AMERICA BUILDS: IMPROVING THE EFFICIENCY AND EFFECTIVENESS OF FEDERAL RAIL ASSISTANCE

(119–18)

HEARING

BEFORE THE

SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

OF THE

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HOUSE OF REPRESENTATIVES

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MAY 3, 2025

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials
FROM: Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials
RE: Subcommittee Hearing on "*America Builds: Improving the Efficiency and Effectiveness of Federal Rail Assistance*"

I. PURPOSE

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will meet on Tuesday, May 6, 2025, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony at a hearing entitled, "*America Builds: Improving the Efficiency and Effectiveness of Federal Rail Assistance*." The hearing will review the opportunities and challenges grant applicants encounter in accessing and using Federal Railroad Administration (FRA) and other Department of Transportation (DOT) rail discretionary grant programs and the potential for reform in the upcoming surface transportation reauthorization bill. At the hearing, Members will receive testimony from Matthew Dietrich, Executive Director, Ohio Rail Development Commission; Kevin Hicks, Senior Vice President, TranSystems on behalf of the National Railroad Contractors Association; Kristin Bevil, General Counsel and Chief Legal Officer, Pinsly Railroad Company on behalf of the American Short Line and Regional Railroad Association; and Garrett Eucalitto, Commissioner of the Connecticut Department of Transportation on behalf of the American Association of State Highway and Transportation Officials.

II. BACKGROUND

America's freight and intercity passenger railroad networks are essential for the movement of goods and people across the country. America's freight rail network consists of almost 140,000 miles of track.[1] Six Class I freight railroad carriers and approximately 600 Class II and III (short line) railroads move roughly 1.6 billion tons of goods each year.[2] Amtrak is the Nation's primary passenger rail service and operates over 21,000 miles of track in 46 states, serving over 500 destinations.[3] In addition, there are approximately 30 commuter railroads in the United States, most

[1] ASS'N OF AMERICAN RAILROADS, *State Fact Sheets, available at* https://www.aar.org/data-center/railroads-states/#:~:text=in%20Your%20State-,Freight%20Rail%20in%20Your%20State,nearly%20140%2C000%20miles%20of%20track.
[2] *Id.*
[3] AMTRAK, *Amtrak Facts, available at* https://www.amtrak.com/amtrak-facts#:~:text=With%2021%2C000%20route%20miles%20in,to%20more%20than%20500%20destinations.

of which are operated by state or regional governmental authorities.[4] The primary agency that oversees railroad safety and intercity passenger and freight rail grant programs is the FRA within the DOT.[5] Federal commuter rail funding comes from the Federal Transit Administration within the DOT.[6] Congress authorizes and appropriates funding for Federal discretionary grant programs to support freight and passenger rail service, some of which are described below.

III. FEDERAL FUNDING AND FINANCING FOR RAILROADS

CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS (CRISI) GRANT PROGRAM

The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program was initially authorized in the Fixing America's Surface Transportation (FAST) Act in 2015 (P.L. 114–94) and reauthorized in the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117–58) in 2021.[7] CRISI provides funding for privately and publicly-operated freight and intercity passenger rail projects, including those that "improve railroad safety, efficiency, and reliability; mitigate congestion at both intercity passenger and freight rail chokepoints to support more efficient travel and goods movement . . . and lead to new or substantially improved Intercity Passenger Rail Transportation corridors."[8] Eligible applicants include individual states (and the District of Columbia), Federally-recognized Indian tribes, public agencies, Amtrak or other rail carriers providing intercity passenger rail transportation, and Class II and Class III freight railroads.[9] The Federal cost share of a CRISI grant award cannot exceed 80 percent of the project cost, with the remaining funding comprising state/local government or private sector funding.[10]

IIJA funded CRISI at $5 billion with advance appropriations over five years, in addition to any annual appropriations for this program.[11] In September 2023, the FRA announced fiscal year (FY) 2022 CRISI awards totaling over $1.4 billion for 70 projects, 10 of which fund intercity passenger rail projects.[12] In October 2024, FRA announced FY 2023–2024 awards totaling more than $2.4 billion for 122 projects.[13]

AMTRAK GRANTS

Amtrak receives annual grants from the Federal Government. The FAST Act changed the authorization structure of Amtrak to provide appropriations based on service—Amtrak Northeast Corridor and Amtrak National Network grants—instead of for operations and capital/debt service activities.[14] In addition to annual appropriations grants, IIJA provides $22 billion in funding specifically to Amtrak in the form of advanced appropriations.[15] The bill authorizes and appropriates over five years $102 billion for the FRA, and at least another $30 billion in discretionary

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[4] AMERICAN PUBLIC TRANSP. ASS'N, *How Many Commuter Railroads are in the United States?*, (Mar. 16, 2021), *available at* https://www.apta.com/faq-items/how-many-commuter-railroads-are-in-the-united-states/.

