

Use SAFETEA-LU Reauthorization to Encourage More Freight to Move by Rail

ASSOCIATION OF AMERICAN RAILROADS

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WHAT SHOULD BE DONE?

As part of SAFETEA-LU reauthorization, fund the federal share of key public-private rail infrastructure partnerships (such as the Chicago Region Environmental and Transportation Efficiency Program, or CREATE) and continue to fund federal surface transportation programs that enhance safety. Tax incentives to revitalize railroad tracks, bridges, and tunnels should be implemented.

WHY?

Rail is the **most sensible way** to meet America's demand for safe, affordable, and environmentally-responsible freight transportation. Adopting carefully-targeted **tax incentives** for rail capacity expansion and engaging in more public-private rail infrastructure **partnerships** would lead to huge and almost immediate public benefits — such as lower shipping costs, reduced fuel consumption, lower greenhouse gas emissions, fewer trucks on the highways, and safer highways.

Railroads: the Smartest Way to Move Freight

- Railroads are **safe, affordable, and fuel efficient** — three or more times more fuel efficient than trucks. A single train can take **280 or more trucks** off our overcrowded highways, thereby reducing congestion and highway costs. And moving freight by rail instead of by truck **reduces greenhouse gas emissions by two-thirds or more** — all while preserving freight rail's benefits to our economy.
- Freight railroads are **re-investing record amounts back** into their networks, but that will not be enough to take full advantage of railroads' huge potential to provide safe, affordable, efficient, and environmentally-responsible transportation. If railroads are to meet the transportation needs of a growing America in the years ahead, the high quality of rail tracks, tunnels, bridges, and other infrastructure and equipment **must be maintained**.

Encourage the Use of Freight Rail

The reauthorization of SAFETEA-LU presents a great opportunity for policymakers to encourage more freight to move by rail — and therefore generate more of the huge public benefits freight railroading brings. Here are four areas policymakers should address:

Tax Incentives to Expand Rail Capacity

- Many transportation experts, business leaders, policymakers, rail customers and others support investment **tax incentives** for spending on new track, intermodal facilities,

tunnels, bridges, and other projects that expand freight rail capacity. A rail infrastructure tax incentive addresses the central challenge of moving **more freight, more cost-effectively** — without causing more highway gridlock or environmental harm.

Public-Private Partnerships for Rail Infrastructure Projects

- Public-private partnerships allow policymakers to capture the **huge public benefits** associated with freight railroading. Cooperation is far more likely to provide **real solutions** to transportation problems than a “go-it-alone” approach.
- Projects of national and regional significance that were only partially funded in SAFETEA-LU deserve special consideration. A primary example is the Chicago Region Environmental and Transportation Efficiency Program (CREATE), a project involving state and local governments and freight and passenger railroads serving the Chicago region. Because of Chicago’s importance as a transportation hub, CREATE will positively affect transportation all over the country.

“Freight Fund” Proposals

- A federal “freight fund” would finance the federal share of freight-related projects that are financed through a public-private partnership.
- Unlike airlines, trucks, and barges, freight railroads already pay the vast majority of the costs of building and maintaining their infrastructure. **It wouldn’t make sense** for railroads and their customers to pay into a “freight fund,” only to have the government dole the money — minus inevitable bureaucratic costs — back out.
- Freight railroads should not be required to assess or collect any fees going into a freight fund. Federal fees associated with a freight fund should preempt state and local fees, unless the parties involved agree otherwise.
- Unless the parties involved agree otherwise, the use of government funds from a “freight fund” or any other government source to help finance a project with a freight railroad should not be seen as giving the government ownership rights in the railroad’s property.

Grade Crossing Safety

- Grade crossing collisions have fallen sharply over the years, but **too many still occur**. Collision prevention efforts should focus on **educating** the public regarding safety at crossings, on **engineering** solutions (such as closing unneeded crossings and upgrading warning devices) that prevent collisions, and on **enforcement** of applicable traffic laws.
- Under the federal “Section 130” program, some \$220 million per year is distributed to states for improving warning devices at crossings and to improve grade crossing surfaces. Since its inception, the program has prevented tens of thousands of injuries and fatalities. Continued funding would mean additional lives saved and injuries averted.
- Operation Lifesaver, a nationwide non-profit with chapters across the country, educates the public about the dangers of grade crossings and the hazards of trespassing on railroad property. It receives significant funding from railroads and other sources, as well as from the U.S. Department of Transportation. **Federal support should continue.**