American Short Line and Regional Railroad Association

WRITTEN TESTIMONY

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HEARING ON "ON THE RIGHT TRACK: MODERNIZING AMERICA'S RAIL NETWORK"

U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION'S SUBCOMMITTEE ON SURFACE TRANSPORTATION, FREIGHT, PIPELINES, AND SAFETY

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Introduction

Chairman, Ranking Member, and Members of the Subcommittee:

Thank you for the opportunity to testify as you examine ways to modernize our freight and passenger rail networks. My name is Peter Gilbertson, President and CEO of Anacostia Rail Holdings and a member of the American Short Line and Regional Railroad Association (ASLRRA). Our company operates six short line railroads, employing over 400 people and connecting 300 customers in 270 communities in six states. Our railroads serve rural areas as well as the three largest cities in the United States. We serve military facilities and ports. We are proud to help retain and grow manufacturing and agriculture in the U.S. We are an industry leader in innovation.

I'm here today to speak for the over 600 small business railroads that form the backbone of freight rail in rural and small-town America. Together, these railroads operate 30% of the national network, providing first- and last-mile service to over 10,000 shippers.

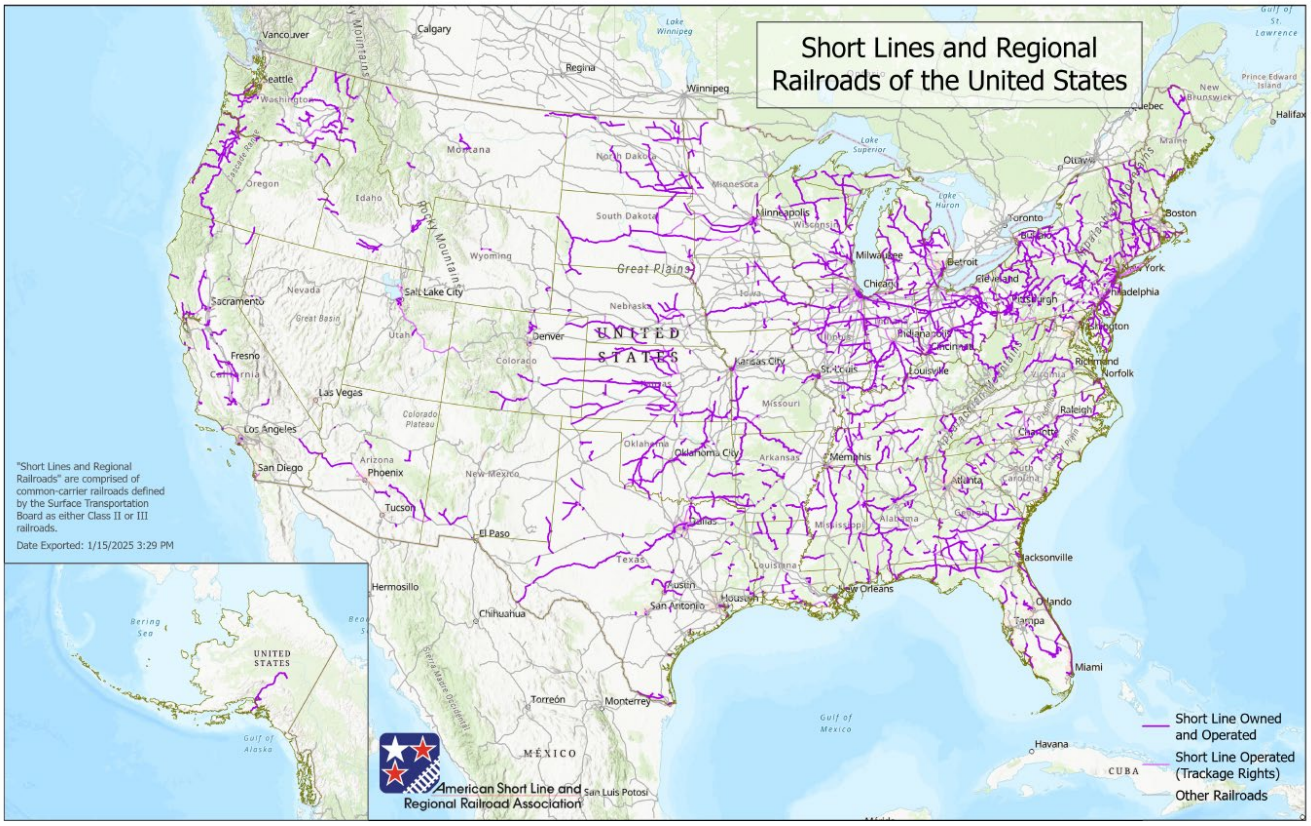
This testimony centers on three pillars critical to modernizing and sustaining America's short line freight railroads:

1. **Robust and predictable federal infrastructure funding**, especially through the ***Consolidated Rail Infrastructure and Safety Improvements*** (CRISI) grant program.

2. **Regulatory reform that is data- and risk-driven**, not prescriptive.
3. **Support for innovation and new technologies**, through streamlined testing, waivers, and investment.

These themes are interwoven with a simple truth: if short lines succeed, America's supply chain is stronger, safer, and more resilient.

The Short Line Freight Railroad Industry



As you will note from the map above, almost every Member of this Subcommittee has one or more short lines operating in their state, and in many cases these short lines are one of the significant businesses in their towns. More importantly, small railroads help retain and attract jobs of their customers.

But despite their critical role, short lines face steep economic and regulatory challenges. Most operate on infrastructure that is decades old and must overcome disproportionately high capital costs with limited revenue. That is why strong Congressional support—for targeted infrastructure programs like CRISI, for smart regulatory reform, and for flexible policies that foster innovation — is essential. Without it, the small railroads that power America's heartland risk falling behind in meeting the demands of a modern economy.

