

**UNITED STATES DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY OF TRANSPORTATION**

Docket No. DOT-OST-2024-0047

**Request for Information on Goals, Criteria, Thresholds, and Measurable Data Sources for
Designating the National Multimodal Freight Network**

**COMMENTS OF THE AMERICAN SHORT LINE AND
REGIONAL RAILROAD ASSOCIATION**

PREFACE

The American Short Line and Regional Railroad Association (“ASLRRA”) submits this response to DOT’s Request for Information on Goals, Criteria, Thresholds, and Measurable Data Sources for Designating the National Multimodal Freight Network (“NMFN”). The NMFN is established in statute, *see* 49 USC 70103.

I. SHORT LINE RAILROAD INDUSTRY BACKGROUND

ASLRRA is a non-profit trade association that represents the interests of more than 600 smaller railroads in, among other things, legislative and regulatory matters. ASLRRA members are common carriers classified under Surface Transportation Board regulations as either Class II or Class III railroads (“short lines”). *See* 49 C.F.R. 1201.1-1(a).

We appreciate the opportunity to comment on the process of designating the NMFN. This initiative will serve to support our national economic competitiveness and productivity. While short line railroads are small entities, they are uniquely situated and play a critical role in the national freight transportation network. It is important that our industry be fully considered in decisions that can affect federal planning and resource allocation.

Short lines operate some 50,000 route miles of track, or approximately 30% of the national freight railroad network, employing approximately 18,000 people, and connecting thousands of manufacturers, businesses, and farmers in communities and small towns to larger markets, urban centers, and ports. *See Figure 1.* Short line railroads play an essential role in preserving, maintaining, and providing transportation services over tens of thousands of miles of light-density lines throughout the country, serving many regions that depend upon the short line to support critical industry in oftentimes remote communities. Many of these lines would have been lost, as would the rail service provided over them, absent the commitment and entrepreneurial spirit of a typical short line railroad.



Figure 1: U.S. Small Railroad Footprint

While short lines move one in five freight cars to their origin or destination, these smaller railroads receive only about 6% of the revenue produced by the national freight rail system. As such, they must do more with less. Short lines also serve a critical role in reducing highway truck

miles by keeping various commodities moving by rail. In their absence, the freight shifted to trucks would inflict substantial economic, safety, congestion, road damage and emissions costs on the public.

Short line railroading is one of the most capital-intensive industries in the country, with railroads investing between 33-40% of revenue in maintenance of way and improvements annually. In addition, many short lines were cast-off segments of larger Class I railroads with decades of deferred maintenance and aging bridges. Because of this, ASLRRRA estimates that, collectively, short lines still [face a backlog of more than \\$12 billion in investment](#) to reach an industry-wide state of good repair, an undertaking that would require the repair or replacement of aging track and structures, such as bridges. [1]

II. COMMENTS OF THE ASSOCIATION

Area 1: National Multimodal Freight Network Goals

1. Which of the following purposes¹ is most important to ensuring the NMFN provides a foundation for the U.S. to compete in the global economy and why?

ASLRRRA feels that purpose (d) *Informing a national, integrated, and multimodal supply chain strategy* is the most important to ensuring the NMFN provides a foundation for U.S. global competitiveness. Many of the metrics identified in the RFI do not collect short-line specific data. We are hesitant to support the use of these as threshold metrics. Because of this, we feel strongly that the NMFN should remain an advisory tool rather than one potentially creating exclusionary frameworks for public funding.

¹ (a) Prioritizing federal formula or discretionary grant investment; (b) Assisting States and local governments with strategically directing investments towards overall improved freight system performance; (c) Informing freight infrastructure planning and land use planning by state and local governments and private sector owners and operators, and (d) Informing a national, integrated, and multimodal supply chain strategy.

