



SHORT LINE RAILROADS 101

By the Numbers

The short line rail industry was created by entrepreneurs who took large financial risks to save marginal or money-losing Class I railroad branch lines from abandonment. Their success is driven by a relentless focus on safety, customer service, and seeking growth opportunities one carload at a time.

- Short lines provide the first and last mile of service, handling **1 in 5** of the freight railcars that move throughout the national system each year.
- **50,000 route miles** are operated by short lines, making up **29% of the freight rail network** in the U.S.
- **10,000+ customers** are served by short lines.

Driving the Economy

Short lines provide an efficient alternative to other transportation modes, allowing shippers to compete effectively in domestic and global markets. For many shippers in rural areas and small towns, a short line railroad provides the only connection to the national freight rail network.

The industry supports **478,000 jobs** at customer locations across the country that require short line services, driving **\$26 billion** in labor income and **\$56 billion** in economic value-add.

Advancing Safety

Short lines annually invest up to one-third of operating revenues to upgrade rails and bridges to modern standards and implement technologies to ensure that railroads are the safest form of surface transportation. The Short Line Tax Credit (45G) has helped drive a 50% reduction in train derailments, and since 2005, according to Federal Railroad Administration data, has incentivized more than \$8 billion in industry investments.

Short line railroads keep 31.8 million heavy trucks off local roads, and away from the motoring public. One railcar can move three to four full truckloads of heavy freight. Besides accident reduction, this reduces emissions, helping keep our air cleaner.

Reducing Costs

Moving more freight by rail lowers the cost of heavy truck damage by \$1.5 billion annually on the nation's beleaguered highway system. This helps preserve federal, state and local road budgets, **lessening the cost burden to the taxpayer**. The current modal balance maximizes value and efficiency in the national freight supply chain.

Hallmarks of the Short Line Industry

Customer Focus



As the first and last mile of the shipment, short lines provide flexibility and responsiveness to the unique needs of each customer.

Entrepreneurial Spirit



These small businesses operate the most vulnerable segments of the railroad system. They succeed by competing aggressively for business, and investing significant revenues in rail infrastructure.

Connecting Customers to Markets



For large parts of rural and small town America, short line and regional railroads are the only direct connection to the national rail network.

SHORT LINE CONNECTIONS ARE A CRITICAL PIECE OF THE U.S. FREIGHT RAIL SYSTEM

Short Line Freight Rail Provides Essential Service to More than 10,000 Shippers

For large areas of rural and small-town America, the short line rail industry provides the only way shippers can be directly connected to the national economy while ensuring business and employment stay local. Short lines serve every industry but are particularly critical for energy, agriculture, mining and manufacturing.



Short Line and Regional Railroads of the United States

Our Industry's Top Legislative Requests

Modernize the 45G Tax Credit

The Short Line Railroad Track Maintenance Tax Credit, referred to as 45G, from the line item in the Tax Code, has been a very successful public policy vehicle. It has driven more than \$8 billion in private investment in infrastructure since 2005. However, inflation and limitations on eligible track threaten to erode its potency. Congress should pass legislation that adjusts the credit for inflation, and allows all short line track to be included.

Provide Full CRISI Funding

The Consolidated Rail Infrastructure and Safety Improvements (CRISI) program is a popular and successful grant program that includes short line railroads as directly eligible recipients. CRISI should be funded at the maximum level annually: \$2 billion, which includes guaranteed and discretionary appropriations. Congress should avoid new set-asides to ensure an even playing field for small business freight railroads.

Oppose Heavier Trucks

Federal law limits the weight of commercial motor vehicles to 80,000 lbs. But there are regular efforts to pass federal laws to make these trucks heavier. Heavier trucks disproportionately damage roads and bridges, harm the environment, and increase roadway deaths and accidents. Congress should oppose efforts to increase truck size and weight limits.

Fund the Short Line Safety Institute (SLSI)

SLSI helps build a stronger, more sustainable safety culture through safety culture assessments, outreach activities, research, training and education, including for the safe transportation of energy products and hazardous materials. Congress should continue to support funding for SLSI.

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