Railroad Day On The Hill 2006 Garners **Largest Attendance Ever**

From Staff Reports

Nearly 300 railroaders, suppliers, labor representatives and contractors took to Capitol Hill on March 8 to meet with legislative leaders to discuss key railroad issues for 2006. Among the issues discussed in over 200 scheduled meetings were three key items: re-regulation, capacity constraints, and the need for an extension of short line tax credits.

First, regarding existing proposals for railroad re-regulation, Senate and House bills S919 and HR 2047 were introduced by some powerful shippers calling for rate regulation on their rail service providers. House and Senate members were reminded, though, that the long decline of the railroads had only been halted with deregulation with the enactment of the Staggers Act in 1982. They were also reminded that inflation-adjusted rail rates were still at historical lows for rail freight customers.

Second, even more rail investment is needed to relieve capacity constraints now appearing on the horizon for Class 1 roads. A regulated rate environment would deprive the railroads of the revenue to make these investments and initiate scenarios that could lead to devastating consequences for the same shippers that are complaining now.

Dovetailing with this, Class 1s asked for support for a tax credit for new rail line construction. Citing the American Association of State Highway and Transportation Officials report on freight growth that projects a 70 percent increase in freight over the next 20 years, the case was made that even the current investment plans for rail could

Above, RTA CLEAR Committee members Tom Niederberger, Gary Ambrose and Tony Chambers with RTA President Tony Helms and Executive Committee member Robby Johnson prepare to hit the Hill on the railroads' behalf. Right, a 7 a.m. briefing for all attendees precedes all of the legistative meetings.

not keep up with this growth and tax credits were needed to spur the investment required.

Also, if passed, this new legislation introduced the same day by Sen. Trent Lott (R-Miss.) would allow railroads to write off capital investment in the current tax year rather than depreciate it over seven years.

Third, rail and supplier interests began laying out the rationale for the need to extend the short line tax credits for infrastructure investments. Telling numerous stories of success, buttressed by Railway Tie Association (RTA) members telling of the increased demand for ties, impressed many of the legislative contacts.

"Investment in short lines means jobs—American jobs, jobs that don't go overseas but rather benefit largely rural American families," said RTA Executive Director Jim Gauntt. "We are seeing the benefits of the tax credit legislation and need to extend it for the good of the railroads and for the benefits that it provides to all of America."

Rail freight transportation in America is the most efficient rail freight system in the world. To keep it that way more investment would be needed. That was the message. §

Top right, key shortline representatives and ASLRRA President Rich Timmons meet with the staff for Bill Thomas (R-CA), chairman of the House Ways & Means Committee, to discuss tax credit extension options. Bottom right, in Sen. Richard Shelby's (R-AL) office, Shane Boatright of Boatright Enterprises and Robby Johnson of Seaman Timber Co. (far right) advise staff on the importance of tax credits to job creation.

Contractors, Class 1s, shortlines, suppliers and rail labor interests explain to Sen. Johnny Isakson's (R-GA) staff how important rail investment is to the freight transportation needs of the country.