The role of definitional frameworks like the NMFN in supporting the short line contribution to U.S. competitiveness can be extremely important. Most short lines have significant capital investment backlogs dating to well before some or all their infrastructure was spun off from much larger railroads into the hands of smaller operators. Because of this backlog, the ability of short lines to access federal, state, and local grant funding resources is particularly critical. These are funds that can enable short lines to achieve network interoperability in key areas like weight capacity, which often depends upon substantial replacement of large amounts of rail and crossties and rehabilitation or replacement of bridges. While the national freight rail network has become dominated by industry-standard 286,000-pound freight railcars, many short lines have segments of track that can only handle 263,000-pound railcars. Major railroads are gradually increasing the use of 315,000-pound railcars, which over time will set an even higher weight capacity benchmark for effective freight rail network interoperability. Such funding is often key to simple preservation of service, such as in a case where a short line may have significant legacy assets, notably bridges, where the asset may be aging out or rendering the railroad economically obsolete due to capacity constraints. Replacing extremely costly assets originally constructed by much larger organizations can be a daunting hurdle for a small business with limited capital. Public assistance in these cases can be an instrument to keep a small railroad from abandoning entire segments of track.

The position of short lines in this respect differs significantly from our Class I colleagues. Class I railroads typically maintain their networks in a state of good repair and invest in capacity using their internal resources. Participation in grant funded initiatives by large railroads is more often seen in close partnership with state and local entities for carefully defined joint benefit

projects and public private partnerships. While short lines also engage in such collaborations, they are more likely to seek public resources to address core capacity and operational needs.

From this perspective, we do have concerns surrounding whether the NMFN develops to have a key role in prioritizing federal formula or discretionary grant investments, or state and local prioritization of resources. The NMFN is already incorporated into the eligibility criteria for one major federal funding program, INFRA, that short lines have utilized.² If the network definition is not well thought out, the NMFN designation could inadvertently serve to steer badly needed resources away from many short line projects. For this purpose, volume thresholds could invert or thwart the policy goals of many federal investment programs, where resources should be directed to the areas of actual economic need. Put simply, for the freight rail sector, the NMFN may end up designating the busiest, densest, and most valuable lines but those are not the freight rail lines that typically need or seek public support. Short lines provide a freight transportation economy of scale, especially for lower value, higher volume bulk goods. This cost difference is critical to keeping the logistics expenses of their shippers as low as possible, maintaining their competitiveness.

In this respect, designating NMFN railroad segments and facilities strictly by volume and value thresholds could be particularly problematic for short lines. Some of the caps identified in the RFI for freight significance would exclude most short line segments. For example, the citation of 50 million tons in bulk cargo per year for a rail line. For “typical” tonnage transported by a short line train, this likely represents more than 25 trains per day. Short line routes that see this level of traffic are rare. One to five trains per day would be more typical for a short line. The

² 23 USC §117(d) Eligible Projects (viii) “...a highway, bridge, or freight project carried out on the National Multimodal Freight Network established under section 70103 of title 49.”

NMFN should carefully consider criteria for inclusion of short lines that evaluates the criticality of the first- and last-mile service they provide to their shippers and served communities, their unique funding needs, and the potential for NMFN designation to come to serve in the future as screening criterion for public funding. Broad designation of Class II and III railroad lines and facilities as critical rural freight facilities and corridors, *see* 49 USC 70103(b)(4)(B), could be considered to prevent the NMFN from becoming an either/or proposition for short line funding.

For purposes b) and c), it is widely recognized that moving additional freight by rail would be beneficial for public safety, the environment, highway congestion, and the taxpayer. And short lines typically have the capacity to move more freight. From this perspective, it wouldn't make sense to leave most or many short lines off the NMFN.

For purpose d), the U.S. rail network overall is widely considered the world's premier freight rail network, it provides an enduring competitive advantage for tens of thousands of American businesses, and generally functions as a seamless integrated network. It wouldn't make sense to designate some of the freight rail network as part of the NMFN and leave some out.

2. How do you plan to use the National Multimodal Freight Network once it is designated?

The NMFN could be used by the association to support our explanations of the role of short line rail in the nation's freight system to policy makers and stakeholders. This is assuming that the finalized NMFN effectively represents the meaningful role of short lines in the system. Individual short lines could be expected to use NMFN designations to demonstrate the alignment of their proposed investment projects with the goals and evaluation criteria of federal, state, and local funding programs.

Area 2: Statutory Factors for Designation

3. How should DOT prioritize the twelve factors³ in designating route miles and facilities on the NMFN? Which factors are most important to ensuring the network provides a foundation for the U.S. to compete in the global economy? Which factors are most important to ensuring the NMFN serves regional and state goals?

Prioritization of the factors would be difficult, all of them have meaning relative to the policy goals of the NMFN. Some of them do stand out as having alignment with the short line industry.

