

# Short Line and Regional Railroads: Challenges and Opportunities

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## THE SHORT LINE AND REGIONAL RAILROAD INDUSTRY

Nearly  
10,000  
customers

49  
states

Invest 24%  
of revenue in  
capital &  
maintenance

47,500  
miles  
of track

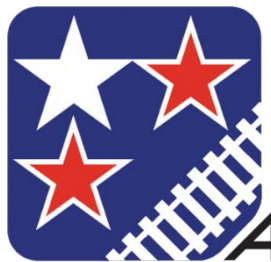
Nearly  
18,000  
employees

\$4.64  
billion in  
revenue

603  
short  
lines

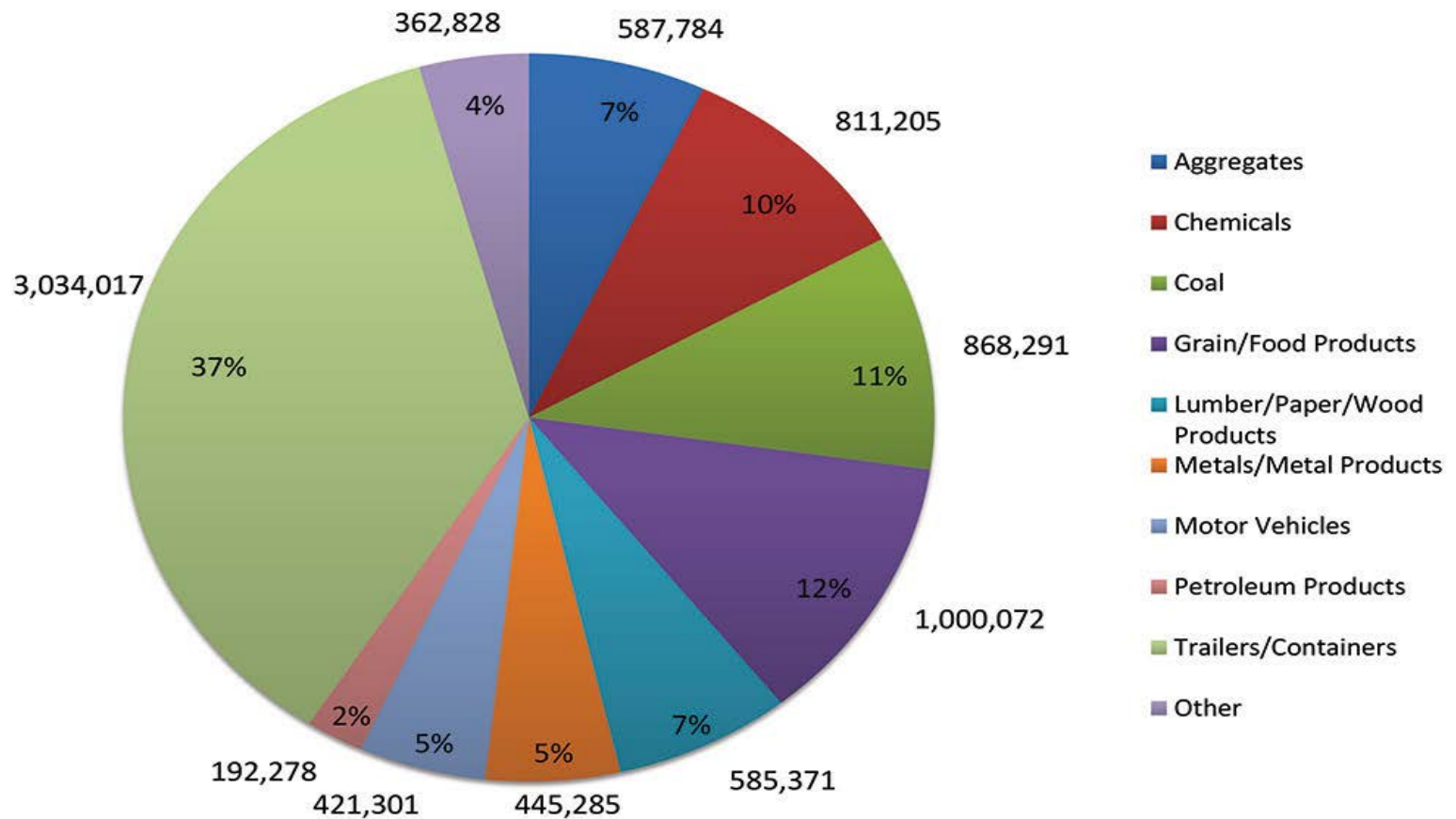
29%  
of total track  
in U.S.