[5] FED. RAILROAD ADMIN, *About Us, available at* https://railroads.dot.gov/about-fra/about-fra.

[6] FED. TRANSIT ADMIN, *Grant Programs, available at* https://www.transit.dot.gov/funding/grants/grant-programs.

[7] 49 U.S.C. § 22907.

[8] Notice of Funding Opportunity for the Consolidated Rail Infrastructure and Safety Improvements Program, 87 Fed. Reg. 54278 (Sept. 2, 2022), *available at* https://www.federalregister.gov/documents/2022/09/02/2022-19004/notice-of-funding-opportunity-for-the-consolidated-rail-infrastructure-and-safety-improvements.

[9] *Id.*

[10] U.S. DEP'T OF TRANSP., *Consolidated Rail Infrastructure & Safety Improvements (CRISI) Grant Program, available at* https://www.transportation.gov/rural/grant-toolkit/consolidated-rail-infrastructure-safety-improvements-crisi-grant-program.

[11] 49 U.S.C. § 24911; *see also* BEN GOLDMAN, CONG. RSCH. SERV. (IF11920), PASSENGER RAIL EXPANSION IN THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA), (last updated Feb. 10, 2022), *available at* https://crsreports.congress.gov/product/pdf/IF/IF11920.

[12] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Consolidated Rail Infrastructure Safety Improvements (CRISI) Program*, (last updated Oct. 2, 2023), *available at* https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/consolidated-rail-infrastructure-and-safety-2.

[13] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Investing in America: Biden-Harris Administration Announces $2.4 Billion in New Rail Projects*, (Oct. 29, 2024) *available at* https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/investing-america-biden-harris-administration-1.

[14] Pub. L. 114–94, 129 Stat. 1662 at Sec. 11101.

[15] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *2022 Bipartisan Infrastructure Law Funding Table, available at* https://railroads.dot.gov/sites/fra.dot.gov/files/2022-02/Bipartisan%20Infrastructure%20Law%20Funding%20Table%20Jan2022.pdf.

multimodal grants for which freight rail, Amtrak, and other intercity passenger rail projects are eligible.[16]

FEDERAL-STATE PARTNERSHIP FOR INTERCITY PASSENGER RAIL GRANT PROGRAM

Sections 22106 and 22307 of IIJA authorize the Federal-State Partnership for Intercity Passenger Rail (FSP) Grant Program.[17] Created in the FAST Act as the Federal State Partnership for State of Good Repair Grant program, this grant program was modified in IIJA to not only provide funding for capital projects that reduce the state of good repair backlog, but may also improve existing service or establish new intercity passenger rail service, including privately operated passenger rail service.[18] Eligible projects include projects to replace, rehabilitate, or repair infrastructure, equipment, or facilities used for providing intercity passenger rail service to bring assets into a state of good repair or to improve intercity passenger rail service performance; expand or establish new intercity passenger rail service; or for the planning, environmental review, and final design of an eligible project or group of projects.[19] Eligible recipients include: an individual or group of states, including the District of Columbia, an Interstate Compact, a public agency or publicly chartered authority established by one or more states, a political subdivision of a state, Amtrak, a Federally recognized Indian Tribe, or any combination of these entities.[20]

Because IIJA designated the majority of the advance appropriated funds for FSP for the Northeast Corridor and set out specific requirements for funding projects in this region, FRA issued two separate notices of funding opportunity (NOFOs) to break out the Northeast Corridor funding from National Network funding.[21] On November 6, 2023, FRA announced awards of $16.4 billion for 25 projects on the Northeast Corridor.[22] This amount, includes $7.4 billion in phased funding agreements authorized in the IIJA.[23] On November 15, 2024, FRA announced an additional nearly $1.5 billion to 19 projects on the Northeast Corridor.[24] On December 8, 2023, FRA announced $8.2 billion for 10 projects on the National Network.[25] On October 1, 2024, FRA announced a NOFO for National Network funding totaling over $1 billion.[26] Applications were due in mid-December, but remain under review.

