DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

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USDOT NATIONAL FREIGHT STRATEGIC PLAN

COMMENTS OF
THE AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION

Introduction

The American Short Line and Regional Railroad Association ("ASLRRA") on behalf of the short line railroad industry, comprised of over 600 small business railroads, submits the following comments in response to DOT's July 15, 2025 Notice of Request for Information ("RFI"), soliciting input on the National Freight Strategic Plan ("NFSP").[1] ASLRRA notes that its member railroads are separate and distinct from Class I railroads and should be considered accordingly. Short line railroads are classified as Class II or Class III railroads by the Surface Transportation Board.[2] Most are also small businesses in accordance with the North American Industry Classification Standards.[3]

While short line railroads may carry the same types of freight as Class I railroads, the scope of operations is vastly different. On average, short line railroads employ fewer than 30 people, run an average of only 79 miles, and generate $7.7 million or less in revenue.[4] Most short line railroads must invest a minimum of 25% of their annual revenue back into their infrastructure, which is a percentage far higher than almost any other industry in the country.[5] Further, although short line railroads participate in approximately 20% of all carload movements and have roughly 12% of the industry's employees, they collectively only account for approximately 6% of the revenue generated on the national freight rail system.

In a similar fashion, it is important to note that while ownership structures vary considerably across the 600+ Class II and III freight railroads in the U.S., their economics are quite consistent.

As the first and last mile of the national freight rail network, they must manage providing superior local services to their customers while adapting to the changes at their connecting Class I carriers. This, along with a constant need to reinvest heavily into their often older assets, places unique financial demand on all short line railroads.

ASLRRA urges the DOT to acknowledge the unique identity of our industry when considering issues that will impact rail transportation. Excessive implementation costs of regulations, or labor mandates that impede innovation and efficiency with no safety benefit, threaten the viability of

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[1] ASLRRA is a non-profit trade association representing the interests of approximately 600 short line and regional railroad members and approximately 600 railroad supply company members in legislative and regulatory matters. Short lines operate 50,000 miles of track in 49 states, or 29% of the route miles in the U.S., 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.
[2] Surface Transportation Board https://www.ecfr.gov/current/title-49/subtitle-B/chapter-X/subchapter-C/part-1201
[3] *See* census.gov/naics.
[4] Short Line and Regional Railroad Facts and Figures. American Short Line and Regional Railroad Association, 2017; reprint Dec. 2019. Page 1.
[5] Id. at 3.

short line service. Rather than aiding in resiliency, such unnecessary intervention hampers operations, especially short lines' ability to bring efficiency to the U.S. supply chain.

Listed below are ASLRRA's responses to the questions found in the RFI. ASLRRA appreciates the opportunity to provide feedback.

1.) ***The 2020 NFSP outlined three overarching goals and accompanying strategies to guide national freight policy:***

- ***Improve the Safety, Security, and Resilience of the national freight system;***
- ***Modernize Infrastructure and operations to grow the economy, to increase competitiveness, and to improve quality of life; and***
- ***Support the Development of Data, Technology, and Workforce Capabilities that improve freight system performance.***

Do the three overarching goals of the 2020 NFSP still reflect the most urgent national priorities for freight policy in 2025?

The three overarching goals in the 2020 NFSP still reflect the most urgent national priorities for freight policy. Safety, security, and resilience of the national freight system is important to the short line freight industry, as short line railroads interact with all modes within that system. ASLRRA continues to work with the Federal Railroad Administration ("FRA") on various safety initiatives, including supporting Operation Lifesaver ("OLI"), the Railroad Crossing Elimination ("RCE") grant program and the Section 130 Railway Highway Crossing Program. Trespassing at grade crossings remains the number one cause of incidents and fatalities across the entire rail industry, and the RCE and Section 130 programs directly address grade crossing safety. OLI provides robust public education programming regarding safety at railroad grade crossings.

The Short Line Safety Institute ("SLSI") addresses another key aspect of rail safety—safety culture. Through Safety Culture Assessments on short line railroads, and programs provided to fill gaps, the SLSI helps the industry to create a robust and effective safety culture. ASLRRA would like to see DOT and FRA continue to bolster support for each of these important safety initiatives.