Number 5, *access to major areas for manufacturing, agriculture, or natural resources*. Short lines' top commodities transported, including manufactured goods, grain and food products, energy products, chemicals, and aggregates, align well with this factor. Short lines provide first- and last-mile access for broad swathes of the nation's rural areas and small communities for economic transportation of these types of goods.

Number 7, *intermodal links and intersections that promote connectivity*, number 11, *major distribution centers, inland intermodal facilities, and first- and last-mile facilities*, and number 12, *the significance of goods movement, including consideration of global and domestic supply chains*. Short lines fill a unique niche in the freight transportation ecosystem. Through

³ 1. Origins and destinations of freight movement within, to, and from the United States; 2. Volume, value, tonnage, and the strategic importance of freight; 3. Access to border crossings, airports, seaports, and pipelines; 4. Economic factors, including balance of trade; 5. Access to major areas for manufacturing, agriculture, or natural resources; 6. Access to energy exploration, development, installation, and production areas; 7. Intermodal links and intersections that promote connectivity; 8. Freight choke points and other impediments contributing to significant measurable congestion, delay in freight movement, or inefficient modal connections; 9. Impacts on all freight transportation modes and modes that share significant freight infrastructure; 10. Facilities and transportation corridors identified by a multi-State coalition, a State, a State freight advisory committee, or an MPO, using national or local data, as having critical freight importance to the region; 11. Major distribution centers, inland intermodal facilities, and first- and last-mile facilities; and 12. The significance of goods movement, including consideration of global and domestic supply chains.

their interchange connections with Class I partners, they extend the reach of the network core of large railroads into the hinterland of small communities and rural areas, where the lower density of operations makes these locations difficult for large organizations to serve economically. This is a form of intramodal interchange, and it is important that the NMFN recognizes these key connections. Interchange points can also be chokepoints and as such important targets to consider for public investment. Besides directly serving shippers located on their lines, a key element of the short line business model is transloading. In transloading, a short line attracts business to their rail line by enabling shippers to make a relatively short dray by truck to transfer their cargo to or from rail. The short line transload offer serves to attract cargoes to rail that would otherwise often remain within roughly a day's truck drive, providing shippers with effective access to any other point on the North American rail network and beyond, a huge expansion of market access. Short line transloads vary dramatically in scale. The simplest transload might be a single "team track"⁴ with road access and basic, often mobile, equipment for transloading between truck and rail. These scale to still relatively simple facilities with multiple tracks, roads, and more elaborate fixed equipment for transloading bulk and liquid goods, as well as large facilities offering cross-docking and value-added services. A few short lines even manage more complex and specialized facilities capable of handling the transload of significant amounts of containerized goods. All this access provided through these connections by short lines often benefits shippers that are small or medium-sized enterprises. Accordingly, the NMFN should also give due consideration to the short lines' roles through interchange and transloading services.

⁴ A small siding or spur track intended for use by multiple shippers, whose facilities are not located directly on the railroad, to load and unload cargo.

Area 3: Measurable Threshold, Criteria, and Data

4. Among the various statutory factors, volume, value, and tonnage are among some of the most quantifiable and readily comparable across modes and routes/corridors within modes. What thresholds should DOT consider for volume, value, and tonnage for designating the NMFN?

As described previously, the scale of short line operations is different than that seen on the Class I networks, particularly that seen on their very high-density transcontinental main lines and lines serving nodes like large marine ports. National thresholds for volume, value and tonnage for rail links have the potential to exclude most short line routes from the NMFN. We recommend that when thresholds are set for the NMFN, DOT consider establishing some type of tiering of thresholds to enable the recognition by the NMFN of the critical importance of lower density short line segments to the communities that they serve.

Relevant to statutory factor number 7, in formulating the NMFN, the DOT could also consider the role that short lines play in modal retention and diversion from truck to rail. This role played by short lines avoids significant externalities. While a volume transported on a short line might seem extremely small relative to national metrics, the impact of diversion of that cargo to truck by the next best road route could be extreme in terms of capacity on those roadways, and the significant public impacts that would result in terms of safety, congestion, emissions, and public works costs due to wear and tear on pavement and bridges.

The NMFN should also consider the role of short lines in enabling rail access to cargoes that are particularly suited for movement by rail. For example, bulk shipments of raw materials, chemical and energy products, military cargoes, and hazardous materials. Beyond the favorable economics and efficiencies of rail, there is a fundamental question of the relative security and

safety advantage of moving some cargoes by rail, to the maximum extent possible, rather than by truck, regardless of volume.