**1** in **5** cars are moved by short lines

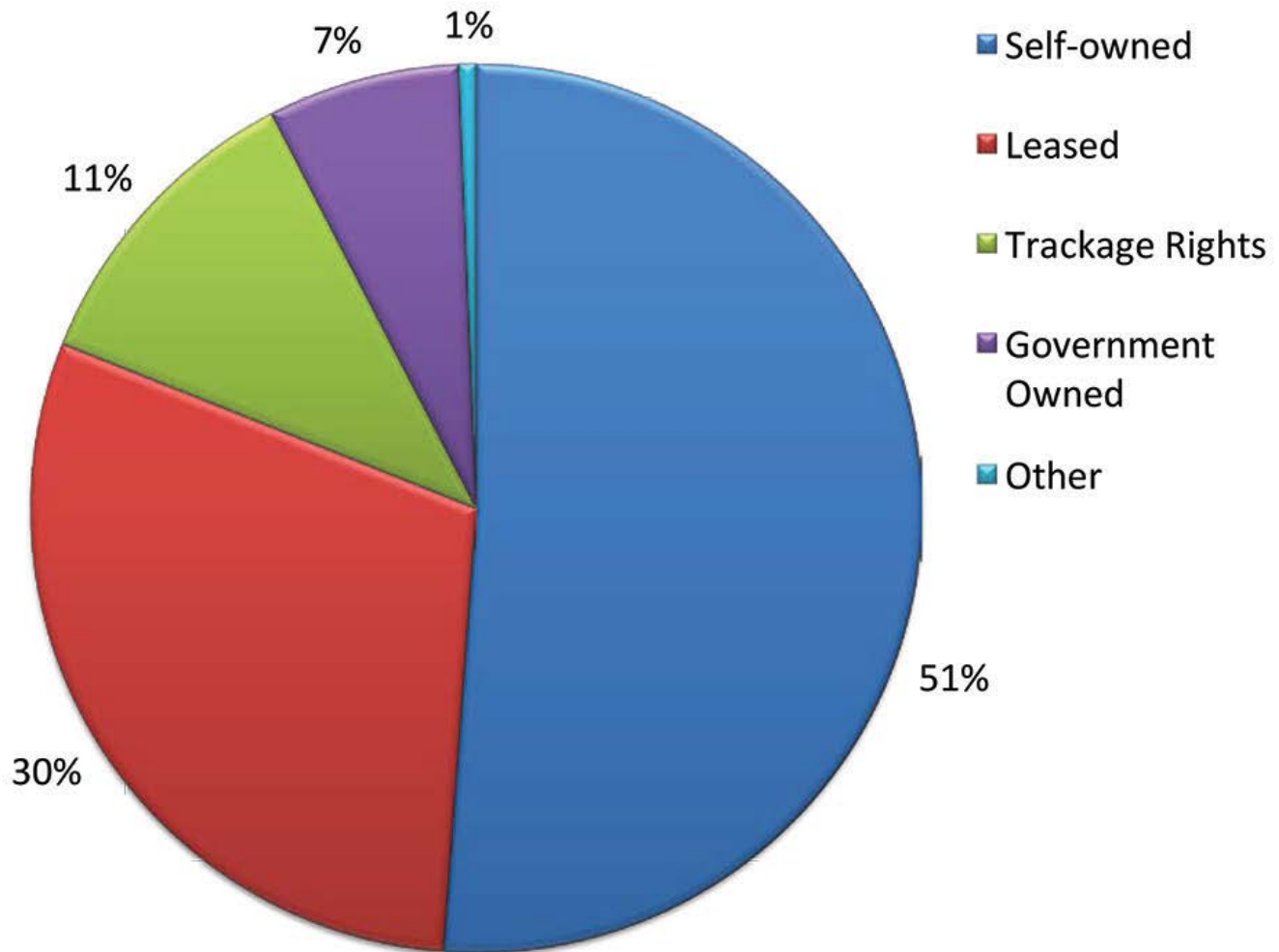


ASLRRRA