The second goal, to modernize infrastructure and operations to grow the economy, remains a top priority for the short line industry. Many short line railroads are created when larger Class 1 railroads lease or sell low density lines. The new operators of these lines are typically burdened with significant deferred maintenance issues. Most derailments on short lines are caused by worn out track, therefore the fastest way to improve safety is to invest in upgrading and improving track, ballast and bridges. The Consolidated Rail Infrastructure Safety Improvement ("CRISI") grant program provides funding to upgrade and modernize infrastructure that has deteriorated due to deferred maintenance. ASLRRA urges the DOT and FRA to continue their support for CRISI and work to move projects quickly from application to obligation.

The third goal, to support the development of data, technology and workforce capabilities that improve freight system performance, remains relevant in 2025. The CRISI grant program has been a partner to the industry and government in this area as well. Currently ASLRRA is working with FRA on the update of short line information in the North American Rail Network and was awarded a grant in the FY 2023-24 CRISI cycle to enhance the surveying and data warehousing capabilities of ASLRRA to produce improved industry data. ASLRRA hopes that through the next NFSP cycle, the USDOT, FRA and rail industry will have a better

understanding of short line infrastructure and assets. Once the data is compiled and analyzed, it can be used to enhance supply chain competition and lead to new technologies.

In addition, the industry has benefitted tremendously from a CRISI grant creating an online learning management system for short lines that deploys modern training technology including virtual reality, and provides simulator training on locomotives. This grant has provided a significant step forward on workforce development for the short line industry.[6]

2.) ***How has the 2020 NFSP influenced freight planning, policies, or investments at the Federal, State, local, or private sector levels? What changes would make the 2025 NFSP more impactful or useful in guiding future freight-related actions?***

ASLRRA can only speak to the influences the 2020 NFSP has had at the federal level. The three main goals and strategies listed above help in driving the dialogue around program priorities. At the federal level, the industry has seen engagement with industry stakeholders on improving safety and security. There remains great interest in funding infrastructure projects to enhance and modernize short line railroads. ASLRRA believes projects that "turn dirt" help meet all of the stated goals by enhancing safety through infrastructure improvements, which will then lead to innovation and improvements in technology. Short lines hope to see these goals remain through the next NFSP cycle with safety and security as the number one priority.

The 2025 NFSP should recognize the unique position of short lines within the freight system and work with stakeholders to prioritize meaningful infrastructure projects. Any opportunity to make short lines directly eligible for funding would benefit the entire freight rail network. As short lines are the on and off ramps for industry to the national network, improvements will grow local and rural economies, and secure economic investment by shippers and other stakeholders. Short lines are ready to grow, and aggressively seek opportunities to service current customers, and onboard new shippers.

3.) ***What metrics—across safety, efficiency, resilience, or infrastructure condition—should DOT use to evaluate multimodal freight system performance? How can performance measurement inform decision-making and project prioritization across all levels of government?***

DOT should measure progress by focusing on data-driven decision making. Instead of focusing on priorities where there is no data to support a costly and limiting rulemaking, supporting a robust data analytics program would be more conducive to meeting DOT's strategic goals.

ASLRRA suggests tracking agency response time to industry inquiries and requests, setting deadlines for responses. The ability to provide data-driven decisions is hampered by the delay in approvals and lack of transparency in the waiver process. The lack of timely responses limits the industry's ability to capitalize on opportunities to improve safety, or to remove barriers to effective performance of regulatory compliance.

The ASLRRA also supports the DOT providing a rotating review of current regulations and eliminating those are no longer necessary.

Additional alignment opportunities across stakeholders include:

[6] Short Line Training Center - ASLRRA

1. Standardizing key freight metrics across modes and levels of government, ideally through rulemaking or guidance updates.

2. Encouraging states and MPOs to adopt aligned metrics in their freight plans, providing templates, data sources, and technical assistance.

3. Integrating performance results into future updates of the NFSP, NMFN, and discretionary grant program evaluation criteria.

4.) How can investment in freight transportation infrastructure best support industry and economic development? How could the NFSP help support public and private-sector investment in the freight system?

