

BEFORE THE  
DEPARTMENT OF TRANSPORTATION

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DOCKET NO. DOT-OST-2025-0468

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AGENCY INFORMATION COLLECTION ACTIVITIES; PROPOSALS, SUBMISSIONS,  
AND APPROVALS: ADVANCING A SURFACE TRANSPORTATION PROPOSAL THAT  
FOCUSES ON AMERICA'S MOST FUNDAMENTAL INFRASTRUCTURE NEEDS

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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 Department of Transportation’s (“DOT”) request for information (“RFI”) to inform the next surface transportation reauthorization.<sup>1</sup> DOT seeks to gather feedback, ideas, and recommendations to help inform legislative priorities and ensure future infrastructure programs focus on delivering safe and efficient surface transportation, without attaching unnecessary requirements.

ASLRRA is a 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 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

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<sup>1</sup> 90 Fed. Reg. 34,338 (July 21, 2025) and 90 Fed. Reg. 40,700 (August 20, 2025).

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>

### COMMENT

Class II and Class III railroads, commonly referred to as short line railroads, are the “first-mile/last-mile” of the freight rail network. On average, short line railroads employ fewer than 30 people, run an average of 79 miles, and generate \$7.7 million in revenue. The short line industry’s significance is not the short line industry’s size but who and where short lines serve. For large areas of rural and small-town America, short lines are the only connection to the national rail network.

Short lines operate in almost every state and are tied to 478,000 jobs nationwide, \$26.1 billion in labor income and \$56.2 billion in economic value-add, providing a service that over 10,000 industrial, agricultural, energy, manufacturing, metals, minerals, wood, and paper businesses nationwide rely upon to receive their raw materials and get their products to market.

The next Surface Transportation Reauthorization bill will impact freight railroad transportation for years to come and it’s vital that a strong rail title be included. DOT can ensure future infrastructure programs focus on delivering safe and efficient surface transportation, without attaching unnecessary requirements by enhancing transportation safety, accelerating project delivery, promoting economic growth and investment, and strengthening partnerships and flexibility. ASLRRA and its member railroads believe these priorities will help build America and are eager to do their part.

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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.”

## I. ENHANCING TRANSPORTATION SAFETY

Short line railroads prioritize safety for employees, customers, and the public. To that end, ASLRRRA recommends:

- **Robust dedicated funding for the Consolidated Rail Infrastructure and Safety Improvements (“CRISI”) program.** CRISI has been instrumental in improving freight rail safety across the national network, particularly for short line railroads. By providing targeted investments for critical infrastructure upgrade — such as replacing deteriorated ties and rail, improving grade crossings, and installing modern signaling systems — CRISI directly addresses the root causes of many short line derailments and operational hazards. These investments not only reduce the likelihood of accidents but also create safer working conditions for railroad employees and safer communities. For small railroads with limited resources, CRISI has enabled safety improvements that would otherwise be financially out of reach, helping to close the gap between needs and available capital. As such, securing continued and predictable CRISI funding — including through advance appropriations — is essential for advancing a safer, more reliable, and more resilient freight rail system. Advance appropriations are critical to creating a predictability for the program across the timeframe of the reauthorization law. This predictability helps short lines to invest in project planning, develop partnerships, and marshal non-federal matching funds. DOT should continue to support the CRISI program.

- **Continued robust funding for improving safety at grade crossings** through Operation Lifesaver, Section 130, and the Rail Crossing Elimination (“RCE”) Program. These programs directly address the most common causes of rail-related fatalities — highway-rail grade crossing incidents and trespassing. Operation Lifesaver is an industry and government-supported effort which focuses on educating the public about the importance of staying off

railroad tracks and the need for passenger and commercial vehicle drivers to exercise caution at grade crossings.

Federal funding has long supported grade crossing safety improvements largely through the FHWA Railway-Highway Crossings Program, known widely as the “Section 130” program. This program significantly improves grade crossing safety by providing funding to improve grade crossing protection equipment. The Section 130 program is regularly accessed by short lines working with their state DOTs and has proven flexible enough to even blend into project funding stacks along with resources from direct competitive discretionary awards such as CRISI. More recently, the RCE program has also been successful in providing options for communities to eliminate unnecessary crossings.

