

Crew Sizes, Farm Bill, More CRISI Grant Funding On 2023 ASLRRA Agenda

By Kristen McIntosh



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Small businesses whose success is closely tied to the local areas in which they operate, short line railroads are intertwined with their local communities, said American Short Line and Regional Railroad Association CEO Chuck Baker. “Their owners, executives and employees run the railroad by day and then, in the evenings and on weekends, they see their customers in the grocery store, on the soccer fields, at the local chamber of commerce meeting, and in their houses of worship. For short lines and their customers and communities, service and safety are personal.”

Baker said short line operators are very focused on customer service. “Short lines will hustle for every last carload. We want

everything we can get from existing customers and new ones, too. We will bend over backwards to provide customized, flexible, white-glove customer service. If there is a way to get it done, we’ll do it. If there isn’t, we’ll find a new way,” he said. “And when short lines succeed, our customers and communities succeed, too. The small town and rural economies we operate in can grow, and we ensure that jobs and businesses stay local.”

Baker offered the following comments as insight into the health of the short line railroad industry now and what is on the horizon for 2023.

How did short lines perform overall in 2022? Honestly, there is no one story for 2022. As I think I’ve said to the RTA before, there are about 600 short lines, and if you know one, you know one.

Overall, though, short line businesses held up well in 2022, even in the face of a year with unusually choppy overall freight railroad service. There were frustrations to be sure, but we did our best to keep our customers moving and satisfied and keep our businesses robust. There were hundreds of major success stories, too, as short lines used

all the tools in their scrappy, entrepreneurial innovation toolbox to grow wherever possible. Some short lines had great success moving exciting new freight like wind turbines and renewable diesel inputs, while others kept slow and steady with the tried-and-true agricultural and manufacturing sectors.

What is the health of the short line industry going into 2023? Short lines are ready to grow. Regardless of what the overall economy does, we think freight rail can grow in 2023 and beyond if we can collectively provide the service that our customers need. Whether it’s because of pent-up demand from 2021 and 2022 or because of customers looking hard to cut costs in a tough environment and thus choosing rail over truck, we are optimistic about growth in 2023. And we’ll work hard every day to control our own destiny and make that optimism a reality.

What legislation will ASLRRA be engaging in this year? We are looking forward to making the most out of the funding made possible by the Infrastructure Investment and Jobs Act (IIJA). We are working closely with congress to ensure that



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they understand the critical nature of the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant Program for short lines, in addition to other grant programs that we could be eligible for in partnership with other applicants.

CRISI is guaranteed at a minimum of \$1 billion per year for FY22-26, but there is also the opportunity for Congress to appropriate up to another \$1 billion per year for the same program. Maximizing that appropriation level is a huge focus for us going forward. The FY22 application period closed Dec. 1, 2022, and we're looking forward to the announcement of those recipients in spring/summer 2023 and the notice of funding opportunity for the \$1.4 billion available for FY23 in the fall.

We are also taking a look at the Farm Bill, which will be addressed in this Congress, as an opportunity to create a new program that could help support rail customers as they seek to access and utilize rail. We envision a program that would help agricultural shippers with infrastructure investment for loop tracks, spurs, loading and unloading equipment, storage, rail cars, etc.

Finally, we are working to advance legislation that would create funding opportunities in the case of natural disasters for short line railroads. As a critical piece of infrastructure—particularly in the recovery of an area, getting emergency materials in and damaged materials out—it seems that there would be a public interest in helping short lines recover from a natural disaster, but there is currently no federal program to provide such funds. FEMA funds are not viable for private entities; Small Business Administration disaster loans are capped at \$2 million, which is not meaningful for major rail infrastructure, and the U.S. Department of Transportation only has programs for highways and transit agencies, but not rail, so we aim to fix that situation.

How can RTA members plug in to assist with ASLRRRA's major legislative initiatives for 2023? Join us at Railroad Day on Capitol Hill. This is the critical time to educate a new Congress and their staff members on issues that impact our ability to serve the nation. Registration opens shortly at aslrra.org. Save the date of May 17, 2023. We will be back in person!

Invite elected officials to your operations. There is no better way to make the connection between legislation and its impact and to build powerful personal relationships. If you need help, give us a call!

How are short lines taking advantage of CRISI grant funds to improve their facilities, and what does this funding mean for industries that supply the products for the improvements, including wood tie industry members? When we grow, our suppliers benefit. CRISI is going to be a game-changer for the short line industry, and you can expect that improving rail is going to take a lot of partners—especially RTA members. The FY22 round of funding for CRISI, for which applications are being evaluated as we speak, was \$1.4 billion. It remains to be seen how much of that will go towards short line-related projects, but we expect it to be many hundreds of millions of dollars, which will be the largest slug of funds ever invested at one time into short line infrastructure. Many of those projects will be relatively basic track rehabilitation and upgrades, which very frequently involves large-scale wood tie replacement.

Are your short line members experiencing any challenges with being able to get the work done to make improvements, i.e., logistics, resource availability, etc.? Although during the pandemic supply chain disruptions affected us, too, what remains is a tight labor market. Training railroad employees takes months and months, and many positions are highly specific and skilled. While our challenges are perhaps not as widespread as our friends at the Class I railroads and the scale is smaller, the challenges are very real.

One of the issues we are working on in the regulatory arena is the FRA's Notice of Proposed Rulemaking (NPRM) on mandated crew size onboard locomotives. This rule, if implemented as is, would be disastrous for the short line industry. We are already challenged to staff our current businesses. Our data shows that more than 400 short lines use only one person on the locomotive, and if the rule went through as is, at least 200 of them would be forced to change their operations and hire more people unnecessarily, for

no good safety reason. This would obviously exacerbate the situation and threaten the long-term success of many short lines.

Please share a few details about Railroad Day on Capitol Hill for 2023. What does the event entail, when is it scheduled to be, who should attend, how do attendees register, etc.?

Railroad Day will be held May 17 in person! Details and registration will be available soon on our

website:

aslrra.org/events/railroad-day/.

We will host an evening event on the 17th for members of Congress

and participants. Everybody is welcome—from business owners and sales personnel to general managers and field staff. You get to be a citizen lobbyist for the day, have fun, tell the railroad story, connect with old railroad friends, and make some new ones, too.

What will be the major "talking points" for this Railroad Day? We will talk about the economic impact of our industry, the need to keep regulations balanced and safety-driven, and how Congress can help support long-term, sustainable and environmentally friendly growth for the industry. CRISI, truck size and weight laws, and the Surface Transportation Board are all likely to be mentioned.

Please bring us up to speed with other ASLRRRA meetings and events this year. Don't miss the most important short line event of the year—the ASLRRRA Annual Conference & Exhibition in New Orleans, April 2-4. This is the one event where our entire industry—railroads and suppliers—comes together to learn, network and set the agenda for our industry moving forward.

Registration is open, hotel rooms and exhibit hall space are going fast. Visit us at aslrra.org/events/conference to register or for more information. I can personally guarantee a productive, educational, efficient, and fun three days! ■

**Railroad
Day on
the Hill**

May 17, 2023

Register at ASLRRRA.org.