The NFSP has the opportunity to ignite transformational economic growth with several federal grant programs administered through the FRA. Continuing support for programs such as CRISI, Infrastructure for Rebuilding America ("INFRA") and Rebuilding American Infrastructure with Sustainability and Equity ("RAISE") are an effective way for the administration to ensure our member railroads and Class 1 railroads can make necessary upgrades to support industry development and economic prosperity in small towns and rural America.

Short line railroads particularly benefit from these programs, as they have high maintenance and rebuilding needs, are often in possession of outdated and abandoned rail inherited from larger railroads, and have relatively lean operating margins that preclude funding large projects with revenue generated annually.

The CRISI grant program in particular allows many of our members to afford to upgrade rail and bridges to the modern network standard of 286,000-lb. rail cars, which is an extremely expensive and frequently unattainable upgrade for smaller railroads. It is the only federal grant program for which short lines are directly eligible. Short lines contribute a minimum of 20% of project costs with private dollars. Currently, 25% of the short line network is unable to support a 286,000-lb rail car, making it difficult for our members to provide efficient service in certain corridors.

CRISI projects have produced six core benefits for the industry:

1. Addressing Critical Infrastructure Needs – Short lines often inherit infrastructure in poor condition with significant deferred maintenance – these lines were often at risk of abandonment if not for the short line purchase. CRISI enables transformational projects like bridge replacements and rail upgrades that remove bottlenecks and enable industry-standard 286,000-pound railcars, improving interoperability and competitiveness.

2. Improving Safety – Rail safety begins with sound infrastructure. CRISI funds replace worn ties and rails, reducing derailments and making rail service safer for employees and communities alike.

3. Creating and Sustaining Jobs – Short line rehabilitation projects are labor-intensive and rely on local contractors. These projects support good-paying jobs in rural communities and generate long-term employment through service expansion.

4. Enhancing Environmental Outcomes – Rail is the most fuel-efficient mode of

freight transport. CRISI-funded upgrades facilitate modal shift from truck to rail, reduce emissions, and allow for cleaner locomotive technologies.

5. Promoting Rural Economic Development – CRISI investments enable service to new and growing businesses.

6. Improving Service for Customers – Small improvements—such as 500 feet of new track or the elimination of a chronic derailment risk—can make an enormous difference in the transportation cost

As a Surface Transportation Reauthorization bill will soon be considered in Congress, the DOT should recommend that these federal grant programs are robustly funded, and advance appropriated. Advance appropriations were used for the first time in IIJA and provided certainty, allowing the freight rail industry to forward plan for significant investments with the assurance that annual funding will be available.

Advanced appropriations of $1 billion annually through Fiscal Year (FY) 2026 for CRISI—have been a game changer. Predictable funding allows small businesses to plan ahead, secure match funding, and complete upfront engineering work required for competitive applications. Without advanced appropriations, many short lines would be unable to pursue these grants due to the uncertainty and high upfront costs involved and the money would be less effectively spent.

Short lines are small businesses with limited human and financial resources. The grant application process is time consuming and, to be competitive, requires significant up-front investment by applicants. For example, for more complex projects, costly engineering work must be conducted to assemble a competitive project scope and budget that can demonstrate project readiness. Short lines must also marshal committed, matching funds of at least 20%, but often up to 50% to be competitive with larger applicants.

The annual appropriations process is always uncertain, and that uncertainty makes it difficult for applicants to start those upfront activities until they know if there will be adequate resources for which to compete.

It is essential that the next surface transportation reauthorization not only extends CRISI but also preserve its advanced appropriations structure. Without it, federal investment becomes less effective, fewer projects move forward, and the communities that rely on short line service may be left behind.

5.) What emerging operational or technological advances are likely to reshape freight movement over the next five years? What actions should public agencies take to enable or accelerate their adoption? How can DOT support greater private-sector investment, and what investment roles are best suited for public vs. private actors?

The DOT can promote deployment of new technologies through regulatory flexibility such as waivers and pilot programs. Recent innovations include using predictive analytics, locomotive sensors, learning management systems for workforce training, and automated track inspection.

As our nation works to modernize infrastructure and strengthen supply chains, the more than a century old freight rail industry in fact stands at the forefront of innovation.

