and repowers, as well as for battery-electric solutions.

### **The Agency's Proposed Action and Our Comments**

In the notice, FRA proposes a general applicability public interest waiver of its Buy America requirements for the purchase of Tier 0, Tier 1, and non-tiered locomotives for the purpose of rehabilitating or remanufacturing them to significantly reduce emissions.

As noted, the short line industry routinely uses, rebuilds, and repowers very old locomotives. Re-using the chassis of these units for this purpose is practical, efficient, less wasteful, economical and a standard industry practice. We agree with the FRA's findings. Given the age of these locomotives, it would typically be impossible to fully document compliance with the agency's Buy America requirements. These projects present great value to the grantee and the public as they will cost-effectively improve short line railroad operating efficiency and reduce emissions. We believe the proposed public interest waiver is justified, and we fully support its issuance. In supporting this waiver, our expectation is that it would be applicable to acquisition of used locomotive chassis necessary to carry out any type of grant-funded locomotive repowering project, be it with cleaner ICE engines or other technologies.

In this notice, FRA also seeks comments on whether it should consider issuing a waiver for any other products required to manufacture locomotive batteries or locomotive charging stations and equipment due to the domestic nonavailability of such products.

Locomotive batteries and charging stations are very new products, that are still in development, undergoing preliminary testing, and difficult to procure in meaningful quantities. They also have unique elements of design that are specific to purpose. There is not a significant installed base of this equipment, and manufacturers do not yet have stable forecasts for long-term market potential that are necessary to justify significant investments in all-domestic production facilities. While many Buy America-compliant components of this equipment are available, a few are not. The situation for zero-emission technology freight locomotives contrasts, for example, with the mass market for electric automobiles and chargers. By the end of 2023, a fleet of over 3.5 million electric vehicles had been registered by state departments of motor vehicles and in 2024, the U.S. Joint Office of Energy and Transportation identified over 204,000 active public chargers in the United States.<sup>6 7</sup> The freight locomotive battery electric and other new zero-emissions technologies installed base (excluding straight electric, catenary or third rail supported locomotives, such as used for transit or higher-speed passenger rail service) is still measured in the dozens of locomotives. Further, even at a short line, freight locomotives must deliver dramatically more power, operate in harsher conditions, and operate with a very high level of reliability, to a performance standard that is far stricter than that required of a passenger automobile. Because of these demanding requirements, there is typically a long timeline to advance the technology readiness level of new freight locomotives and associated equipment from development to pilot, deployment, and then broad implementation. This is often more than a decade. We expect it will take time to develop a fully Buy America-compliant domestic supply chain for all the components of this new equipment for the rail sector. These projects at short

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<sup>6</sup> U.S. Joint Office of Energy Transportation. [Q4 2024 NEVI Quarterly Update](#).

<sup>7</sup> U.S. Dept. of Energy, Alternative Fuels Data Center. [2023 Vehicle Registration Counts](#).

lines are a critical part of the process of deploying the technology and establishing that market and supply chain.

For these reasons, we encourage FRA to explore the need for waivers for elements of locomotive batteries, battery packs and cores, associated control systems and charging stations. Issuance of such waivers will support the development and deployment of these new technologies that will in turn encourage manufacturers to invest in fully Buy America-compliant sourcing, supply chains, and production facilities. Recent waiver strategies have been implemented for lower or zero-emission technologies by other federal agencies. FRA should review and consider these for emulation, such as those for investments in battery-powered and other reduced or zero-emissions port equipment technologies.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sarah Yurasko".

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