

# Mission 2017: To Boldly Go Where No Man Has Gone Before

By Linda Bauer Darr, ASLRRRA

While we are not traveling in the Starship Enterprise, it is fair to say that, starting on Jan. 20, we were in a far different Washington, D.C., than in the past.

After years of divided government, one political party will control both Houses of Congress and the White House. Congressional Republicans are chomping at the bit to reform the tax code and to undo what they consider the regulatory overreach of the previous administration. Both Republicans and Democrats seem intent on rebuilding our nation's infrastructure. We have a president who defied all conventional wisdom in winning the election and who seems intent on approaching the job far differently than any who came before him.

For the short line railroad industry, there are possibilities and there are perils as we navigate this new world. Here is how we see our tasks as we begin the year.

## 45G Tax Credit

The 45G credit expired at the end of 2016, and we are seeking a permanent extension. Since its enactment in 2005, the credit has leveraged more than \$2.5 billion in private investment in railroad infrastructure, and much of that investment has been in new railroad ties.

According to RTA data, the credit has resulted in short line tie purchases of between 500,000 and 1 million over above normalized annual purchases. The higher

end of that range occurs when the credit is in place at the beginning of the year so that both the short lines and the tie manufacturers can plan ahead. Creating that certainty is one of our most important goals, and making the credit permanent will do just that.

Our House and Senate sponsors remain senior members of the tax-writing committees and will shortly introduce legislation to make the credit permanent. One of the keys to our success has been the large number of Congressional co-sponsors we attract to our legislation. We have consistently secured a majority of both the House and Senate as co-sponsors and the support comes from both Democrats and Republicans.

The number and geographical reach of the nation's tie companies have played a critical role in that success. We are appreciative of your efforts and hope we can count on that effort in 2017. Your help this year will be more important than ever because new infrastructure legislation is likely to be an early priority of the new administration's agenda.

While Congressional support is a result of our hard work it also reflects Congressional appreciation for what the tax credit does.

Section 45G lets small, locally owned and managed short lines reinvest more of their hard-earned money in infrastructure instead of sending that money to Washington. It creates jobs not only for the railroads that are rebuilding their track but also in those American-based industries that produce the

ties, the rail, the bal- last and the signal systems that are used in rehabilitation projects.

It works because it allows small businesses to prioritize infrastructure investment based on market demand instead of politics. It can and should be an important part of what appears to be a bi-partisan agreement to rebuild America's infrastructure.



Darr, President, ASLRRRA

## Short Line Safety Institute

Short lines are acutely aware of the importance of workplace safety and know it is a subject that requires continued attention and improvement. For that reason we have partnered with the Federal Railroad Administration and the Congress to establish a Short Line Railroad Safety Institute.

The Institute engages a group of full-time safety experts who are assessing the safety practices and culture of individual short lines, making recommendations for changes and providing the latest in materials and training techniques to bring about improvements.

The assessors dig deep into the operations and survey the employees so as to make a realistic and unbiased determination of what needs to be changed or improved. The assessments are confidential, and we believe



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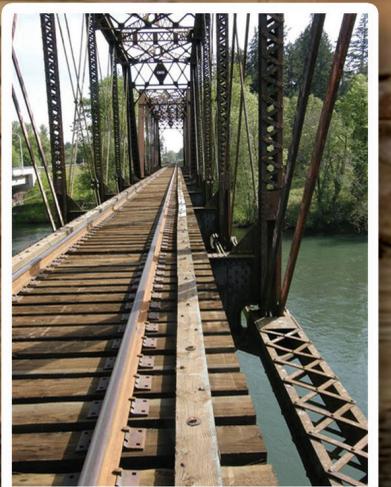


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that confidentiality provides an opportunity for candid and constructive criticism in a way that might not otherwise be possible.

### Railroad Regulation

It is no secret that we, along with our Class I colleagues, chafe under unnecessarily burdensome and expensive regulations. These include measures requiring two-person crews, voluminous and overly complex training rules that cannot be implemented by small companies, and the PTC mandate—an enormously complicated technology requiring expertise not commonly found on short line railroads.

The proposed rule mandating two-person crews is a prime example of government providing a solution to a non-existent problem. There is absolutely no evidence of a safety benefit generated by a second crewmember.

Indeed, it is our understanding that the FRA is funding a study at Duke University examining whether there is a correlation between crew size and safety—a classic case of putting the cart before the horse. Most important, this unnecessary requirement diverts limited resources from infrastructure improvements, which is the surefire way to improve safety.

It is ironic that at the same time the administration is proposing to spend nearly \$4 billion to accelerate the acceptance of driverless cars on U.S. roads it seeks to increase the number of drivers in a locomotive. But such is the logic that requires us to be ever vigilant in our response.

### Railroad Day On The Hill

The railroad industry's most important legislative meeting of the year is the March 2, Railroad Day on the Hill. It is the best opportunity to get our issues in front of Congress.

Railroad Day brings more than 300 railroad industry reps to Capitol Hill to participate in more than 350 Congressional meetings that center 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 it only works if the industry turns out in mass.

The tie industry has companies in many districts that do not have a railroad presence, so your participation will often make the difference between getting a meeting or not. RTA will be in regular communication with you on registration and program information, and I hope I will see you there. ■