Advances in rail technology are driving safer, more efficient, and more sustainable transportation solutions. From automated track inspection to predictive maintenance and low-emission locomotives, these innovations are not only enhancing operations but also supporting broader national goals—reducing emissions, driving economic growth, improving safety, and connecting communities. Continued investment and regulatory flexibility are essential to unlock the full potential of these technologies and ensure that America's rail network remains a global leader in 21st-century transportation.

The DOT can help railroads test and deploy new technologies by streamlining waiver acquisition. Railroads have shown their commitment to developing, testing, and deploying new technologies that improve safety and enhance fluidity of the U. S. supply chain. Policymakers should offer industries — including freight rail — operational and regulatory flexibility to encourage further innovation. This needed flexibility could cover everything from technologies and procedures to increase fuel efficiency to new technologies that require extensive testing and research. Flexibility and streamlining are necessary to empower the rail industry to explore these options. For example, policymakers should consider streamlining waiver review timelines, encouraging pilot programs, and establishing performance-based thresholds.

As with most industries, the promise of technology in the rail industry is significant, especially since today's rail industry data systems and customer tools can be at times considered antiquated and disparate across the industry.

One example of promising technical innovation is RailPulse. RailPulse is an industrywide telemetry platform that brings real-time data and digital visibility to North America's freight rail fleet. Founded in 2020 by a coalition of rail industry partners, including small railroad firms Iowa Interstate, Genesee & Wyoming and Watco, to create a vendor-neutral, open-architecture telematics ecosystem. Development of the platform was aided by a $7.9M FY 2020 CRISI grant to help develop the railcar onboard GPS sensor system to provide real-time information on railcar movements and condition to shippers, car owners, and railroads.

The RailPulse platform launch occurred on September 3, 2024, and in February 2025, Anacostia Rail Holdings, another short line railroad, joined this consortium. This technology has allowed the industry to address shipment and railcar visibility, offer enhanced safety, improve the shipper experience, lower operational costs and more.

ASLRRA believes this type of public-private partnership should continue.

Additionally, in February, two of ASLRRA's members, the Heart of Georgia Railroad and Georgia Central Railway, received approval from FRA to begin the field operational testing of a system for transportation of freight containers on autonomous rail bogies, developed by Parallel Systems. The program aims to evaluate the effectiveness of the system, show that it can safely run alongside conventional equipment, and demonstrate the short-haul

movement of intermodal containers.

With regards to improving the efficiency and emissions of locomotives, Anacostia and other ASLRRA members are currently deeply engaged in several studies and demonstration projects that will help introduce more innovations to the freight rail industry, including demonstrating options for battery-electric locomotives and use of alternative fuels. These efforts are largely limited to yard activities and short haul efforts, as at-scale long-distance, heavy-haul efforts are not yet feasible. ASLRRA encourages regulators to continue to partner with the freight industry to advance innovative locomotive propulsion technologies, while at the same time not mandating the use of technologies that are not yet mature, or readily (commercially) or affordably available.

6.) What are the most significant regulatory, technological, procedural, institutional, or statutory barriers to freight system performance—especially at intermodal connectors and freight origin and destination points? How could the NFSP help identify or address these root causes?

The administration of grant programs at the FRA has created significant barriers in planning and construction of critical infrastructure projects across the short line industry. Grant programs can provide an important source of supplemental funds for short line and regional freight railroad infrastructure projects. Federal and state grants have assisted these railroads in upgrading their lines, to better serve the communities and customers that depend on their services to connect to the national rail network. ASLRRA member railroads have communicated the following suggestions for the administration of FRA grants to reduce barriers to entry for short line railroads, and to speed funding from announcement to obligation:

1. Grants should be flexible in the size of possible awards. A series of smaller awards dispersed among a group of diverse smaller railroads can have the same positive impact as a single major corridor award.
2. Matching funding requirements should be better defined. Giving preference to grant requests with "over-matching" may appear logical, but can lead to discounting otherwise important short line projects that from a financial standpoint cannot provide an over-matching of funding.
3. Imposing limits on state departments of transportation on the number of grant submissions allowed in a round of a program forces pre-application competition between smaller short line projects and major large railroad or other modal projects, often putting the smaller project at a disadvantage. Programs such as CRISI should not disadvantage any direct short line application simply because it is made by the railroad directly.
4. Short line railroads would like to see more transparency in the grant award process. Improved engagements both before and after submission of a grant application between the short line railroad and the administrating organization for the grant could improve the grants projects and make the process more understandable.