The CRISI Program: A Cornerstone of Short Line Growth and Viability

Short lines were born out of necessity after the Staggers Rail Act of 1980, which transferred neglected large Class I branch lines that were otherwise headed for abandonment to local operators who believed in their potential. Since then, short lines have proven to be resilient, entrepreneurial businesses that reinvest heavily—up to one-third of revenue annually—into maintenance and upgrades. Rehabilitating and operating these lines are enormously capital-intensive. As an example, Anacostia has invested over **$30 million** into our infrastructure for routine maintenance—and that does not include major infrastructure projects.

The CRISI program, created in 2015, is the only federal program that allows direct access to capital for short line infrastructure improvements. Anacostia Rail Holdings has received CRISI grants for several projects, including:

1. **FRA CRISI FY 2018 PTC**
   New York & Atlantic Railway (NYA) positive train control (PTC) Implementation Project
   $1,011,118

   This project involved the installation of PTC onboard 10 NYA locomotives as well as support training and testing for its operations on rail lines shared with the Long Island Railroad in Long Island, NY.

2. **FRA CRISI FY 2018 PTC**
   Chicago South Shore & South Bend Railroad (CSS) PTC Implementation Project
   $720,000

   This project also supported PTC installation, testing, and training as well as interoperability between CSS and the Northern Indiana Commuter Transportation District (NICTD). CSS and NICTD share a joint freight-commuter corridor from Chicago, IL, to South Bend, IN.

3. **FRA CRISI FY 2018**
   Developing and Implementing a Mobile Device Emergency Responder Access Application for the Louisville & Indiana Railroad Company (LIRC)
   $335,361

   This project supports the development of a geographic information system mobile application for the Louisville and Indiana Railroad Company with software, linking railroad dispatch and first responders, aiding communication, and response during railroad incidents. The project is in cooperation with ASLRRA and the Short Line

Safety Institute (SLSI) and when complete the mobile application will be made available to other railroads.

4. **FRA CRISI FY 2018**
   Chicago South Shore & South Bend Rail Rehabilitation and Safety Improvement Project
   $2,831,705

   This project involved upgrading a line between Michigan City and La Porte, Indiana by replacing 100-year-old, 90-pound rail track with 115-pound rail. Also included was the upgrade of an existing rail crossing north of Highway 35 in Michigan City, ensuring compatibility with the new track.

5. **FRA CRISI FY 2018**
   New York & Atlantic Track Realignment and Rehabilitation Project
   $368,679

   The project involved construction of 650 feet of new track on an improved alignment and connection to reduce the severity of a curve in Fresh Pond, Queens, New York.

6. **FRA CRISI FY 2022**

   Louisville & Indiana Railroad Company Safety, Sustainability, and Alternative Energy Project
   $2,685,600

   The project included final design and construction activities for various track-related improvements, upgrades to certain grade crossings, and solar panel installation at certain rail facilities. LIRC and the Indiana Department of Transportation provided a 52 percent non-Federal match.

7. **FRA CRISI FY 2023–2024**
   Louisville & Indiana Railroad Clagg Bridge Lift Span Operations Project
   $6,492,000

   The project will complete sheave, trunnion, and bearing replacement on the Fourteenth Street Bridge over the Ohio River, connecting Louisville, Kentucky, and Clarksville, Indiana. Replacement of these assemblies has become necessary due to the age of the existing components and to replace a failing piece of equipment. The bridge is over 100 years old. This project is expected to increase the lifespan of the existing structure by a minimum of 50 years. The bridge is used by both LIRC and CSX and both companies are contributing funding.

For each project, Anacostia railroads contributed at least 20 % of the total project costs.

These projects, along with many others nationwide, yield six key benefits:

1. **Addressing Critical Infrastructure Needs**—CRISI enables critical projects, such as bridge replacements, or track upgrades that remove bottlenecks and allow carriage of industry-standard 286,000-pound railcars, improving interoperability and competitiveness.

2. **Improving Safety**—Rail safety directly benefits from sound infrastructure. CRISI funds replace worn-out crossties and steel rails, reducing the risk of derailments and making rail service safer for employees and communities alike.

3. **Creating and Sustaining Jobs**—Short line rehabilitation projects are labor-intensive and rely on local contractors. These projects support good-paying jobs in rural communities and generate long-term employment through freight rail service expansion and improvement.

4. **Enhancing Environmental Outcomes**—For healthy communities, rail is the most fuel-efficient mode of freight transport. CRISI-funded upgrades facilitate modal shift from truck to rail, which reduces highway congestion and air pollution.

5. **Promoting Economic Development**—CRISI investments enable service to new and growing businesses and attract additional shippers and manufacturers to the community.

6. **Improving Service for Customers**—Even small improvements—such as a short stretch of new track or the elimination of a chronic derailment risk—can make an enormous difference in the transportation costs and competitiveness of shippers. Reshoring of manufacturing to the U.S. requires a strong rail freight network.

Of the 240 CRISI awards made to date, over $2.7 billion has gone to projects benefiting short lines. In the most recent combined FY23-24 round, short lines received 81 out of 122 awards—over $1.2 billion in funding. These awards were matched by local and private investments ranging from 20% to as much as 80%, demonstrating that CRISI leverages public dollars effectively and attracts private capital that otherwise would not be invested.

Additional examples of short line projects that CRISI has supported, and the project's impact are attached to this testimony in an Addendum.

The Importance of Predictable and Robust Funding

The advance appropriations provided for CRISI through the previous surface transportation law —$1 billion annually through FY 2026—have been transformational. Predictable funding allows small businesses to plan ahead, secure match funding, and complete upfront engineering work required for competitive applications. Without advance appropriations, many short lines would be unable to pursue these grants due to the uncertainty and high upfront costs involved, and CRISI funds would be less effectively spent.

The merit-based approach for awarding CRISI grant funds has proven to be accessible to short lines. Over the life of the program, and across Administrations, this approach has resulted in a generally equitable national distribution of funding while providing the U.S. Department of Transportation with important flexibility to address a very diverse array of types and scale of freight rail investment needs.

It is essential that the next surface transportation reauthorization not only extends CRISI but also preserves the advance appropriations structure. Without it, federal investment becomes less effective, fewer projects move forward, and the communities that rely on short lines are left behind.

