

SHORT LINE AND REGIONAL RAILROAD 101

SHORT LINE AND REGIONAL FREIGHT RAIL OFFERS TREMENDOUS PUBLIC BENEFITS PARTICULARLY FOR AREAS OF THE COUNTRY NOT SERVED BY LARGE FREIGHT RAILROADS

Short line freight railroads are small, hometown businesses directly tied to their local economies. They connect the communities they serve to the national rail network, provide local jobs, and help more than 10,000 shippers reach domestic and international markets. Their success is driven by team work, a focus on safety, flexibility and seeking growth opportunities one carload at a time with current and new customers.

SHORT LINES ADDRESS FOUR CHALLENGING PUBLIC ISSUES

GROWING JOBS

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*

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

IMPROVING TRANSPORTATION SAFETY

- Short lines annually invest 25-33% of revenues in upgrading rails and bridges to modern standards, ensuring that railroads are the safest form of surface transportation.
- Short line railroads keep 31.8 million heavy trucks off local roads, and away from the motoring public.

50% REDUCTION

in train derailments since 2005 when the Short Line Tax Credit (45G) went into effect, incentivizing more than \$5B in industry infrastructure investments to date, according to Federal Railroad Administration data.

PROTECTING THE ENVIRONMENT

Freight rail is a sustainable, environmentally-friendly mode of transportation.

ONE TON



of freight moved

479

miles by rail uses only

1 GALLON
of diesel fuel

Moving freight by rail reduces highway congestion, and lowers fuel burned by vehicles going nowhere.

- U.S. Environmental Protection Agency data show freight railroads account for only 0.6% of total U.S. greenhouse gas emissions and only 2.1% of transportation-related sources (trucking, shipping, air, etc.).

 **75%**
reduction in greenhouse gases vs. trucks

SAVING PUBLIC INFRASTRUCTURE

Short line railroads are privately owned, investing up to

33%

of annual revenues in infrastructure, vs. relying on public funds to support infrastructure.

Moving more freight by rail lowers the cost of heavy truck damage by

\$1.5 BILLION

annually on the nation's beleaguered highway system, lessening the cost burden to the taxpayer.



*The Section 45G Tax Credit and the Economic Contribution of the Short Line Railroad Industry, PricewaterhouseCoopers LLP (PwC), July 2018. See http://files.aslrra.org/images/news_file/PwC_ASLRRA_final_report.pdf

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THE SHORT LINE CONNECTION: A CRITICAL PIECE OF THE U.S. FREIGHT RAIL SYSTEM

Comprised of 600 small business railroads, 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.



47,500

route miles
are
operated by
short lines

29%

of the freight
rail network
in the U.S.

10,000+

customers
are
served by
short lines

100%

Short lines provide 100%
of rail service in some
states, AND more than
25% in 36 states.

25%

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 manufacturing, agriculture, and energy.



SHORT LINE FREIGHT RAIL IS ESSENTIAL IN PROVIDING SERVICE TO MORE THAN 10,000 SHIPPERS

"The railroad provides access to additional markets, reduces cost, reduces highway investment and repair and improves prices farmers receive. Access to efficient and responsive rail service is essential for the economic well-being of agricultural and rural areas." - Jim Magnusen, General Manager, Key Cooperative, Holmen, Wisconsin

"We work in economic development and short lines are vital to the success of our manufacturing sector's future."
- Mark Nolte, President, Iowa City Area Development (ICAD), Iowa City, Iowa

TOP LEGISLATIVE ISSUES

- **Increase CRISI Funding** - The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program is a very popular and successful program that includes short line railroads as eligible applicants. CRISI funding should be increased and there should be no big, new set-asides to ensure an even playing field for all applicants, including small business freight railroads.
- **No Increases to Truck Size and Weight (TSW) limits** - Increases and exceptions to current federal law resulting in a shift from freight rail to truck transportation would be harmful to everyday drivers, the environment and the public infrastructure paid for with taxpayer dollars. We oppose any legislation that increases current limits.
- **Other Grant Programs** - Congress should ensure short line railroad projects can access funding through programs like INFRA, BUILD, and new transportation grant programs targeting emissions and congestion reduction by including freight rail project eligibility and maintaining rural and small project participation.
- **Short Line Safety Institute (SLSI)** - Continue federal support for the SLSI. The SLSI helps build a stronger, more sustainable safety culture through safety culture assessments, training and education - including the safe transportation of energy products and hazardous materials, outreach activities, and research.
- **No Crew Size Mandate** - Safety is our top priority, but there is no safety data to support the need for a crew size mandate, which could impede development and adoption of new safety technologies. Crew sizes have always been and should continue to be handled as part of collective bargaining agreements and not a one-size-fits-all federal mandate.