

45G Tax Credit Extension Tops ASLRRA's 2014 *'To Do'* List

Make Your Voice Heard At Railroad Day On The Hill

With one year to go in the 113th Congress, there is much left to be done.

For the short line railroad industry, one of the most important tasks is the extension of the 45G rehabilitation tax credit.

45G Tax Credit Extension

The 45G rehabilitation tax credit expired at the end of 2013, and short lines across the country have worked very hard on our extension legislation (HR 721 and S 411). In the House, we have secured 224 co-sponsors, more than the 218 that is a majority of the House. In the Senate, we have attracted 43 co-sponsors, just eight short of the 51 needed for a Senate majority.

Perhaps more telling is how the short line legislation stacks up with other tax bills. In this session of Congress, there have been 359 tax bills introduced in the House of Representatives, and HR 721 has the third highest number of co-sponsors. The only bills with a higher number of co-sponsors deal with repealing the medical devices tax enacted under the Affordable Care Act and providing tax assistance to the disabled.

Likewise, in the Senate, there have been 179 tax bills introduced and only one, the same bill providing tax assistance to the disabled, has more co-sponsors than S 411. This is a good showing considering that there is significant sentiment in Congress for a comprehensive tax reform package that has made many Congressmen more hesitant to co-sponsor individual tax bills.

These numbers reflect the tremendous effort the short lines and their supporters in the rail supply and contracting industries

have made in building support for this legislation. But these numbers also reflect Congressional understanding and appreciation for what the tax credit accomplishes. It allows small businesses to invest more of what they earn to build and grow their own businesses. It helps tens of thousands of local businesses in rural and small town America stay connected to the national railroad network. It creates jobs not only for the railroads that are rebuilding their track but also in those industries that produce the ties, rail, ballast and signal systems that are used in those rehabilitation projects.

Tax reform is an important subject, and Congress has an obligation to work hard on that issue. But Congress also has an obligation to understand that short line railroads are small businesses that work in the real world. They cannot wait indefinitely for Congress to act. They must make their spending plans now. They need to know

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how much track they can rehabilitate in 2014. They need to order the materials required for that rehabilitation and begin hiring the personnel needed to do the work. Likewise, their shippers need to know how much capacity the railroad has so they can plan and manage their own budgets for the future. Neither the railroads nor their suppliers or shippers can afford to stand still while Congress fails to act.

Positive Train Control

Most everyone in and out of government seems to agree that the 2015 Positive Train

Control (PTC) mandate cannot be met; yet, the deadline remains. As is true with the short line tax credit, part of the problem involves

the way Congress currently operates. Very few standalone bills ever pass. Every piece of legislation seems to require a larger bill that contains many provisions related to one subject area. There was no rail-related legislative vehicle in 2013 and, thus, no action on the PTC issue.

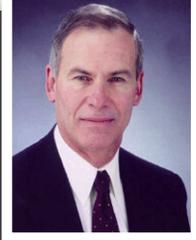
Truck Sizes & Weights

The U.S. Department of Transportation (US DOT) is in the middle of its two-year truck size and weight study and is working hard to meet its October 2014 deadline. At this point, it is impossible to say how the study will turn out, but the entire railroad industry is attempting to provide as much input as possible. It is unlikely Congress would seriously consider any legis-

lation on the truck sizes and weights until they see the study results. However, those supporting bigger trucks are working this issue hard, and it is imperative that we continue to follow this issue closely.

A New Threat

A new threat arose in 2013 in the form of a bill introduced by Congressman Mike Michaud (D-ME) to require a minimum two-person crew on board freight trains. The bill was introduced in response to last summer's train accident in Canada. As tragic as this accident was, mandating ►



By Rich Timmons,
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crew size should not be the job of the U.S. Congress. This was exactly what brought us the unrealistic and unfunded PTC mandate, and Congress should not make that same mistake twice. The Federal Railroad Administration is heavily engaged on this subject and is using its established Railroad Safety Advisory Committee (RSAC) procedure to thoroughly study and consider operating changes associated with this accident. That process should run its course.

A Ray Of Hope

It is no secret that the lack of progress in Washington results from bitter partisan differences that have resulted in gridlock on most everything. It is a discouraging state of affairs. However, I think it worth noting that there is a ray of hope emanating

from a corner of Congress that has much say over transportation.

This year, the new chairman of the House Transportation & Infrastructure (T&I) Committee, Congressman Bill Shuster (R-PA), and the Committee’s ranking Democrat, Congressman Nick Rahall (D-WV), came together to write a bi-partisan Water Resources Reauthorization bill. The bill, which authorizes \$8 billion in flood control, navigation and aquatic restoration projects, passed the House T&I Committee unanimously and just recently passed the full House of Representatives 417 to 3. In today’s Washington, that is a remarkable accomplishment, and we should all hope that the Congress and the Administration could follow the lead of these two legislators.

You Can Help

With much unfinished Congressional business, it is more important than ever that everyone in the railroad industry communicate with Congress on our issues. The best opportunity to do that is at the railroad industry’s annual Railroad Day on the Hill in Washington. The event will be held on March 13, 2014, and will bring more than 300 railroad industry representatives to Capitol Hill to participate in over 350 Congressional meetings on issues like the short line tax credit, truck size and weight, and railroad regulation. It is a very important lobbying day for our industry but only works if the industry turns out in mass.

To get more information and to register for Railroad Day, just use this link: www.aslrra.org/meetings_seminars/Railroad_Day_on_Capitol_Hill/ ■

Richard Timmons became president of American Short Line and Regional Railroad Association (ASLRRRA) September 3, 2002. ASLRRRA is a trade association that represents 460 short line and regional railroads that provide local rail service in all sections of the country. Mr. Timmons represents the interests of these railroads before Congress, Federal and State regulatory agencies, and on the policy and technical committees of the U.S. railroad industry. The association also serves as a liaison between its member railroads and the large railroads of this nation.

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