50 F Street, NW Suite 500 Washington, DC 20001 aslrra@aslrra.org www.aslrra.org

Contact: Amy Krouse akrouse@aslrra.org (Cell) 312-371-6947 (Direct) 202-585-3438

Baker Testifies to Critical Nature of Short Line Operations to U.S. Supply Chain Highlights Areas Where Congress Can Act to Improve Safety and Supply Chain Resiliency

WASHINGTON, May 11, 2023 – Today Chuck Baker, President of the American Short Line and Regional Railroad Association (ASLRRA), representing the nation's short line freight railroads, testified before the U.S. House Committee on Transportation and Infrastructure's Subcommittee on Railroads, Pipelines and Hazardous Materials, in a hearing titled, "Getting Back on Track: Exploring Rail Supply Chain Resilience and Challenges." In his testimony, Chuck Baker explained the critical role that short lines play in the supply chain, and the many ways that Congress can assist in addressing the challenges of freight rail network fluidity and safety.

"There are many areas where Congress can act to ensure that short lines continue to play their crucial role in the broader supply chain and the American freight rail network that is the envy of the world. The short line story of saving tens of thousands of miles of vulnerable railroad track from abandonment and turning those lines into thriving enterprises that provide world-class, high-touch, personalized service in a safe and dependable way is a uniquely American success story. That story should be celebrated, but huge opportunities and challenges remain in front of us. Congress can help us, and the small communities we serve across rural and small-town America, grow and flourish, or stagnate and fail," said Baker.

Short lines are the first and last miles of the freight rail network. They play a critical 'connector' role in the country's freight supply chain, moving all sorts of industrial, agricultural, and energy products from factories, farms, and mines to and from the Class I railroads where they can bring the goods to and from national and global markets.

"They manage one third of the freight rail network, touch one fifth of all carloads, and provide excellent service to their customers, while still only accounting for about 6 percent of the industry's total revenue. Their small size, combined with their unique and varied operational profiles and their massive capital

investment needs, makes them particularly sensitive to 'one size fits all' regulations that would impose significant costs and burdens for no attendant safety benefits," said Baker.

Baker's comments outlined several ways that Congress can act that would achieve the goals of a safe and fluid freight rail network, including:

- 1. Support the CRISI program, which short lines depend on for major infrastructure upgrades. "This is a win-win for both the supply chain and for short line safety. Congress could simply increase the funding provided to CRISI or direct the FRA to focus the program more tightly on freight rail supply chain and safety," said Baker.
- 2. Support short line disaster relief. "There is currently no federal program that supports short line recovery after natural disasters, which can hamper our ability to help communities recover after disasters," explained Baker.
- **3.** Avoid any effort to increase the size and weight of commercial trucks, citing the risk of diverting more freight to our roadways which would lead to greater wear and tear on already worn-out roads, worsen highway congestion, increase air pollution, and lead to a litany of safety problems. "Congress has rejected this concept repeatedly over the years, but this zombie proposal keeps reappearing, so Congress might need to reject it once more," stated Baker.
- 4. Support RailPulse and future initiatives that improve visibility and management of resources.
- **5. Encourage regulations to keep pace with modern operational practices**, citing the challenges obtaining waivers to continue Automated Track Inspection Programs as a problem.
- 6. Support railroad workers by supporting the REEF Act, which would remove Railroad Unemployment and sickness benefits from sequestration cuts. This would assist railroads in attracting and retaining workers.
- 7. Allow the rail industry to hire back retirees more easily to help railroad quickly staff to appropriate levels, without those workers losing railroad retirement benefits.
- **8. Maintain federal primacy and pre-emption on rail regulation**, avoiding the recent rash of state-level legislation and regulation that threatens to create an unworkable and inefficient patchwork of rail regulation and lead to more future supply chain instability.
- **9. Support permitting reform**, ensuring that projects are able to be delivered on time and on budget.
- **10.** Support advancing new regulations only if they are laser-focused on safety problems that warrant further action. "Do no harm with all the discussion about rail safety, it's important to only pass new regulations that are narrowly targeted to fix real problems and that won't raise railroad costs and degrade service and end up counterproductively pushing freight onto the more dangerous highways instead," urged Baker.

**11. Support the Short Line Safety Institute (SLSI)**, a critical resource for enhancing the safety culture of short line railroads through Safety Culture Assessments, leadership development and hazardous materials training. "It's been a huge success and could do even more," shared Baker.

In closing, Baker encouraged Congress to "wield their pen with precision in order to avoid unintended consequences to the supply chain."

**About ASLRRA** - The American Short Line and Regional Railroad Association (ASLRRA) is a non-profit trade association representing the interests of the nation's 603 short line and regional railroads and railroad supply company members in legislative and regulatory matters. Short lines operate 47,500 miles of track in 49 states, or approximately 29% of the national railroad network, touching in origination or termination one out of every five cars moving on the national railroad system, serving customers who otherwise would be cut off from the national railroad network. <a href="https://www.aslrra.org">www.aslrra.org</a>