CRISI Grant Award Process Recommendations

The CRISI program has proven to be powerful, effective, and broadly supported on a bipartisan basis. However, there are clear opportunities to improve the grant process. Delays between award announcements and actual construction, as well as obstacles to making necessary project adjustments as conditions evolve, significantly reduce the effectiveness of CRISI funding—not just for railroads like ours, but for the shippers and communities that rely on us.

Short lines are ready to get to work. By the time we apply for CRISI grants, we have already invested limited financial resources—along with substantial personnel resources—just to be able to compete effectively for funding.

Our shippers, who rely on us for critical access to domestic and international markets, are eager to see safer, more efficient rail service become a reality. Delays in grant funding delay the hoped-for improvements and business opportunities.

And the communities we serve — where local expertise is often employed to conduct these projects — are waiting to realize the economic benefits that come with upgraded infrastructure: new business investment, expanded manufacturing, and job creation.

To maximize the impact of the CRISI program, we must address these systemic delays. Streamlining implementation and allowing for greater flexibility in project management will ensure that federal dollars translate more quickly and effectively into real-world benefits.

Here are our recommendations on how the CRISI program can be further improved, and made even more impactful:

- **Protect CRISI's Ability to Bolster the Freight Rail Network**—ASLRRA discourages set-asides within CRISI for passenger rail projects or expansions of the program to include major new eligible applicants, such as commuter railroads. With so many challenges facing our freight supply chain, short lines need to remain viable competitors for these limited funds. While we have no opposition to passenger rail, there are other federal grant programs that provide passenger rail applicants with funding levels that dwarf CRISI. Moreover, some short line CRISI projects benefit passenger rail.
- **Speed**—CRISI projects should move from announcement to obligation to completion faster than they currently do. Currently, CRISI some projects are delayed by 12-18 months. Most short line projects are quite simple in the context of infrastructure investments. Compressing the timeline would result in better outcomes for the public, for short lines, for communities, and for shippers with no additional risk, and would help avoid the significant cost escalation associated with delay.
- **Encourage the use of pre-award authority (PAA) -** More extensive use of PAA would allow CRISI grant awards for small railroad infrastructure projects to move more quickly and efficiently. PAA authorizes grant recipients to begin their projects immediately at their own risk rather than being stuck in limbo during the often-lengthy federal approval process, including environmental and historic reviews. Nearly all short line projects that receive CRISI awards are found to create no significant impacts on the environment that would require mitigation as a condition of award. The agency should consider more routinely authorizing PAA for non-ground disturbing elements of short line project scope such as for engineering analyses, locomotive investments, and acquisition of construction materials like crossties and rail. Prompt acquisition of materials can be a particularly useful step to mitigate project cost inflation risk. Delays in completing engineering and design work correspondingly delay entry into the construction phase of a project.
- **Increase Transparency across the Grant Lifecycle to Enable Benchmarking and Process Improvement**—Congress could require that FRA file regular standardized

reports on the status of processing grants to the transportation authorizing and appropriating committees. These reports could document the status of major common milestones from award notification through grant obligation to project closeout. This data will help stakeholders understand how long it takes the agency to move through the process for each award to achieve grant obligation and begin work. It will also create some beneficial pressure encouraging the agency to innovate to move the process faster.

- **Optimize grant application processes and program accessibility**—FRA should consider a mechanism to share basic data on the pool of applications received each cycle with ASLRRA for analysis. This high-level information (such as applicant, requested award and total project cost) is publicly shared for DOT grant programs like RAISE/BUILD that have only public applicants, but not for CRISI**.** ASLRRA could work directly with FRA under an information sharing agreement to enable better analysis of what parts of the short line population are either not applying for CRISI grants or not applying successfully. Such collaboration could help the agency and the association to work together better to improve outreach to ensure the CRISI program is broadly accessible, especially to the smallest railroads.

- **Improve Notices of Funding Opportunity (NOFO) and the application review process**—Past NOFOs included requirements beyond those in the program statute in the section on "administrative and national policy requirements." These requirements caused confusion among applicants as to how their applications would be reviewed and what project implementation steps they would need to take. FRA should carefully review these requirements as they revise their standard NOFO text and strike requirements conditioning grant agreement execution on policies that are not required by the grant program statute.

- **Improve Elements of the NEPA Process**—Railroads are an environmentally friendly way to move goods. We encourage efforts to ensure NEPA requirements reflect this sustainable way to move freight and do not undermine it. Specifically, we believe there could be room within USDOT's NEPA implementing regulations to expand definitions of selected categorical exclusions (CEs) without risking significant environmental impacts. Systematically bundling and front-loading projects that are likely to be CEs for expedited and early review and approval is an approach that could speed up the overall processing of awards. ASLRRA looks forward to the updating of regulatory and policy frameworks at DOT that should reduce the delay risk of NEPA and other statutorily required reviews, particularly those made in accordance with recent Supreme Court decisions.

- **Grant Adjustment Request Form Process**—The Grant Adjustment Request Form (GARF) process is a procedure used by grant recipients to request changes to the terms of a grant. These changes might include things like:
    - **Budget modifications** (e.g., moving funds between categories)
    - **Time extensions** for completing the project.
    - **Scope changes** to alter what the grant is funding.
    - **Key personnel changes** or other administrative updates

  We recommend continuing effort at streamlining the steps, improving communication, and aligning requirements with real-world project conditions. We are encouraged by DOT's recent efforts to develop grant agreements with the flexibility to enable minor adjustments within projects such that GARFs are less frequently needed.

- **Coordinate Section 106 Reviews**—FRA can reduce delays by coordinating with DOT's Office of the Secretary of Transportation (OST) and the White House to expedite the Advisory Council on Historic Preservation's acceptance of the final Section 106 exemption of railroad rights-of-way (ROW) from review under Section 106 of the National Historic Preservation Act. Unnecessary Section 106 reviews can introduce serious delays into the grant obligation process.