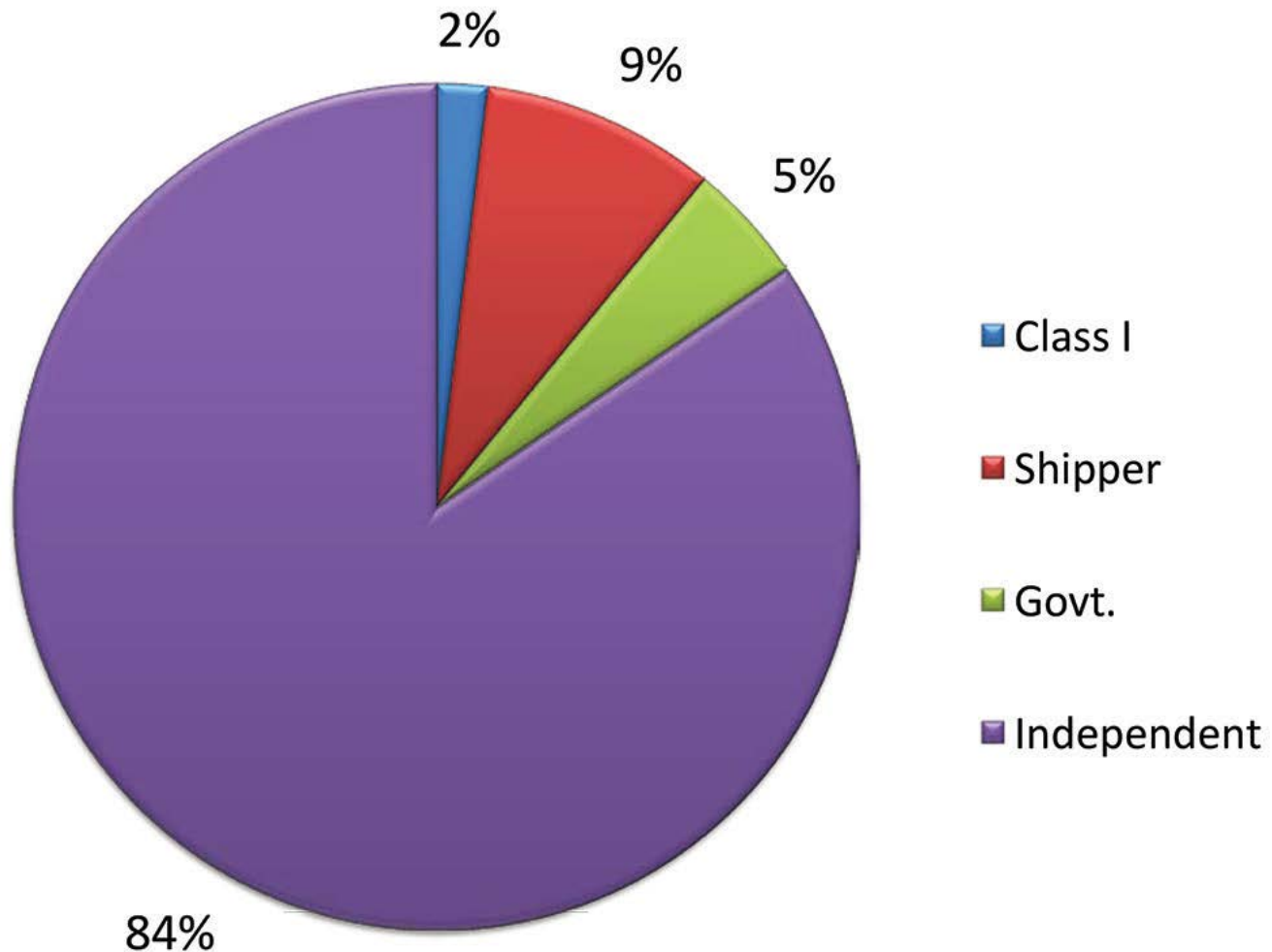
# Short Line (Class III) and Regional Railroads (Class II) Carloads By Commodity