On April 17, 2025, FRA rescinded an FSP grant that had been awarded to the Metropolitan Transportation Authority for the rehabilitation of New York Penn Station.[27] FRA states that the project will henceforth be conducted under a single grant

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[16] 49 U.S.C. § 6701 (noting the National Infrastructure Project Assistance, authorized at $5 billion and appropriated at $10 billion over five years); *see also* 49 U.S.C. § 6702 (noting the Local and Regional Project Assistance, authorized at $7.5 billion and appropriated at $7.5 billion over five years); *see also* 23 U.S.C. § 149; *see also* 49 U.S.C. § 224, et seq.; *see also* 23 U.S.C. § 601, et seq. (describing two Federal loan programs that include this eligibility, Railroad Rehabilitation and Improvement Financing and Transportation Infrastructure Finance and Innovation Act).

[17] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Federal-State Partnership for Intercity Passenger Rail Grant Program*, (last updated Nov. 6, 2023), *available at* https://railroads.dot.gov/federal-state-partnership-intercity-passenger.

[18] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Federal-State Partnership for State of Good Repair Grant Program (FY 2017–2021), available at* https://railroads.dot.gov/grants-loans/federal-state-partnership-state-good-repair-grant-program-fy-2017-2021.

[19] *Id.*

[20] *Id.*

[21] *Id.*

[22] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *President Biden Advances Vision for World Class Passenger Rail with $16 Billion Investment in America's Busiest Corridor*, (Nov. 6, 2023), *available at* https://railroads.dot.gov/sites/fra.dot.gov/files/2023-11/FRA%2011-23.pdf.

[23] *Id.*

[24] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Investing in America: Biden-Harris Administration Announces Nearly $1.5 Billion in Additional Upgrades to America's Busiest Rail Corridor*, (Nov. 15, 2024) *available at* https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/investing-america-biden-harris-administration-4.

[25] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *President Biden Announces $8.2 Billion in New Grants*, (Dec. 8, 2023), *available at* https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/president-biden-announces-82-billion-new-grants.

[26] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *INVESTING IN AMERICA: Biden-Harris Administration Makes More Than $1 Billion in Additional Funding Available to Support America's Passenger Rail Future*, (Oct. 1, 2024), *available at* https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/investing-america-biden-harris-administration-0.

[27] Letter from, Kyle Fields, Chief Counsel, Fed. Rail Admin. to Mr. Janno Lieber, Chair and Chief Executive Officer, Metropolitan Transp. Auth. (Apr. 17, 2025) *available at* https://railroads.dot.gov/elibrary/fra-chief-counsel-letter-mr-janno-lieber-41725.

sponsored by Amtrak.[28] On April 22, 2025, FRA and Amtrak agreed to a revised scope for rehabilitation of the Dock Bridge over the Passaic River in New Jersey reducing the cost of the project by approximately $140 million.[29] Earlier in the year, on February 20, 2025, Secretary Duffy announced a review of the California High Speed Rail Project (CAHSR) proposal and the nearly $4 billion in Federal funding awarded to the project.[30]

RAILROAD CROSSING ELIMINATION (RCE) PROGRAM

IIJA authorized $600 million in annual advanced appropriations over five years (totaling $3 billion) to create a new RCE grant program to address safety concerns at highway-rail or pathway-rail grade crossings Nationwide.[31] The grant program applies to projects that would separate or close grade crossings; would relocate tracks, install or improve protective or preventive measures at crossings such as signs or signals; and fund planning and designs for eligible projects.[32] Eligible recipients include individual states, the District of Columbia, Puerto Rico, and other United States territories and possessions, Federally recognized Indian Tribes, local governments, public port authorities, metropolitan planning organizations, and a group of the entities listed.[33]

In December 2023, FRA awarded over $570 million in FY 2022 funds to eligible projects under the RCE program.[34] IIJA stipulates that at least 20 percent of available grant funds ($114.6 million) are made available for rural and tribal land projects.[35] Of this 20 percent set aside, five percent of the total funding is made available for projects in counties with 20 or fewer residents per square mile.[36] The Federal cost share for these grants is no more than 80 percent of total project costs.[37] On January 10, 2025, FRA announced over $1.1 billion for 123 rail projects to improve or study more than 1,000 highway-rail crossings Nationwide.[38]