Continued Federal Support for Grade Crossing Safety Issues

Continue to fund Operation Lifesaver (OLI), Section 130, and the Rail Crossing Elimination (RCE) program to protect the public. By far the most significant concerns with rail safety are related to interactions with the public at grade crossing accidents and trespasser issues. Operation Lifesaver is an industry- and government-supported effort which focuses on educating the public both about the importance of staying off railroad tracks and the need for passenger and commercial vehicle drivers to exercise caution at grade crossings. The federal government has been an important participant in these efforts, largely through the FHWA Railway-Highway Crossings Program, known widely as the "Section 130" program. This program significantly improves grade crossing safety by providing funding to improve grade crossing protection equipment. More recently, the Rail Crossing Elimination program has also been successful in providing options for communities to close unnecessary crossings. We recommend that Congress continue to fund the OLI, RCE, and Section 130 programs at robust and guaranteed levels.

Short Line Safety Institute

Safety culture has been identified as a top priority for the short line and regional railroad industry.

The goal of the Short Line Safety Institute (SLSI) and its programs is for the short line and regional railroad industry to perform at an increasingly high level of safety because of a focus not only on compliance, but on ***safety culture***, defined as ***the shared values, actions, and behaviors that demonstrate a commitment to safety over competing goals and demands.***

With congressional funding, SLSI functions to (a) conduct on-site assessments of safety culture, and (b) provide safety education and training for managers and employees of short line and regional railroads as well as tourist, historic, commuter and passenger railroads. Our company has an ongoing commitment to avail itself of the services of SLSI—because it works.

We urge Congress to continue federal support for SLSI. SLSI helps build a stronger, more sustainable safety culture through safety culture assessments, training, and education—including the safe transportation of energy products and hazardous materials—outreach activities, and research.

Transformational Regulatory Change

While changes to the specific regulatory actions in the sections above would provide meaningful regulatory relief to short line railroads, in accordance with EO 14192, there is another, transformational regulatory approach that DOT should consider—the Risk Reduction Program Congressional mandate, which provides the foundation for regulatory reform and innovation.

In 2008, Congress directed the Secretary of Transportation to issue a regulation requiring certain railroads to develop a Risk Reduction Program (RRP).[1] Pursuant to the statute, each railroad's RRP must systematically evaluate safety risks on the railroad's system and create a plan to manage those risks to reduce the consequences and rates of railroad accidents, incidents, injuries, and fatalities.[2]

In its RRP, a railroad is to conduct a risk-based hazard analysis to identify and analyze factors that affect railroad safety, including: operating rules and practices, infrastructure, equipment, employee staffing levels and schedules, management structure, and employee training.[3] Further, Congress mandated that each railroad's RRP include a technology implementation plan and a fatigue management plan.[4]

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[1] Rail Safety Improvement Act of 2008, Public Law 110-432, 122 Stat. 4854 (Oct. 16, 2008); codified at 49 U.S.C. § 20156.
[2] 49 U.S.C. § 20156(a)(1)(A).
[3] 49 U.S.C. § 20156(c).
[4] 49 U.S.C. § 20156(d)(2).

The RRP statutory mandate is an alternative, comprehensive approach to managing railroad safety. By systematically and comprehensively evaluating all safety risks to the railroad, a railroad will reduce risk and improve safety, including through the use of new technology not yet contemplated or allowed by existing regulations. Following this risk-based and analytical approach renders the prescriptive regulations currently in the Code of Federal Regulations as redundant, costly, and completely unnecessary. In short, such a risk-based approach provides an alternative, safety-enhancing and cost-efficient means for railroads to comply with FRA safety requirements.

FRA issued comprehensive regulations mandating RRPs for certain railroads on February 18, 2020.[5] Industry comments filed in connection with that rulemaking encouraged FRA to build on the RRP approach as an alternative means to compliance with FRA safety regulations, allowing risk-based analysis to supplant prescription regulatory programs.[6]

In those comments, the rail industry proposed changes to the existing RRP regulations that would provide a railroad with a pathway of proposing the basis and timeline for implementing technology or processes that would provide a superior mitigation of hazards and the identified resulting risks in lieu of specifically-identified federal railroad safety standard requirements. Subsequently, FRA approval of an RRP plan would operate as an exemption or waiver of the identified regulations.[7] While ASLRRA has outstanding concerns regarding some nuances of the current RRP regulations, overall, ASLRRA is supportive of the RRP, especially in light of the industry comments, as an alternative to the existing prescriptive and costly federal regulations and encourages FRA to consider such an approach.[8] Congress should support changes to the RRP to facilitate that concept.

This proposed transformational change would also address the numerous instances in FRA safety regulations where the agency has taken a performance-based directive in a Congressional mandate and expanded it to a very prescriptive end product. While there are numerous examples here that could be cited, short line railroads are particularly impacted by the Training, Qualification, and Oversight for Safety-Related Railroad Employees rule at 49 C.F.R. Part 243. This rule takes the statutory mandate from the Rail Safety Improvement Act of 2008, codified at 49 U.S.C. § 20162 to establish minimum training standards for safety-related railroad employees and expands it into cumbersome, unwieldy regulations

[5] 85 Fed. Reg. 9,262 (Feb. 18, 2020).
[6] *See* Supplemental Comments of the Association of American Railroads, Docket No. FRA-2009-0038. Oct. 31, 2018.
[7] Id. at 4.
[8] *See* ASLRRA's joint comments with the National Railroad Construction and Maintenance Association at Docket No. FRA-2021-0035-0004.

that places extremely prescriptive and unnecessary burdens on small businesses.[9] These types of regulations do not improve safety and serve merely to add burden to and require additional resources from FRA. FRA can reduce unnecessary regulatory burden on the rail industry and itself by deploying the RRP rule as an alternative to the prescriptive regulations that exceed statutory mandate.

Innovation in Railroad Technology

As our nation works to modernize infrastructure and strengthen supply chains, the more than a century old freight rail industry in fact stands at the forefront of innovation. Advances in rail technology are driving safer, more efficient, and more sustainable transportation solutions. From automated track inspection to predictive maintenance and low-emission locomotives, these innovations are not only enhancing operations but also supporting broader national goals—reducing emissions, driving economic growth, improving safety, and connecting communities. Continued investment and regulatory flexibility are essential to unlock the full potential of these technologies and ensure that America's rail network remains a global leader in 21st-century transportation.

