

Short Line Rehabilitation & Upgrade Investments Are On The Horizon

By Kristen McIntosh



Despite the ups and downs of the pandemic and supply chain issues, short lines in 2021 by and large performed well, said Chuck Baker, president of the American Short Line and Regional Railroad Association (ASLRRA), adding that short lines are nimble enough to adapt to the ever-changing needs of the marketplace and their customers while also focusing on growth and new customer opportunities.



Baker

“Short lines will work with any potential customer, any government partner, any transportation network partner to find that next carload of growth,” Baker said. “With the trucking industry struggling more than ever to find and keep drivers, that has also allowed short lines to come up with some creative transload options to fill the vacuum.”

Baker suggested visiting aslrra.org > About > Industry Awards & Recognition > Business Development to learn more about how some short line railroads are driving

“*A flood of new grant opportunities should unleash a new five-plus-year golden era of short line rehabilitation and upgrade investments.*”

new business and helping current customers pivot to new opportunities.

In the Q&A below, Baker provides an update on the short line freight railroad industry and shares what RTA members can do to ensure they remain successful over the long haul.

What legislation will ASLRRA pay particular attention to this year?

While we are extraordinarily pleased with the outcome of the IIJA, we won't rest on our laurels. The annual appropriations

will continue to be extraordinarily important for short lines, as there is still a lot of money for CRISI, RAISE, INFRA, the grade crossing separation program, and RRIF that will be determined in those bills, on top of what was guaranteed in IIJA. In addition, we will continue to engage with members of Congress on a variety of fronts, including the environmental benefits of rail, our role in continuing to solve supply chain issues around the country, and the importance of rail to industries that they are considering legislation for such as the Farm Bill and the annual defense authorization and appropriations bills.

How does the passage of the Infrastructure Investment and Jobs Act (IIJA) play into short lines' plans for the year? What about the now permanent 45G tax credit?

The recent passage of the IIJA will unleash a flood of new grant opportunities that we expect our members to be aggressive in competing for. The association is working to ensure our members are well versed in these programs and prepared to compete. CRISI



is the first target for most short lines, but we also expect there to be opportunities in RAISE, INFRA, Section 130, the new grade crossing separation program, RRIF, and through various state-funded programs. This should unleash a new five+-year golden era of short line rehabilitation and upgrade investments.

Having the 45G Short Line Tax Credit “permanently” in place, rather than on the cusp of expiring as in previous years, has allowed many short lines to plan and begin longer term projects that will position them to better serve current customers, meet growth targets, and contribute to supply chain fluidity and resiliency.

How did COVID impact the short lines in 2021, and do you expect it to have an impact on the short lines this year?

COVID certainly has caused, and probably will continue to cause, plenty of surprising disruptions and changes among customer shipping plans. But short lines keep their heads down, keep in close communication with their customers, and just make it work every day. They’re focused on adapting and winning, not worrying about COVID or anything else beyond their control.

What can RTA members do to assist short lines in their efforts to secure federal funding for maintenance projects?

RTA members are important partners for short lines. There are two ways to

get engaged – 1) Participate in Railroad Day alongside us on March 9 and 10. Registration has just opened at www.aslrra.org, and it will be virtual again this year, with meetings taking place via Zoom. 2) Engage with short lines in their grant application planning. Some grant programs will be considering a number of new factors, including how projects support the local economy, provide access for businesses in the broader economy, contribute to reduction in environmental footprint, or involve small businesses or businesses that are typically under-represented. If your business helps any aspect of that story, partner with a short line to ensure competitive grant applications.

Bring us up to speed on ASLRRR meetings this year. Will any be in person?

Yes! Yes! And yes! We had a very successful in-person annual meeting in November in

Phoenix. We are looking forward to hosting the 2022 Annual Conference & Exhibition May 1-3 in St. Louis, and in the fall we will return to our usual regional meeting schedule, likely in Denver and Atlanta. We look forward to seeing many RTA members at these events.

Please share more information about Railroad Day on the Hill if possible.

Railroad Day will take place March 9 and 10, virtually. We found we were able to cover just as many offices last year virtually, and we had broader participation as members did not need to incur the expense or time away from the office that an in-person event entails. Congress is now very adept at meeting via Zoom, and although we love the idea of swarming the halls of Congress as an industry, it is just not possible yet in Washington with the various building restrictions. To participate, register now at aslrra.org. ■

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