RESTORATION AND ENHANCEMENT GRANTS

The Restoration and Enhancement Grant program was authorized in Sections 11104 and 11303 of the FAST Act at $20 million a year.[39] IIJA authorized and advance appropriated $50 million each year over five years for the program, which provides operating assistance grants to initiate, restore, or enhance intercity rail passenger transportation for up to six corridors.[40] Eligible applicants include states or their political subdivisions, groups of states, interstate compacts, public agencies or publicly chartered authorities established by one or more states, Amtrak or other intercity passenger rail carriers, rail carriers in partnership with any eligible government entities, or a combination.[41] For FY 2018 through FY 2020, the Restoration

[28] *Id.*

[29] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN *Trump's Transportation Secretary Sean P. Duffy Saves Taxpayers $140 Million on NJ Dock Bridge Revitalization Project* (Apr. 22, 2025) *available at* https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/trumps-transportation-secretary-sean-p-duffy-saves.

[30] *See e.g., Trump has California's high-speed rail in his sights, but so do Democrats*, POLITICO (April 17, 2025) *available at* https://www.politico.com/news/2025/04/17/trump-democrats-high-speed-rail-00295348; Press Release, U.S. DEP'T OF TRANSP., *U.S. Transportation Secretary Duffy Announces Review of California High-Speed Rail Project*, (Feb. 20, 2025), *available at* https://www.transportation.gov/briefing-room/us-transportation-secretary-duffy-announces-review-california-high-speed-rail-project.

[31] IIJA, Pub. L. No. 117–58, § 22305, 135 Stat. 695.

[32] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Railroad Crossing Elimination Program*, (last updated Oct. 2, 2023), *available at* https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/railroad-crossing-elimination-grant-program.

[33] *Id.*

[34] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Railroad Crossing Elimination (RCE) Grant Program*, (last updated Dec. 4, 2023), *available at* https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/railroad-crossing-elimination-grant-program.

[35] *Id.*

[36] *Id.*

[37] IIJA, *supra* note 31, at 135 Stat. 696.

[38] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Investing in America: Biden-Harris Administration Announces Over $1.1 Billion in New Rail Grants to Reduce Train-Vehicle Collisions and Blocked Crossings*, (July 9, 2024), *available at* https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/biden-harris-administration-makes-more-11-0.

[39] Fixing America's Surface Transportation Act, Pub. L. No. 114–94, 129 Stat. 1651.

[40] IIJA, *supra* note 31, at § 22105.

[41] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Restoration and Enhancement Grant Program*, (last updated Oct. 2, 2023), *available at* https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/restoration-and-enhancement-grant-program.

and Enhancement grant program awarded over $22.4 million.[42] On January 10, 2025, FRA announced over $146.3 million in grants for FY 2021 through FY 2024.[43]

CORRIDOR IDENTIFICATION AND DEVELOPMENT (CORRIDOR ID) PROGRAM

IIJA created the Corridor ID Program for FRA to identify and assist in the planning of intercity passenger rail projects.[44] The program's goal is to create a pipeline of intercity passenger rail projects ready for implementation.[45] Eligible applicants include Amtrak, states, groups of states, entities implementing interstate compacts, regional passenger rail authorities, regional planning organizations and other public entities.[46] The initial award is $500,000 per project to facilitate planning and development.[47] On December 8, 2023, the FRA announced the selection of 69 corridors across 44 states to drive future passenger rail expansion.[48] The selections included 15 existing rail routes, add or extend service on 47 new routes, and advance seven new high-speed rail projects.[49] On April 14, 2025, Secretary Duffy announced that FRA would rescind over $60 million from a previously-awarded CID grant for Texas Central, a high-speed rail corridor planned between Dallas and Houston citing higher costs, among other factors.[50]

THE RAILROAD REHABILITATION AND IMPROVEMENT FINANCING (RRIF) PROGRAM

The RRIF program provides direct loans and loan guarantees to finance the development of railroad infrastructure.[51] Operating under the DOT's Build America Bureau, RRIF provides up to $35 billion to finance the development of railroad infrastructure. Not less than $7 billion of RRIF funds is reserved for projects benefiting short line freight railroads.[52] The program offers users low interest rates, payment terms up to 35 years, deferrable until up to five years after substantial project completion, and can fund up to 100 percent of the project cost.