Congress can help railroads test and deploy new technologies by streamlining waiver acquisition. Railroads have shown their commitment to developing, testing, and deploying new technologies that improve safety and enhance fluidity of the supply chain of their operations. Policymakers should offer industries — including freight rail — operational and regulatory flexibility to encourage further innovation. This needed flexibility could cover everything from technologies and procedures to increase fuel efficiency to new technologies that require extensive testing and research. Flexibility and streamlining are necessary to empower the rail industry to explore these options. For example, policymakers should consider streamlining waiver review timelines, encouraging pilot programs, and establishing performance-based thresholds.

As with most industries, the promise of technology in the rail industry is significant, especially since today's rail industry data systems and customer tools can be at times considered antiquated and disparate across the industry.

[9] An example would be the regulatory requirement for three-year refresher training at 49 C.F.R. § 243.201(e), which is not required in the statute nor proven to serve a safety purpose.

One example of promising technical innovation is RailPulse. RailPulse is an industrywide telemetry platform that brings real-time data and digital visibility to North America's freight rail fleet. Founded in 2020 by a coalition of rail industry partners, including small railroad firms Iowa Interstate, Genesee & Wyoming and Watco —to create a vendor-neutral, open-architecture telematics ecosystem. Development of the platform was aided by a $7.9M FY 2020 CRISI grant to help develop the railcar onboard GPS sensor system to provide real-time information on railcar movements and condition to shippers, car owners, and railroads.

The official RailPulse platform launch occurred on September 3, 2024, following pilot programs and platform development and in February 2025, Anacostia joined this consortium. This technology has allowed industry to address shipment and railcar visibility, offer enhanced safety, improve the shipper experience, lower operational costs and more. We believe this type of public-private partnership should continue.

Additionally, in February, two of ASLRRA's members, the Heart of Georgia Railroad and Georgia Central Railway, received approval from FRA to begin the field operational testing of a system for transportation of freight containers on autonomous rail bogies, developed by Parallel Systems. The program aims to evaluate the effectiveness of the system, show that it can safely run alongside conventional equipment, and demonstrate the short-haul movement of intermodal containers.

With regards to improving the efficiency and emissions of locomotives, Anacostia and several other ASLRRA members are currently deeply engaged in several studies and demonstration projects that will help introduce more innovations to our industry, including demonstrating options for battery-electric locomotives and use of alternative fuels. These efforts are largely limited to yard activities and short haul efforts, as at-scale long-distance, heavy-haul efforts are not yet feasible. We ask that Congress continue to partner with our industry to advance innovative locomotive propulsion technologies, while at the same time not mandating the use of technologies that are not yet mature, or readily (commercially) or affordably available.

Technology Advancing Employee Training: Learning Management System Uses Modern Technologies to Train Remotely

Short lines are using technology for employee safety training and utilizing new training methods such as virtual reality and simulation. In the FY 2020 CRISI cycle, the Iowa Northern Railway Company (IANR) received a $5.4M grant to provide for the development and deployment of computer-based training courses delivered via a Learning Management System (LMS) as well as in-person training courses offered at the IANR's Training Center,

located in Waterloo, Iowa, at the small railroad's location, or another remote location. This allows short lines to provide training when and where it is needed, rather than sending employees to offsite training, or pausing operations to facilitate training.

The LMS is an online platform/hub, accessible 24-7 to deliver and track industry-specific training and assessments, including cutting-edge virtual reality and interactive online coursework, employee OJT and instructor-led training recordings.

In addition to the LMS platform, a Mobile Technical Training Center equipped with two FRA Type II locomotive simulators plus classroom space for six students and an instructor, and can deliver personalized, instructor-led seminars and locomotive simulator training on location anywhere in the continental US. The simulators feature dozens of generic profiles to match all types of railroad topography can run engineers on simulations that closely resemble railroad's territory, enabling railroads to meet a wide range of training & regulatory requirements, including basic train handling, positive train control, distributed power operations, Part 240 annual check rides, and certification skill performance evaluations.

As of June 2025, nearly 1,100 employees from 24 short line railroads are actively receiving training via the LMS, while more than 150 employees from 19 railroads in 12 states have participated in locomotive simulator and mobile classroom training delivered via the mobile technical training center.

Deploying Digital Onboard Systems to Monitor Locomotives

Short lines are welcoming and deploying technologies that will allow for proactive maintenance, and operational/scheduling adjustments. In the FY 2023/2024 CRISI Grant Cycle, ASLRRA was awarded $20.5 million in CRISI funding to support the installation of digital on-board systems on over 600 short line locomotives all around the country. Most short lines are equipped with older locomotives, acquired second-hand, sometimes 50 years old or even more. These on-board systems will enable these locomotives to be equipped with state-of-the-art features like location tracking, condition health and energy use monitoring, and safety features like forward and rear-facing cameras and event recorders. The cloud back-ends for these systems will enable short line workers and managers to run their trains with many of the same operational awareness and analytics features previously only available to the large Class I railroads. We are pleased to note that FRA is proceeding expeditiously with the review and approval process for this grant.

Allowing exploration of emerging technologies and investing in innovation for short line railroads isn't just about modernization, it's about keeping freight moving efficiently, safely, and sustainably in the face of 21st-century challenges. It's a strategic necessity for a resilient transportation system.

Conclusion

In conclusion, short lines are high-impact investments in underserved areas. They are job creators, safety multipliers, and sustainability drivers. But to remain viable and competitive, we need:

1. Reliable, accessible infrastructure funding, with CRISI at its core.
2. A modern regulatory approach rooted in performance, not outdated prescriptions.
3. Flexibility to innovate, test, and deploy new technologies—safely and efficiently.

Congress's continued support of CRISI, Operation Lifesaver, Section 130, and the Rail Crossing Elimination program is essential to our success. Just as critical is the adoption of a regulatory mindset that prioritizes outcomes over paperwork and embraces innovation as a path to safety.

Investing in short lines is more than a rail policy—it's an economic policy, a safety policy, and a supply chain policy.

