

**RTA...
A Valued Ally
In Extension
Of 45G Tax
Credit**

ASLRRA Urges Members To Keep Up The Good Work

The recently concluded 112th Congress was a long march for the short line railroad industry, but in the end a very successful march. Success was made possible by the enormous commitment of time and energy of short line railroaders and their colleagues in the rail supply industry. As has always been the case, the Railway Tie Association (RTA) and its individual members were a valued ally in all that we did.

The 112th Congress presented our industry with two significant challenges: a strong pro big truck lobby and the extension of the 45G tax credit.

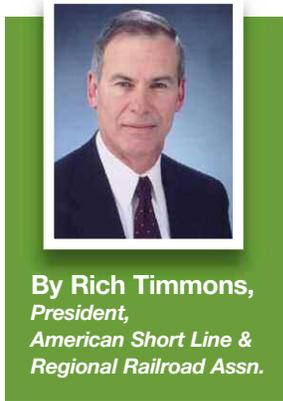
Strong Pro Big Truck Lobby

Challenge number one was a pro big truck lobby that was stronger and better organized than at any time in recent memory.

They secured the support of the chairman of the House Transportation and Infrastructure Committee (T&I), which included a provision for bigger trucks in the legislation that would reauthorize the so-called SAFETEA-LU surface transportation bill. The railroad industry mobilized behind an amendment by Congressman Lou Barletta (R-PA) to substitute a two-year study for the bigger truck provision. In a rare and highly charged full committee roll call vote, the Barletta amendment was approved 33 to 22. The U.S. Department of Transportation (DOT) will conduct the study and will consider such factors as safety, highway repair costs and freight diversion. The study is to be completed in October 2014.

While we do not expect another vote in

2013, those supporting bigger trucks will be working hard to influence both the U.S. DOT study and the new Congress in the hopes of a 2014 rematch. In that regard it should be noted that of our 33 T&I votes, nine have departed through electoral defeat or retirement in 2012. The big truck supporters lost only three of their 22 votes.



By Rich Timmons,
President,
American Short Line &
Regional Railroad Assn.

45G Tax Credit Extension

Challenge number two was the extension of the short line rehabilitation tax credit (45G).

The credit expired at the end of 2011, and the new extension was retroactive for 2012 and good through the end of 2013.

The extension was secured, both literally and figuratively, at the 11th hour as part of the “fiscal cliff” compromise reached on Jan. 1. The vote was taken in the 11th hour, but the work done by the short line railroad industry was done over a long and difficult two-year period.

Our challenges were many: a new 112th Congress with more than 80 freshman Republicans who were anxious to overhaul the entire tax code; increasing gridlock between a Democratic Senate and a Republican House; and a presidential election that overshadowed every legislative issue.

In the end, we secured more co-sponsors, more evenly divided by party than almost any other tax bill introduced in the 112th Congress—255 in the House and 51 in the Senate.

Finally, as has always been the case, we had a great story to tell about maxi-▶

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Throughout this effort, RTA has continued to provide us with some very valuable data concerning the increase in short line tie purchases resulting from the credit. This is the kind of real world data that is essential as we promote the credit among individual members of Congress.

Unfortunately, the battle to secure an extension beyond 2013 starts now. The first big push will come on the March 14 at Railroad Day on the Hill. This is the most important lobbying day of the year for the railroad industry and we need as many participants as possible.

The demands on a congressman's time are increasing every day, and more and more Congressman will not grant us a Railroad Day meeting if we do not have at least one constituent from their district in the meeting.

RTA's role here is crucial. While the railroads operate in many congressional districts, they do not operate in all of them. Individual RTA members can fill those holes. And, in many cases, this will be the difference between securing a Congressional meeting or not. You can register for Railroad Day at www.aslrra.org/meetings___seminars/Railroad_Day_on_Capitol_Hill/.

This will be an active year on other legislative fronts as well. In particular, the Rail Safety Act of 2008 expires in 2013 and the House T&I Committee will either have to write a new bill, or if it cannot come to agreement, simply extend the current law for a temporary period of time.

Regardless of which course committee members take, this is an important subject for the rail industry in general and short lines in particular. The act is a source of an increasingly large number of burdensome regulations that are expensive to comply with and in many cases have little to do with improving safety. It is incumbent upon those who are in the business of operating railroads in the real world to help the Congress understand what is needed and what is not. ■