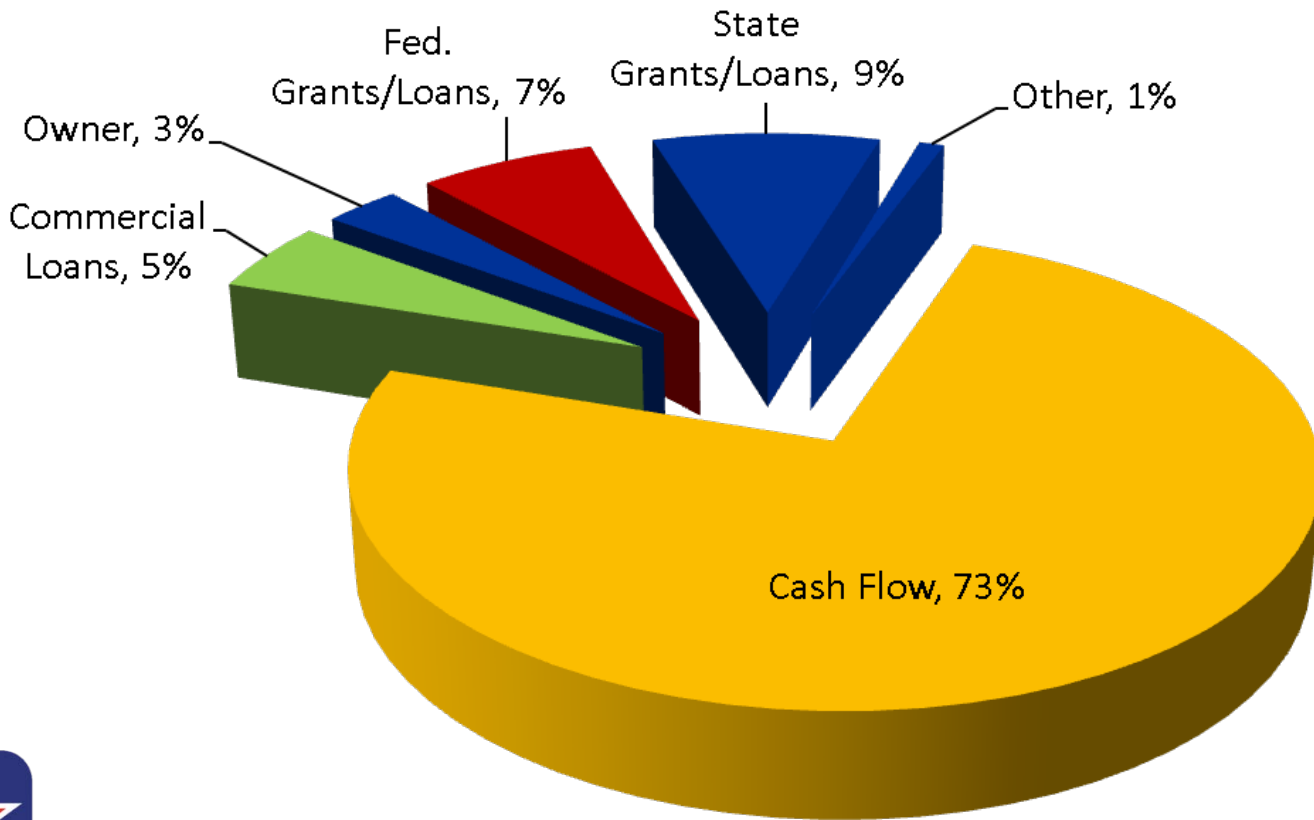
# Class II and III Railroad Miles Operated by Type