Thank you for your leadership and for supporting the short lines and the communities we serve. I look forward to your questions.

APPENDIX

Short Line Railroad CRISI Project Examples

Louisville & Indiana Railroad Clagg Bridge Lift Span Operations Project

Awardee: Louisville & Indiana Railroad Company (LIRC)
CRISI Grant: $6,492,000
Local Match: $6,492,000 (50%)
Total Project Cost: $12,984,000
Senator/State: Senators Todd Young (R-IN) and Jim Banks (R-IN), Senators Mitch McConnell (R-KY) and Rand Paul (R-KY)

This project will complete sheave, trunnion, and bearing replacements on the Fourteenth Street Bridge over the Ohio River, connecting Louisville, Kentucky, and Clarksville, Indiana**.**at Replacement of these assemblies has become necessary due to the age of the existing components and to replace a failing piece of equipment. The bridge is over 100 years old, and this project will increase the lifespan of the existing structure by a minimum of 50 years.

"Ports of Indiana is fully supportive of the project and is confident that it will have a dramatic impact on improving the long-term safety and efficiency of the railroad's operation. As a statewide port authority, Ports of Indiana depends on robust infrastructure connections by rail, road, river, and the Great Lakes. LIRC provides critical rail service to our Jeffersonville port and many other industries in the area. LIRC's operations are vital to Indiana's economy, and we strongly support its effort to secure funding for this important project."—Jody Peacock, Chief Executive Officer, Ports of Indiana

Chicago South Shore & South Bend Rail Rehabilitation and Safety Improvement Project

Awardee: Chicago South Shore & South Bend Railroad (CSS)
CRISI Grant: $2,831,705
Local Match: $707,926 (20%)
Total Project Cost: $3,539,631
Senator/State: Senators Todd Young (R-IN) and Jim Banks (R-IN)

This project replaced 7.5 miles of 90-pound rail with 115-pound rail on the Kingsbury Industrial Lead, improving safety associated with the heavier rail, and increasing train speed on a new section of track to improve car cycle times for customers.

"The CRISI project being done by CSS shows a commitment to safety and the growth of CSS customers located between Michigan City and Kingsbury. My company truly appreciates the project to help our company grow." David Gelwicks, President – Hickman Williams Co.

Booneville Bridge Project

Awardee: Iowa Interstate Railroad (IAIS)
CRISI Grant: $3,470,500
Local Match: $3,470,500 (50%)
Total Project Cost: $6,941,000
Senator/State: Senators Chuck Grassley (R-IA) and Joni Ernst (R-IA)

This project replaces the 118-year-old Booneville Bridge over the Raccoon River, approximately 15 miles west of Des Moines. This bridge carries over 42,000 carloads per year on the Class II Iowa Interstate Railroad's (IAIS) Council Bluffs, Iowa, to Chicago, Illinois service. The bridge was in danger of being put out of service in the near future under previous conditions, which would have resulted in costly and inefficient rerouting of traffic and economic disruption in Nebraska, Iowa, Illinois, and points beyond. The new bridge will be able to withstand increasingly common flooding events. A video of the completed project is available here.

"The majority of the 8,000 carloads we ship go over that bridge and if that infrastructure was out, it would have a multi-million impact on the efficiency and cost-competitiveness of our business."— Nick Bowdish, CEO Elite Octane

IAIS Continuous Welded Rail Upgrade

Awardee: Iowa Interstate Railroad (IAIS)
CRISI Grant: $ 5,579,357
Local Match: $ 6,291,615 (53%)
Total Project Cost: $11,870,972
Senators/State: Senators Chuck Grassley (R-IA) and Joni Ernst (R-IA)

This is a capstone project to complete the replacement of jointed rail with modern continuous welded rail (CWR) on the IAIS between Council Bluffs and Des Moines, Iowa. The upgrade will replace the last 18.95 miles of jointed rail with CWR and allow for track speeds of 40 to 49 mph. As freight traffic grows on IAIS, the remaining 1950s-era Rock Island Railroad legacy jointed rail decreases the reliability and resiliency of the line by requiring slower speeds. Jointed rail has the propensity to have joint failures during Iowa's harsh winters, creating hazards for maintenance-of way employees and train crews. Replacing jointed rail will increase safety, lower maintenance costs, increase rail resiliency, and improve system and service performance by increasing train speeds. The project will allow IAIS to meet future freight demand for Nebraska, Iowa, and Illinois farmers, manufacturers, and ethanol refineries.

"Jointed rail on the IAIS mainline creates higher maintenance costs and leads to slower operating speeds and lower efficiency between Omaha and Des Moines for rail customers like my company. Replacing this rail will lead to a more resilient railroad which is important for the Iowa economy, and for the success of our business. Our business has made a sizeable investment in an ethanol plant where its viability is solely dependent on the long-term sustainability of the Iowa Interstate Railroad."—Ryan Pellett, C.E.O., JD & Co.

Infrastructure Enhancement Program for Lake State Railway's Huron Subdivision

Awardee:	Lake State Railway (LSRC)
CRISI Grant:	$7,875,770
Local Match:	$8,197,230 (51%)
Total Project Cost:	$16,073,000
Senators/State:	Senators Gary Peters (D-MI) and Elissa Slotkin (D-MI)

This project rehabilitated 30.3 miles of track with 115-pound continuous welded rail, tie and turnout renewal and crossing rehabilitation. It allowed for elimination of 23.8 miles of excepted track which resulted in increased speed from 10 to 25 mph and the upgrade of 6 miles from 25 mph to 40 mph. These improvements allowed for the full use of the heavier 286,000-pound railcars required by LSRC customers and Class I railroad interchange partners. The elimination of the aging and lighter 85-pound rail enhanced safety along the entire segment.

"Lake State Railway's service to our facility has allowed our operation to be cost competitive despite our remote location in relation to the majority of our customers and suppliers. The CRISI grant has allowed us to increase the railcar load capacity associated with the heavier 286-lb. railcars, reducing our cost and helping ensure our long-term success."—Jim Spens, Plant Manager Panel Processing, Inc.