Corridors and facilities evaluated for each mode that include multimodal connectivity should be granted additional prioritization for inclusion, particularly if those connection points, like ports or transloads, are handling cargo especially well-suited for transportation over land.

5. Which of the 12 factors are most important for identifying network components that are critical to our economy but that may not stand out on a volume or value basis?

As described above 7, 11, and 12, if appropriate consideration is made for criticality for the small and rural communities served and the benefits of avoided diversion to truck.

When evaluating corridors, DOT could also consider the percentage of volume dedicated to freight transportation. For most short line segments the percent of volume dedicated to freight transportation is near or at 100%. For a segment of transportation infrastructure that is 100% dedicated to freight transportation to be left off the NMFN would be a confusing and potentially counterproductive message for the entity that maintains that infrastructure and the shippers and communities that depend on it.

The role of short lines as typically the sole providers of freight transportation to rural areas and small communities cannot be overemphasized. The economics of many lower-value, heavier, bulk commodities necessitate rail transportation. A modal diversion to truck is either not financially feasible or would dramatically restrict the market access of the shippers. Often these are business-to-business types of products supporting the basic underpinning of our industrial, manufacturing, construction, energy, and agricultural economies, commodities such as chemicals; crushed stone, sand, and gravel; food products; grain and grain mill products; lumber

and wood products; metallic ores and metals; minerals; motor vehicles and equipment; petroleum products; pulp and paper; stone, clay, and glass products; chemicals used in water treatment; and waste and scrap materials.

6. DOT has identified potential data sources for each of the 12 factors. Are there other data sources or approaches DOT should consider in applying these factors to the NMFN designation? Are there any concerns with using a particular data source listed below for the associated factor?

Geography should play a much larger role in how the network is defined. In many cases, short lines represent the only rail option within certain geographic bounds. Potentially service to smaller geographic units, like counties or urbanized areas, should receive additional consideration for inclusion. Or consideration of lines providing freight rail service to areas involved in the production of the commodities associated with statutory factors 5 and 6 (natural resources, agricultural products, and energy production).

7. In addition to the statutory factors listed, how should DOT take into account the factors below in designating the NMFN?

a. Safety (including truck parking)

Short line railroads' transloading function keeps or takes a significant amount of freight off roads and puts it on an inherently safer mode—rail. Fewer trucks on the road means less demand on the limited capacity of the nation's truck parking facilities.

DOT may consider that interchange points are often good candidates for capacity investments which directly correlate to improved rail safety. When an interchange is poorly configured, or the originally designed track capacity and configuration does not match present

day traffic demand and operating procedures, this can result in undesirable fouling (blocking) of mainline tracks during interchange, as well as complex and redundant railcar switching movements. Both situations increase risks to railroad personnel. Assuming NFMN designation will in some way drive prioritization of public investment at the federal, state, and local levels, then interchange points are important locations that should be recognized by the NMFN. Interchange points aren't simply the exact railroad-to-railroad connection points. They are typically larger zones where trains and blocks of cars are maneuvered and temporarily held around the actual interchange point before and after the interchange operation, and often involve sidings and spurs in the immediate vicinity of the interchange point.



Figure 2: Transloading on the Aberdeen Carolina & Western Railway

Perhaps the most common use of federal funds for investment in short line infrastructure is for improving basic track conditions, such as by replacing old, worn-out cross-ties, rail and by improving the roadbeds. The leading cause of railroad accidents on short lines is poor track conditions. The potential role of the NMFN in guiding public investment should be considered from the perspective of ensuring that grant programs continue to welcome short line track projects and the associated safety benefits.

b. Climate and Sustainability (including freight related efforts to decarbonize, mitigate greenhouse gas emissions, reduce criteria and other air pollutants, and improve resilience)

As described previously, short lines retain freight on rail that would otherwise move by truck, which creates substantially more emissions per ton of freight transported. Short lines are notable for their ability to build business by attracting freight from trucks to their lines, particularly through the previously described transloading function, and partnering closely with shippers to enable them to build their businesses and expand volumes of freight moved by rail. DOT should consider these strong sustainability benefits of short lines when developing the NMFN.

c. Equity (including mitigating impacts on disadvantaged communities, addressing Environmental Justice)