DOT should continue strong support for improving safety at grade crossings.

- **Sustained federal support for the Short Line Safety Institute (“SLSI”)**, which has proven effective in strengthening safety culture, particularly through on-site assessments, training, and educational programming. This federal-private partnership has delivered results across the short line industry and serves as a powerful example of the impact that public-private partnerships can achieve. SLSI’s primary activity is conducting Safety Culture Assessments (“SCAs”) at railroads. SCAs are voluntary, confidential, and non-punitive and use multiple data research methods including online surveys, in-person interviews, document review and first-hand observations as part of a rigorous SCA methodology. At the conclusion of the SCA, a summary of findings that identifies areas of high performance, and areas of opportunity for developing a stronger safety culture are presented. SLSI also offers post-assessment technical assistance for specific challenges, conducts training classes on leadership and root-cause analysis, and conducts follow-up SCAs to further aid railroads in strengthening safety culture.

SLSI's SCA process has been applied to over 165 railroads. To date, over 23,000 railroaders have been reached by an SCA, with 91.7% of participating railroads recommending an SCA to others. Participating railroads report positive changes in safety culture including safety communications improvements, increasing the effectiveness of job safety briefings, implementing safety action plans, and improving the function of safety committees.

Improving safety culture on short line railroads supports safer operations in the communities that short lines serve. DOT should continue strong support for SLSI.

- **Eliminating Harmful Language in the Risk Reduction Program.** The Risk Reduction Program ("RRP") statutory mandate requires that Class I railroads, railroad carriers that have inadequate safety performance, or railroad carriers that provide intercity rail passenger or commuter rail passenger service, develop, submit to DOT for approval, and implement a railroad safety risk reduction program. 49 USC § 20156. While the statutory language correctly avoids placing the large burden of developing and implementing a program on all short line railroads, the term "inadequate safety performance" is extremely problematic. A railroad labeled as having "inadequate safety performance" by the federal government will not be able to obtain required insurance to transport goods by rail nor will it be able to attract customers and interchange partners. Such a title should be reserved for a malevolent and dangerous actor, not a small business freight railroad that happens to be at the lower end of FRA's qualitative assessment. To eliminate this completely unnecessary risk to small business freight railroads, DOT should support removing the term "inadequate safety performance" from the RRP statutory mandate at 49 USC § 20156.

- **Codifying a Longstanding and Safe Hours-of-Service Practice**

ASLRRA manages a longstanding hours-of-service waiver for certain train employees of its member railroads under 49 CFR Part 228, which allows short line employees to receive 24 hours off after initiating an on-duty period of six consecutive days.<sup>3</sup> As an additional safeguard, train employees that work between the hours of midnight and 6:00 am on any consecutive day cannot utilize the waiver and must receive 48 hours off. Approximately 260 short lines currently utilize this waiver. ASLRRA is not aware of any incident or accident that was associated with the use of this waiver since it was first granted in 2010.

Considering the proven safety record of the longstanding waiver, supported by the large number of short line railroad employees who participate in the waiver, and the cost savings to the railroads, DOT should support that the alternative process granted by this waiver be incorporated into the statute at 49 USC § 21103(a).

- **Maintaining Safe and Responsible Truck Length and Weight Limits.** The existing 80,000-pound weight limit for trucks on the interstate system does not cover the full cost of the damage they do to the infrastructure. Increasing the length and weight of those trucks would make the problem worse and have negative consequences for both the short line railroad industry and the public. It would shift freight from rail to trucks, resulting in more trucks on our nation's highways, more congestion and taxpayer funded wear and tear, more pollution, and more deadly crashes. There were more than 40,000 fatalities on U.S. roads last year, more than

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<sup>3</sup> See Docket No. FRA 2009-0078. The statute otherwise forbids a train employee from performing any duty after the employee has spent a total of 276 hours in the mandatory service of the railroad in any calendar month and requires railroads to provide 48 hours of rest after six consecutive days of service and 72 hours of rest after seven consecutive days of service. 49 USC § 21103(a).