# Railroad Ownership by Type: Class II & Class III



# Class II and III Railroad Investment by Source



# BUILD Grants

- Replaces TIGER Grants
- FY18: \$1.5b
- Maximum award \$25 million
- No more than \$150 million to single state
- At least 30% awarded to rural areas



Increased emphasis on projects located in rural areas



\$1.5 billion ready for projects with a significant local or regional impact



Apply by July 19, 2018



U.S. Department of Transportation

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# CRISI Grants

- Consolidated Rail Infrastructure and Safety Improvements (CRISI)
- \$65 million for FY17
- \$593 million for FY18
- NOFO for 1<sup>st</sup> CRISI for FY17 out now
  - Applications due June 2018





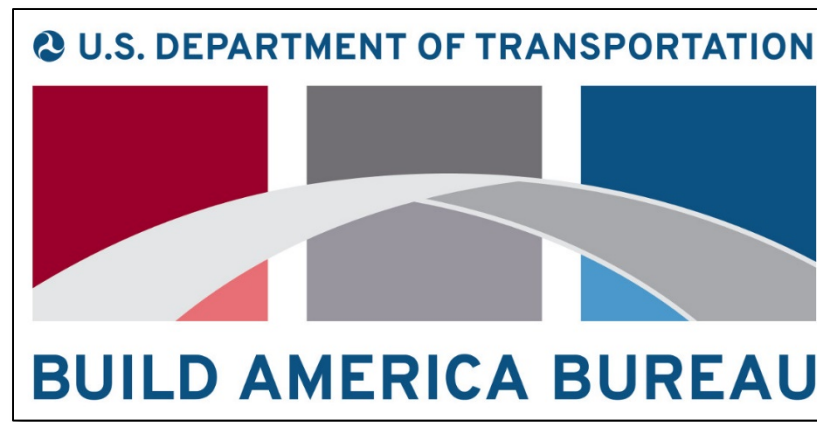
# INFRA Grants

- \$4.5 billion for FY16-20
- \$1.5 billion to be awarded for FY 17-18
- Project Sizes
  - Large project: at least \$25M
  - Small project: at least \$5M
- Set asides
  - 10% funds reserved for small projects
  - At least 25% awarded to rural projects



# Railroad Rehabilitation & Improvement Financing (RRIF)

- Railroad loan program run through the Build America Bureau
- Remaining loan authority of almost \$25 billion
- Rates approximates 30 year treasury rate (3.12% currently)
- Can be used to: improve rail infrastructure, refinance debt, or establish new intermodal or rail facilities



# Section 45(g): Short Line Tax Credit





# Section 45(g): Short Line Tax Credit



Biggest Policy Challenge  
*Truck Sizes and Weights (TSW)*

**Increased Sizes**

- Who wants it: Parcel shippers such as Amazon, FedEx and UPS
- Last Congress: Sought to make Twin-33 trailers legal nationwide

**Increased Weights**

- Who wants it: Shippers of bulk goods, most notably Anheuser-Busch
- Last Congress: Pushed a 15-year, 10 state, 91k lbs. truck pilot project

The fight on TSW has been ongoing for many years, and only looks to get more intense.