Short lines are key freight transportation providers for less densely populated rural areas, enabling economic development in these areas and small communities. Besides supporting the jobs and investments by their shipper customers in these areas, short lines themselves are valuable employers, offering stable, good-paying jobs that don't require a college degree. Relative to other vocations in transportation, short lines, with their more compact service areas, can typically offer even new employees predictable shifts and work that doesn't require long stretches away from home and family. Short lines, as with the railroad industry generally, are well-known for developing and promoting from within. Workers can start at beginning positions like conductors, shop assistants or track laborers and are encouraged to move horizontally and vertically through the organizations, turning a job into a career. The NMFN development process

should consider the benefits to equity from short lines, particularly in underserved rural areas through connectivity, economic development, and employment.

d. National Defense (including strategic networks such as STRAHNET and STRACNET, and DOD/Strategic Ports)

DOT should consider national defense, including the identified network and facility categories. STRACNET is a 33,000-mile interconnected network of rail corridors identified by the Department of Defense's Railroads for National Defense (RND) Program. Fifty-five short lines own RND-designated segments, totaling 1,522 route miles. Of these, 1,172 miles are Defense Connector Lines rather than STRACNET. Defense connectors are RND-designated lines that complete the network connections between STRACNET corridors and defense installations and other locations that require rail service. This provision of connector lines emphasizes short lines' first- and last-mile role in providing critical freight transportation services. Short lines play important roles at several [DOD-designated strategic ports](#). For example, the Alaska Railroad at the Port of Alaska at Anchorage, Tacoma Rail at the Port of Tacoma, the Pacific Harbor Line at the Port of Long Beach, and the Texas Coastal Bend Railroad at the Port of Corpus Christi.

e. Consistency with other federally designated networks including the EV freight network and the Zero-emission vehicle freight strategy

ASLRRA has no comment on this item.

f. Transformation (including emerging technologies and innovation)

Short line railroads are participating in various initiatives to help transform the nation's freight transportation system through innovation and the development of emerging technologies.

On March 12 the FRA held a [field hearing in Vidalia, Georgia](#) to inform their consideration of the request to approve a program at two short lines, the Heart of Georgia Railroad and the Georgia Central Railway, to test an autonomous battery-electric freight container transportation developed by Parallel Systems.

The ASLRRRA has applied for FY 2024 FRA CRISI grant program funding to help numerous short lines around the country equip more than 600 locomotives with state-of-the-art onboard digital systems. If awarded, that project will provide significant benefits to operations in some 33 states including in the areas of emissions reduction, safety, and operating efficiency.

Several short lines are part of the team of railroads, academia and suppliers developing [RailPulse](#), an advanced technology system for railcar tracking. RailPulse is supported in part by grant funding from FRA and the Commonwealth of Pennsylvania.

These are only a few examples. Short lines can provide an excellent operating environment for technology pilots with less complexity than is encountered at larger railroad networks and facilities. DOT should consider if a designation within the NMFN schema could identify rail network segments and facilities that support the development and deployment of transformative technologies that align with the goals of the Department.

8. What other considerations should the DOT take into account in designating the NMFN?

The strategic objective of preservation of freight corridors to accommodate future shifts in traffic flows is a good reason to use the NFMN designation in a strictly advisory capacity. Building new surface freight corridors is an extremely expensive and complicated process that doesn't always pan out. Once a rail line is abandoned and the linear right-of-way turned to other owners and purposes, reassembling a corridor to reestablish rail service is a daunting, nearly

impossible task. Short lines serve existing customers and try to build their traffic and encourage economic development, but they also help keep the overall reach of the national freight network intact in case changes in demand necessitate higher freight volumes over their routes. Since 2020, three Class II railroads (Central Maine & Quebec, Pan Am Railways, and Montana Rail Link) have been reincorporated into the Class I network. CPKC and CSX are in the process of acquiring MNBR's line to better connect their networks between Montgomery, AL and Meridian, MS.

III. POINT OF CONTACT

The point of contact for these comments is Ms. Jo E. Strang, SVP, Safety, Regulatory, and Environmental Policy, ASLRRRA, jstrang@aslrro.org

IV. SOURCES

[1] ASLRRRA, "Estimate of State of Good Repair Backlog for Class II and III Freight Railroads (Short Lines)," p. 4, 25 June 2021.