Industry Shares Unified Message With Congress During

Railroad Day On Capitol Hill

By Kristen McIntosh

Railroad Day On Capitol Hill was held March 13, with attendees representing Class I, II and III railroads, shippers, state and local government entities, as well as members from the supplier community with an interest in furthering the political goals of the railroad industry.

Railway Tie Association (RTA) members came out in number, participating in the day-long series of meetings with congressional officials.

According to the Association of Short Line and Regional Railroads Association (ASLRRA), the event is intense, with participants receiving their list of appointments during an early morning briefing on the issues and then participating in a full day of meetings with representatives, senators and their staff.

The meetings en masse "create an impression and help build the momentum our professional representatives need to secure congressional action on the issues that are most important to the health and prosperity of our businesses," ASLRRA officials pointed out. "A successful Railroad Day on Capitol Hill will build the foundation we need to extend the 45G railroad tax credit, preserve balanced regulation, and bring about a more balanced transportation infrastructure spending policy."

There were numerous issues addressed during the meetings, said Jim Gauntt, RTA executive director, who was among the numerous RTA representatives and members present.

Preserve Balanced Regulation

Railroad Day On Capitol Hill attendees asked legislators to oppose any legislative effort that would adversely impact the economic and antitrust regulatory balance currently established under existing federal law.

Since the passage of the landmark Staggers Act of 1980, the rail industry has redoubled its efforts toward operating an efficient, greener and safer network; reinvested more than $530 billion of private capital to spur growth and innovation throughout the industry; and lowered average rates for rail customers by 42 percent, stated a "talking points" document issued by ASLRRA. This year alone the Class I railroads will invest $26 billion in Capex, up some 4-5 percent over 2013. Allowing the current state of balanced regulation to remain means over 12,000 North American new jobs for the railroads this year and more jobs and investment by tie producers to meet the need of the railroads.

Norfolk Southern

In this group are Michael Wester and Nathan Henderson of R.J. Corman Railroad Group, Stephen Drunsic with Nashville & Eastern Railroad, Barry Crabtree of West Tennessee Railroad, Tony Chambers of Nisus Corporation and others.

Extend Short Line Tax Credit

Legislators were asked to cosponsor and support the Short Line Tax Credit, H.R. 721 and S. 411 to help short line railroads maintain and upgrade their infrastructure to efficiently handle the new generation of heavier rail cars needed by their customers. "In 2005, Congress enacted the Section 45G tax credit to reduce the federal tax burden to help these small, local and entrepreneurial businesses," ASLRRA stated. "The credit expired at the end of 2013 and should be extended so short line and regional railroads and their customers will continue to maximize investments in their infrastructure."

"This is one of the most fundamental needs of our nation, the ability to optimally maintain the feeder network that funnels approximately 30 percent of the traffic that ends up on Class 1 roads," Gauntt said. "It can mean an increase in as many as 1.5 million ties purchased by short line railroads to do this, and that's a direct injection of much-needed economic stimulus for the tie producing community."

Oppose Bigger & Heavier Trucks

Congressional officials were also asked to oppose H.R. 612, which proposes to increase

RTA and Railroad Day On Capitol Hill team members meet with Austin Scott (R-Ga.), third from left.

Doug Collins (R-Ga.), fourth from left

truck size and weight allowances. "Today, 80,000-pound trucks only pay about 80 percent of the cost of the damage they cause to taxpayer-funded roads and bridges," ASLRRA stated. "Proposed 97,000-pound trucks would pay only 50 percent, increasing the wear and tear on an already strained system—amounting to an additional tax on other motorists and higher costs to federal, state and local governments at a time when neither can afford it. This cost shift from the trucking industry to motorists and commuters would divert traffic away from freight rail and would exacerbate highway congestion."

As stated in a *Railway Age* blog post by Frank Wilner, the American Association of State Highway and Transportation Officials (AASHTO)—in a 49-state-funded study validated by separate, independent testing in Canada—reported that as axle weights double, pavement damage increases 16-fold. That means, according to the U.S. General Accountability Office, that one 80,000-pound truck causes the equivalent infrastructure damage as 9,600 automobiles, yet heavy trucks pay highway user charges well below their cost responsibility, Wilner stated.

Diverting traffic from rail to highway would impact the health of the rail industry and add to the burden of taxpayers through additional highway subsidies.

"RTA has long supported all of these railroad legislative initiatives, and our members are proud to continue that tradition this year in these proactive meetings with congressional leaders," Gauntt said. ■

Lynn Westmoreland (R-Ga.), top right