100 per day — that is far too many already without adding bigger and heavier trucks into the mix and making the problem worse.

Small railroads are largely privately-owned, and they reinvest 25% to 33% of their annual revenue into maintaining and improving their infrastructure. Trucks enjoy the advantage of operating over publicly subsidized highways, while underpaying for the damage to roads and bridges they cause. This problem would be further exacerbated by heavier and longer trucks, which cause significantly more damage to public infrastructure. All of this occurs as fuel taxes and user fees have consistently proven insufficient to fully fund the Highway Trust Fund, and general fund taxpayer dollars are increasingly applied to road projects.

DOT should not support expanding the existing federal truck length limitations at 49 USC § 31111 and the federal weight limits at 23 USC § 127.

## **II. ACCELERATING PROJECT DELIVERY**

To modernize infrastructure and maximize impact, ASLRRRA urges DOT to:

- **Streamline the CRISI grant implementation process.** Delays of 12-18 months or more from award announcement to execution of the grant agreement and obligation of funding are not unusual. This hinders project momentum and undercuts safety and economic benefits. FRA should continue to work on compressing the timeline between notification and grant award and obligation, particularly for simpler short line projects with low environmental impact.
- **Expand use of Pre-Award Authority (“PAA”)** for non-ground disturbing activities like engineering and procurement of materials. Authorizing more PAA can mitigate inflationary risk and keep projects moving while reviews are underway.
- **Improve elements of the National Environmental Policy Act Process.** Short lines are an environmentally friendly way to move goods. ASLRRRA encourages efforts to ensure the

National Environmental Policy Act (“NEPA”) requirements reflect this sustainable way to move freight and do not undermine it. Specifically, DOT should pursue regulations to expand definitions of selected categorical exclusions (“CEs”) for projects without significant environmental impacts. Bundling similar CEs for review and approval is an effective procedure that DOT can adopt on its own and Congress can encourage.

- **Enhance transparency and reporting across the grant lifecycle.** Congress, through appropriations report language, has directed FRA to provide regular progress reports to Congress documenting grant award milestones. Reauthorization is an opportunity to codify and improve this established requirement. Key points that should be reported include award notification date; initiation and conclusion of the environmental review process; the NEPA determination (class of action); award date (execution of the grant agreement), completion of construction; and closeout of the award. Benchmarking performance to these milestones that are common to every grant will support accountability and continuous improvement in the agency’s processes.

- **Support codifying reforms to Section 106 historic reviews.** Under NEPA, grant-funded projects must be reviewed for compliance with the National Historic Preservation Act (“NHPA”). This requires coordination with state historical preservation offices (“SHPOs”), to identify impacts and establish mitigations, if any impacts are found.

One trigger for the requirement to evaluate properties is eligibility for listing on the National Register of Historic Places if historical significance of a property was achieved more than 50 years prior, with some exceptions. The remaining criteria are subjective. Most railroad properties in the U.S. were constructed more than fifty years ago. This creates the potential for excessive NEPA evaluation under the NHPA of many elements of active operational freight

railroad properties. Most interactions between SHPOs and short lines are routine and efficient, but they can sometimes be unreasonably lengthy and result in mitigation recommendations that are extremely costly or even infeasible or unreasonable.

The FAST ACT aimed to reduce this risk and streamline the Section 106 compliance process by establishing a rail program comment in agency policy. Despite this, feedback from grantees to ASLRRRA indicates that delays and uncertainty are still common. DOT should support codifying limitations in 49 U.S.C. § 24202 (Railroad rights-of-way) on the designation of operating railroad properties as historic properties.