South Carolina Piedmont Freight Rail Service Improvement Program

Awardee:	Lancaster & Chester Railroad (L&C)
CRISI Grant:	$ 8,752,185
Local Match	$ 4,712,715 (35%)
Total Project Cost:	$13,465,900
Senators/State:	Senators Lindsey Graham (R-SC) and Tim Scott (R-SC)

This project provided funding for the acquisition of three EPA Tier 4 locomotives, the rehabilitation of 46 miles of track and one bridge upgrade to allow for the handling of 286,000-pound railcars. The project increased track speed from 10 mph to 25 mph, gave customers the ability to utilize 286,000-pound railcars and decreased locomotive emissions. The upgraded track resulted in the railroad attracting three new customers to the line.

"Over the last 11 years, Chester County has attracted over $3 billion in new industrial development creating almost 4,000 new jobs. This massive amount of opportunity is a direct result of having the

short line L&C railroad as our partner."—Alex Oliphant, City Council Member, Chester County, South Carolina

NDW Safety Upgrade in Opportunity Zones Project

Awardee:	Napoleon, Defiance & Western (NDW)
Grantee:	Ohio Rail Development Corporation
CRISI Grant:	$4,112,452
Local Match:	$4,112,452 (50%)
Total Project Cost:	$8,224,904
Senators/States:	Senators Todd Young (R-IN) and Jim Banks (R-IN-03), Senators Bernie Moreno (R-OH) and Jon Husted (R-OH)

This project upgraded approximately 10 miles of 80-pound rail with 132 to 136-pound rail and replaced approximately 29,000 ties on 29 miles of rail between Woodburn, Indiana and Defiance, Ohio. The project was required to reduce the number of derailments previously occurring on this segment. A video overview of the project may be viewed here.

"The NDW provides transportation for our tomato paste from California to our facility saving us a lot of time and money versus going over the road. The rehabilitation also offers us new opportunities to move more materials by rail."—Gavin Serrao, Cambell's Soup Logistics Manager, Napoleon, OH.

"This has been a railroad that's needed a lot of investment for a long time. Every State DOT knows there are these railroads that can be so much more for the local economy than they are now and NDW brought the professionalism, the expertise, and the financial resources to make this project possible."—Matt Dietrich, Ex. Dir. Ohio Rail Development Commission

Velocity Enhanced Rail Transportation Project

Awardee:	Nebraska Kansas Colorado Railway (NKCR)
CRISI Grant:	$4,505,542
Local Match:	$4,505,542 (50%)
Total Project Cost:	$9,011,084
Senators/State:	Senators Michael Bennet (D-CO) and John Hickenlooper (D-CO)

This project installed approximately 42,595 ties, 15,990 tons of ballast, and resurfaced 562,848 track feet on the NKCR in western Nebraska and eastern Colorado. The project allows for removal of slow orders on approximately 106 miles of track and restores efficient operating speeds over most of the line. The improvements reduced overall trip times along the corridor by a minimum of four hours and reduced operating costs by reducing locomotive utilization and allowing crews to make a round-trip along the line within one day.

"The Velocity project will be a major rehabilitation of the freight rail line from Sterling, CO, to Wallace, NE, focused on removing slow orders where track conditions force trains to slow to a

crawl. This line is the only rail connection for many agricultural customers in western Nebraska and eastern Colorado."—U.S. Senator Deb Fischer (R-NE)

Transportation Investments for Employment and Safety (TIES1)

Awardee:	OmniTRAX Holdings Combined Short Lines
CRISI Grant:	$37,364,504
Local Match:	$ 9,341,126 (20%)
Total Project Cost:	$46,705,630
Senators/State:	Jon Ossoff (D-GA) and Raphael Warnock (D-GA)

This project replaced approximately 1,000 railroad ties per mile on 135 high-density track miles on three OmniTRAX short line railroads—Illinois Railway, Alabama & Tennessee River Railway, and Georgia & Florida Railway—which will help sustain current FRA track safety standards and maintain current timetable speeds. The project is estimated to reduce track-related accidents by 67%, saving $11 million in losses, reduce locomotive utilization by 186,000 hours, eliminate 27 tons of NOx, 1 ton of PM2.5 and 4.5 tons of SO2. The project eliminates the need for 16 subsequent tie spot replacement mobilizations, saving $43 million.

"Covia Holdings is a major supplier of elemental raw materials used in a variety of industries, including glass production and housing construction. The majority of shipments to Covia's customers throughout the U.S. are handled by railroads such as those managed by OmniTrax Rail Holdings. Covia supports the TIES Project [and] reasonably believes that TIES will improve safety on the Illinois Railway (IR) by replacing a simple yet essential element of safe railroad infrastructure: the wooden railroad tie. The IR's ability to service Covia's plants, uninterrupted, in Illinois is fundamental to Covia's daily operations." Russell Montgomery, EVP/COO, Covia Holdings LLC

Rural Economic Preservation Through Rail Replacement

Awardee:	Red River Valley & Western Railroad
CRISI Grant:	$ 6,704,544
Local Match	$ 2,915,234 (30.3%)
Total Project Cost:	$ 9,620,778
Senators/State:	Senators John Hoeven (R-ND) and Kevin Cramer (R-ND)

The Red River Valley & Western serves the southeast corner of the state of North Dakota, linking numerous rural agricultural shippers with the national rail system. The project replaced 14.5 miles of old jointed rail with continuous welded rail between Independence and Oakes, North Dakota.

The project has resulted in a safer, dependable rail system that will maintain economic competitiveness for current shippers and provides the capacity to meet the anticipated future demand with climate shifts pushing the grain industry and growing conditions northward.