Eligible applicants include state and local governments, interstate compacts, government sponsored authorities and corporations, railroads, limited option freight shippers that own their own or operate their own facilities, and joint ventures that include at least one of the entities previously listed. Eligible projects and activities include acquiring, improving, or rehabilitating intermodal or rail equipment and facilities, such as tracks, bridges, yards, buildings and shops.[53]

Loans may also be used for Transit-Oriented Development (TOD), including commercial and residential development.[54] Such projects should incorporate private investment, be physically and functionally related to a passenger rail station or multimodal station that includes rail service, likely to begin the contracting for construction process no later than 90 days after the RRIF loan is obligated, and has a high probability of increasing ridership, tenant lease payments or other activities that generate revenue exceeding costs for the passenger rail station or service.

THE REBUILDING AMERICAN INFRASTRUCTURE WITH SUSTAINABILITY AND EQUITY (RAISE) GRANT PROGRAM

RAISE is a DOT discretionary grant program for surface transportation projects that have a significant regional or local impact, and support DOT strategic goals to improve safety, economic efficiency and global competitiveness, reduce disparities,

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[42] *Id.*
[43] U.S. DEP'T OF TRANSP., *INVESTING IN AMERICA: Biden-Harris Administration Announces Over $1.1 Billion in New Rail Grants to Reduce Train-Vehicle Collisions and Blocked Railroad Crossings*, (Jan. 10, 2025) *available at* https://www.transportation.gov/briefing-room/investing-america-biden-harris-administration-announces-over-11-billion-new-rail.
[44] IIJA, *supra* note 31, at § 22308 (codified at 49 U.S.C. § 25101).
[45] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Corridor Identification and Development Program* [hereinafter Corridor ID], *available at* https://railroads.dot.gov/corridor-ID-program.
[46] 49 U.S.C. § 25101(b).
[47] Corridor ID, *supra* note 47.
[48] Press Release, U.S. DEP'T OF TRANSP., *President Biden Announces $8.2 Billion in New Grants for High-Speed Rail and Pipeline of Projects Nationwide*, (Dec. 8, 2023), *available at* https://railroads.dot.gov/sites/fra.dot.gov/files/2023-12/FRA%2013-23.pdf.
[49] *Id.*
[50] Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN *U.S. Transportation Secretary Sean P. Duffy Announces Agreement to Save Taxpayers Over $60 Million by Ending Grant for Texas High-Speed Rail Project* (Apr. 17, 2025) *available at* https://www.transportation.gov/briefing-room/us-transportation-secretary-sean-p-duffy-announces-agreement-save-taxpayers-over-60.
[51] U.S. DEP'T OF TRANSP., BUILD AMERICA BUREAU, *Credit Programs Guide*, 1 (Mar. 2017), *available at* https://www.transportation.gov/buildamerica/sites/buildamerica.dot.gov/files/2019-08/Bureau%20Credit%20Programs%20Guide__March__2017.pdf.
[52] *Id.*
[53] *Id.* at 3–6.
[54] *Id.*

and achieve environmental objectives.[55] Eligible applicants include states, local governments, port authorities, and metropolitan planning organizations, among others.[56] IIJA authorized advanced appropriations for RAISE grants of $1.5 billion annually for FY 2022 to FY 2026.[57]

In 2023, the RAISE program issued over $2.2 billion in awards for eligible projects, including at least eighteen grants for highway-railway grade separation projects and other rail projects.[58] In June 2024, DOT announced roughly $1.8 billion in RAISE grant awards, including over 15 freight and intercity passenger rail projects.[59] On January 10, 2025, DOT announced awards of $1.32 billion, including over 10 freight and intercity rail projects.[60]

THE NATIONALLY SIGNIFICANT MULTIMODAL FREIGHT & HIGHWAY PROJECTS PROGRAM (INFRA)

The INFRA program was established by the FAST Act and awards competitive grants for multimodal freight and highway projects of National or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people.[61] Eligible applicants include states, local governments, tribal governments, and special purpose districts, among others.[62] Among the eligible activities for INFRA grants are highway-railroad crossings or grade separation projects.[63]

IIJA authorized up to $10.8 billion for INFRA over the period of FY 2022 through FY 2026.[64] In FY 2022, DOT awarded approximately $1.5 billion to freight and highway infrastructure projects.[65] DOT consolidated the INFRA grant program into a single notice of funding opportunity with the National Infrastructure Project Assistance grants program (Mega) and the Rural Surface Transportation Grant program (Rural).[66] This combined NOFO is known as the Multimodal Project Discretionary Grant Opportunity (MPDG) and allows applicants to apply through one application and a common set of criteria.[67] DOT issued a NOFO for the MPDG in June 2023, anticipating the MPDG will award between $5.45 billion and $5.75 billion from FY 2023 and FY 2024 funding, including between $3 billion and $3.1 billion for INFRA.[68] In October 2024, DOT announced $4.2 billion in funding from INFRA and the Mega grant program.[69]

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[55] U.S. DEP'T OF TRANSP., OFF. OF THE SEC'Y, *Notice of Funding Opportunity for Fiscal Year 2024, Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants*, https://www.transportation.gov/sites/dot.gov/files/2023-11/RAISE%202024%20NOFO%2011.30.23__0.pdf; *see also* IIJA, *supra* note 31, at 135 Stat. 663.