- **Revise grant conditions provisions in statute to reduce delays and complications in the grant award process.** 49 USC 22905(c)(1)(A) and (B) specify that rail project grantees, when applicable, must evidence a written agreement with other railroads and stakeholders covering considerations like compensation for use of infrastructure and infrastructure capacity. It is not unusual for grant-funded short line railroad projects to occur wholly on or to include elements of infrastructure that are owned by another party and operated by the short line under a legal agreement such as a long-term lease. This language has at times been interpreted in a manner that has triggered lengthy and complex processes to generate new legal documentation atop what already exists. The experience reported by ASLRRRA's member railroads is that often the pre-existing legal agreements in these situations, between short line railroads and infrastructure owners — often Class I railroads or state or local governments — are adequate to fully meet the intent of the law. DOT should request that Congress clarify the wording so that when a pre-existing agreement adequately satisfies this requirement, new agreements or legal documentation between the parties do not need to be created to enable the grant.

### III. PROMOTING ECONOMIC GROWTH AND INVESTMENT

Short line railroads are economic engines in rural America and industrial centers. They connect more than 10,000 customers — particularly industrial, agriculture, energy, and manufacturing — to the national freight network. However, short lines continue to face significant economic challenges that threaten their ability to maintain secure operations. With aging infrastructure requiring substantial investments, they are burdened by a backlog of over \$12 billion in necessary improvements. Despite operating nearly one third of the nation’s rail infrastructure, short lines earn only roughly 6% of the total U.S. freight railroad industry’s revenue. Support from CRISI and reasonable regulations have been crucial to the short line industry’s ability to maintain investments. As DOT recommends and shapes the nation’s next surface transportation bill, ASLRRA urges that the following vital programs and policies be secured in legislative text to help ensure the continued success and growth of the short line industry, and the nation’s freight rail network. Reauthorization should:

- **As stated earlier, continue to fund the CRISI program via robust dedicated funding and advance appropriations.** Predictable multi-year funding enables small railroads to plan, design, and deliver projects that generate long-term economic growth. Since its inception, CRISI has been transformative, with over \$2.7 billion supporting short line projects nationwide. CRISI has enabled short lines to invest in hundreds of projects which would not otherwise be possible. Short lines can directly apply for CRISI grants, enabling them to focus on projects of a size appropriate for small railroads like tie replacement which would likely not be viable in larger, multi-industry programs like BUILD and INFRA with higher profile projects. The advance appropriations provided in the current surface transportation reauthorization bill for CRISI and other programs created funding stability and predictability that has been particularly

important for the short line community, including suppliers, contractors, and rail shippers. Short lines urge the inclusion of advance appropriations or some other sort of funding guarantee for CRISI as part of a surface transportation reauthorization bill. Returning to just authorizing funds and then hoping the funds are provided in the annual discretionary appropriations process would be a huge step backwards for short lines and CRISI and would put short line freight rail at a massive disadvantage to the competition. Predictability of funding enables small railroads to invest in project development, partnership development, and marshalling of non-federal matching funds for a competition in future years, precursors to preparing truly competitive applications. Uncertain program funding threatens the viability of short line grant-funded projects.

- **Preserve CRISI's freight focus** by resisting set-asides and resisting broadening eligibility to entities with access to other federal grant programs. Freight rail, and particularly short lines, must retain the ability to compete for limited infrastructure dollars, and this is the only federal grant program for which short lines are directly eligible applicants.

Every dollar invested in improving rail infrastructure is a dollar invested in rail safety. For short lines, the biggest causes of derailments are simply worn-out track, such as broken rails, or rotten ties contributing to wide gauge. The best way to address that is simply to invest in the most fundamental track elements: steel rail, crossties, and ballast, aka "rail, rock, and ties." This is exactly what CRISI does, making rail transportation safer for short line employees and for the communities they serve.

- **Reduce the administrative burden of applying for CRISI funds for small projects.** The benefit-cost analysis ("BCA") required for CRISI applications has proven challenging, especially for smaller applicants, whether railroads or public entities like small

towns or counties. For small projects, Congress could modify the statute so that applicants either do not need to prepare a full BCA or can satisfy the requirement by presenting a benefits analysis alone. A small project threshold of at least \$7 million in grant funds requested would account for approximately 35% of short line awards in the first three years under IIJA. Such a threshold should accommodate reasonable inflation expectations over the timeframe of the reauthorization.