"North Dakota is heavily reliant on railroads for the shipment of bulk commodities from our rural communities to their distant final destinations. A large portion of the grains produced in North Dakota are shipped over 1,200 miles by rail to Pacific Northwest port facilities at Seattle and

Portland. North Dakota is therefore keenly interested in a safe, efficient, and reliable railroad network to provide value to the thousands of tons of bulk agricultural and energy products produced each year in our state. Preserving this vital rail network is essential for the economic development and sustainment in the rural communities served by short lines."—Commissioners Fedorchak, Kroshus, and Christmann, North Dakota Public Service Commission

Sierra Northern Railway's Consolidated Rail Infrastructure and Safety Improvement

Awardee:	Sierra Northern Railroad (SERA)
CRISI Grant:	$ 17,415,000
Local Match	$ 18,300,000 (51.3%)
Total Project Cost:	$ 35,700,000
Senator/State:	Senators Alex Padilla (D-CA) and Adam Schiff (D-CA)

Sierra Northern Railway (SERA) was challenged to add and manage current customers along the 55-mile-long Oakdale Division excepted track, built in 1897, servicing Riverbank, California in the Central Valley to Standard, California in the Sierra Nevada foothills. As excepted track, freight could move at no more than 10 mph along the route, taking 5 hours to transport freight from one end to the other. The project included replacing 20 miles of track with 115-pound rail, 90,000 railroad ties, and rehabilitating ten grade crossings.The CRISI Grant transformed the operation, adding a 116-acre transload site for building manifest unit trans without causing gridlock along the active line, and improving delivery time from end to end by 250%. The increased throughput has enabled SERA to:

- Quadruple carload business
- Add new customers, such as a new grain shipper
- Reduce derailments
- Provide 30 new railroad jobs in the area
- Improve grade crossings and increased speed led to less time blocking the motoring public
- Took an estimated 5,000 trucks of propane off local highways in year one

A video overview of project is available here.

"The project began in 2019 and was completed a year and a half later. It has achieved everything we had anticipated, and more for the region. It has allowed the Sierra Northern to dramatically increase carloads by better serving current customers, and by attracting new business to rail. We are especially proud of how this project has served our local community – taking trucks off the road, especially on narrow mountain roads, reducing time spent at railroad crossings, and providing more well-paying railroad jobs in our region."—Ken Beard, President, Sierra Northern Railway

Harwood Interchange Improvement Project

Awardee: Texas, Gonzales & Northern Railway (TXGN)
CRISI Grant: $2,223,768
Local Match: $2,223,768 (50%)
Total Project Cost: $4,447,536
Senator/State: Senators John Cornyn (R-TX) and Ted Cruz (R-TX)

This project extended the siding at the interchange with the Union Pacific Railroad (UP) to 9,000 feet. The construction project included installing welded rail, steel ties, new modern power switches and the replacement of two aging wooden trestles with concrete culverts enhanced drainage. The purpose of the project was to enhance capacity, improve service, enhance safe operations, and help relieve highway congestion by moving shipments from truck to rail.

The project has allowed TXGN to accommodate UP's unit rain traffic simultaneously with our carload traffic, which allowed for double capacity at interchange and a more fluid handoff with UP. Prior to the CRISI project completion, UP could deliver only one of those trains while then waiting on TXGN to clear the interchange before a second train could arrive. The increased operating capacity has saved customers up to 24 hours of transit time. The expanded capacity has allowed TXGN to attract two new storage customers, and annual carloads have increased from 3,726 in the year prior to the project to 4,634 carloads in the first year following project completion, a 24% increase. Most recently TXGN attracted a new major company that has just announced that they are building a new facility on the TXGN and will increase carloads by 700 annually.

Livestock Nutrition Center (LNC) is a leading feed manufacturing and grain handling company with facilities in 5 southwestern states, including a facility on the TXGN.

"*The TXGN CRISI Grant Interchange Project has been a game-changer for our operations at Livestock Nutrition Center. By enabling the seamless handling of Unit Trains, this project has significantly improved the efficiency of our railcar traffic and opened the door for potential Unit Train movements into TXGN Railway. Without the enhancements brought by this project, we wouldn't have the opportunity to consider expanding our location. This improvement has not only reduced turnaround times for our railcars, improving utilization and operational efficiency, but it has also positioned us to better serve our customers and explore new growth opportunities. We are truly grateful for the partnership with TXGN Railway and the commitment they have shown to helping businesses like ours thrive.*"—Maurice Janda, Fulfillment Manager, LNC

Joint Elimination - Rail Infrastructure and Safety Improvement

Awardee:	Twin Cities & Western Railroad Company (TCWR)
CRISI Grant:	$ 2,000,839
Local Match	$ 2,000,839 (50%)
Total Project Cost:	$ 4,001,678
Senators/State:	Senators Amy Klobuchar (D-MN) and Tina Smith (D-MN)

The Twin Cities & Western Railroad upgraded 1.3 miles of track with slow orders—a local speed restriction imposed that is slower than the track's normal speed limit due to deficient track to high-speed welded rail. The replacement resulted in significantly improved safety, as measured by decreased year-over-year rail defects found via ultrasonic tests from 106 defects in 2017 to 48 defects in 2020 (after project). The upgraded rail also reduced annual crosstie replacement from 20,000 required in 2019, to 17,000 by 2021.

For customers, the improved quality of the rail has contributed to a decrease in shipping time, decreases in delays due to mainline derailments, and maintaining efficient pricing due to decreased maintenance costs.

Subsequent CRISI grants in FY 20 and FY 21 replaced rail on an additional 2 and 1 miles of track respectively, leading to an overall reduction in point-to-point shipping time of 56% across the 3 miles, and a further reduction in tie replacement needs of 30%, to 12,000 ties per year.

"The Twin Cities & Western Railroad is a vital east-west railway that carries over 30,000 freight cars annually throughout south-central and western Minnesota. Its rail lines are essential to the local and regional economy, connecting countless businesses and farmers to their commercial needs. Not only would these improvements ensure that our railways are safer and more reliable, but they would also minimize transportation costs for businesses, enhance Minnesota's economic competitiveness, support the regional supply chain and reduce the need for future maintenance and repairs. Completing these updates would support the needs of countless Minnesotans by improving and modernizing the regional rail network." Senator Amy Klobuchar, Unites States Senator, Minnesota

"Rail is one of the primary arteries of Minnesota commerce. This investment in the Twin Cities & Western Railroad Company will increase service, while also ensuring the safety of all those who live in communities along these vital transportation routes."—Representative Tom Emmer (MN-06)