5. Improve technical analysis process in reviewing grant applications. Consider applications simply providing structured inputs for technical analysis, with the review process utilizing a standard process to analyze these inputs.
6. Manage the entire grant award process on a public schedule. Give more clarity to each step in the process, and provide notice of completion during the grant cycle.
7. Improve processes after award announcements. Speed up the process for preparing and executing required grant agreements. Better use of standardized agreements should be pursued. Improve debriefing process for unsuccessful applications, making clearer what led to the project not receiving a grant.

7.) What strategies should DOT consider to strengthen the freight system's resilience to natural disasters, economic shocks, or other disruptions? How should resilience be defined or measured, and what roles should Federal, State, local, and private actors play?

The Department should consider the statutory gap that excludes Class II and III railroads from eligibility for disaster relief assistance through the Federal Emergency Management Agency. Short line railroads operate infrastructure that is critical to freight mobility but are left to their own resources when they suffer catastrophic damages from natural events. DOT can articulate this challenge in documents like the NFSP and identify solving it as a policy goal, through establishment of statutory authority and resources so that FRA has the tools available to offer effective and timely assistance in these circumstances.

8.) What unique impacts do freight movement and operations impose on rural and underserved communities? What strategies should DOT consider to mitigate any disproportionate negative impacts felt by these communities?

Many short line railroads operate in rural areas, serving a wide variety of customers including farms and grain elevators, energy operations, mines and quarries, and a significant number of manufacturers. These operations tend to be low density, serving only a few customers. In some cases, short lines are the only connection available for rural small businesses to the national freight network.

Short line freight railroads overwhelmingly have a positive impact on rural and underserved communities, providing an economic transportation option for shippers, especially for heavy and low value cargoes. In the absence of short line service, rural communities would see higher transportation costs, more trucks on their roads generating negative impacts, or even loss of industries that cannot operate economically without rail connectivity.

Low density lines frequently have a lot of track suffering from deferred maintenance and rely on federal grant programs to catch up to or to keep up a state of good repair and interoperability. Programs like CRISI help to retain and strengthen these freight links for rural communities. ASLRRA urges DOT to continue to prioritize funding for short lines and freight projects in rural areas. Continued streamlining the permitting process, broadly under the umbrella of the National Environmental Policy Act ("NEPA") could significantly reduce time between notification of awards and beginning of construction for these types of projects.

Acceleration of project delivery speeds realization of the benefits of the projects and reduces risks, such as cost risks, that may jeopardize completion of projects. DOT should continue to advocate for and implement streamlining along with internal improvements of the permitting process.

10.) ***How will an officially designated National Multimodal Freight Network help or influence the way public agencies plan and invest in the freight system? See49 U.S.C. 70103. What are the most logical use cases for this network? How can the NFSP best support public and private supply chain stakeholders to understand trends and challenges better on this network?***

The NMFN offers a unique opportunity to unify national freight planning, align investment with performance, and support multimodal coordination. Through strategic implementation and strengthened support via the NFSP, DOT can deliver a more resilient, efficient, and equitable freight system. The DOT can enhance freight coordination with state and reginal agencies by developing model freight performance measures. DOT can also encourage regional planning coalitions to coordinate along NMFN corridors.

Conclusion

The short line freight railroad industry provides efficient and safe transportation to communities across the country, and is a key driver of economic growth for the industry – especially for shippers in small town and rural America. ASLRRA encourages the DOT to focus on policy levers that will encourage the movement of freight by rail and allow the short line industry to continue bringing new efficiencies to the U.S. supply chain.

Thank you for the opportunity to comment on this important initiative.

Respectfully Submitted,

Chuck Baker
President
American Short Line and Regional Railroad Association
50 F Street NW, Suite 500
Washington, DC 20001
(202) 628-4500

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