- **Codify holding entities as eligible applicants.** Even very small groups of very small railroads are often organized into holding structures for legal and administrative purposes. Being able to apply for and be a recipient of CRISI funds at these levels above the operating railroad entity is often beneficial. Appropriators have recognized this benefit by including this eligibility in the statutory language of recent appropriations acts. Provision of this language only in annual appropriations can lead to administrative and accounting challenges at the agency that must allocate annually appropriated funds and advance appropriations in the same award cycle. The potential for variability in this language across annual appropriations bills alone could lead to additional challenges in the future. It could even result in the inadvertent elimination of applications from consideration for award for no other reason than the applicant's choice of which applicant entity to use. DOT should request that Congress codify this accepted holding entity eligibility into the authorizing statute for the program.

- **Expand project eligibility for the DOT's RRIF loan program to support rail shipper development.** The Railroad Rehabilitation and Improvement Financing ("RRIF") program has not lived up to its promise. Congress set aside \$7 billion in lending capacity for Class II and III railroads, out of the \$35 billion total. Today, nearly 30 years later, less than \$1 billion of this capacity represents outstanding loans to small railroads. The program has proven to be administratively difficult and costly to access for short lines. Of the few loans that are

made, many end up with public or large borrowers who are existing large scale debt issuers with sophisticated organizations and the financial flexibility to handle the RRIF process. The program was originally intended to enable short lines to borrow to invest in capital improvements that would help maintain or increase traffic volumes. Short lines can be similarly incentivized to invest in their infrastructure by additional revenue anticipated from new or increased shipper traffic. Rather than “pushing on the string” of small railroads to keep trying to get them to take loans, this suggested change would open the loan program to shippers. Shippers are often larger entities than the short line railroad itself and have the resources to more successfully approach a program like RRIF. This would enable RRIF to finance the primary production that then directly turns into revenue-producing traffic at the short line railroad. More than 25% of short line revenue is typically put back into maintenance and capital expenditure. Short line rail-served shipper examples could include expansion of a factory, development of a mine or quarry, building of a new metals plant, or construction of grain elevators. Under this approach, RRIF could benefit short lines while directly financing the reindustrialization of America.

#### **IV. STRENGTHENING PARTNERSHIPS AND FLEXIBILITY**

Collaboration and innovation must be central to the next reauthorization. DOT should support efforts to:

- **Promote deployment of new technologies through waivers and pilot programs,** including predictive analytics, locomotive sensors, learning management systems for workforce training, and automated track inspection. The RailPulse initiative is one example of a promising industry-led effort that began as a pilot to modernize real-time railcar tracking with public-private investment. In another example, 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.

- **Ensure smaller railroads can have support accessing emerging technology.** The recent \$20.5 million CRISI grant to install digital onboard systems on 600 short line locomotives is a model for how innovation and broad access can align in federal investment strategy.

## CONCLUSION

ASLRRA appreciates this opportunity to provide feedback, ideas, and recommendations from short line freight railroads to help inform legislative priorities and ensure future infrastructure programs focus on delivering safe and efficient surface transportation, without attaching unnecessary requirements. Short line freight railroads are foundational to a safe, efficient, and resilient national freight transportation system. As first-mile/last-mile connectors, they serve as vital economic links for thousands of communities and industries across the country.

The next surface transportation reauthorization presents a critical opportunity to strengthen freight rail by:

- Enhancing transportation safety through continued funding of CRISI, grade crossing programs, and the Short Line Safety Institute, and support of a more modern and flexible regulatory framework;
- Accelerating project delivery by streamlining grant processes and environmental reviews, and providing for assured funding through advance appropriations;

- Promoting economic growth and resilience through expanded funding tools such as CRISI and program eligibility in RRIF; and
- Strengthening partnerships and regulatory flexibility to support innovation and right-sized compliance.

These are practical, proven strategies that advance national priorities while delivering cost-effective results. The short line industry stands ready to partner with DOT, Congress, and other stakeholders to implement a reauthorization package that ensures long-term success for freight rail, its customers, and the communities they serve.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Baker', with a horizontal line underneath.

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