[56] 49 U.S.C. § 25101(b).

[57] IIJA, *supra* note 31, at 135 Stat. 675.

[58] Press Release, U.S. DEP'T OF TRANSP., *Biden-Harris Administration Announces Funding for 162 Community-Led Infrastructure Projects as Part of the Investing in America Agenda*, (June 28, 2023), *available at* https://www.transportation.gov/briefing-room/biden-harris-administration-announces-funding-162-community-led-infrastructure; *see also* U.S. DEP'T OF TRANSP., OFF. OF THE SEC'Y, *RAISE 2023 Fact Sheets, available at* https://www.transportation.gov/sites/dot.gov/files/2023-06/RAISE%202023%20Fact%20Sheets__2.pdf.

[59] U.S. DEP'T OF TRANSP., *RAISE Fact Sheet, available at* https://www.transportation.gov/sites/dot.gov/files/2024-07/RAISE%202024%20Fact%20Sheets__0.pdf.

[60] U.S. DEP'T OF TRANSP., *Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program, available at* https://www.transportation.gov/RAISEgrants.

[61] U.S. DEP'T OF TRANSP., *The INFRA Grant Program*, (last updated June 27, 2023), *available at* https://www.transportation.gov/grants/infra-grant-program [hereinafter INFRA Grants]; *see also* Fixing America's Surface Transportation (FAST) Act of 2015, Pub. L. No. 114–94, 129 Stat. 1332, §1105.

[62] U.S. DEP'T OF TRANSP., *The Infra Grant Program, available at* https://www.transportation.gov/grants/infra-grant-program.

[63] *Id.*

[64] U.S. DEP'T OF TRANSP., *Infrastructure Investment and Jobs Act Authorized Funding, available at* https://www.transportation.gov/sites/dot.gov/files/2022-01/DOT__Infrastructure__Investment__and__Jobs__Act__Authorization__Table__%28IIJA%29.pdf; *see* Nationally Significant Freight and Highway Projects.

[65] Tom Ichniowski, *US DOT Picks Winners for $1.5B in INFRA Grants*, ENGINEERING NEWS RECORD, (Sept. 15, 2022), *available at* https://www.enr.com/articles/54806-us-dot-picks-winners-for-15b-in-infra-grants.

[66] U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Competitive Discretionary Grant Programs*, (last updated Dec. 11, 2023), *available at* https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/competitive-discretionary-grant-programs; *see* multimodal projects discretionary grant program.

[67] U.S. DEP'T OF TRANSP., OFF. OF THE SEC'Y, *NOFO for the DOT FY 2023–2024 MPDG*, (last updated June 26, 2023), *available at* https://www.transportation.gov/sites/dot.gov/files/2023-06/MPDG%20NOFO%202023-2024%20Final__0.pdf [hereinafter MPDG NOFO].

[68] *Id.*

[69] U.S. DEP'T OF TRANSP., *INVESTING IN AMERICA: Biden-Harris Administration Announces More Than $4.2 Billion From the Bipartisan Infrastructure Law for Transformational,*

IV. REQUIREMENTS OF FRA ASSISTANCE PROGRAMS

There are several requirements that stakeholders must follow to access and utilize available Federal financial assistance. Some grantees may find meeting Federal requirements challenging. Below is a summation of some of these requirements and the challenges non-traditional DOT grantees face.

NATIONAL ENVIRONMENTAL POLICY ACT

The National Environmental Policy Act (NEPA) requires Federal agencies to assess the impacts of their proposed decisions on the physical and human environment.[70] NEPA provides a framework for environmental planning and decision making by Federal agencies.[71] Under NEPA, if the agency determines an action will not have a significant environmental impact, the agency may issue a categorical exclusion (CE) exempting the activity from further NEPA analysis.

If impacts on the environment are not clearly established, FRA will conduct an Environmental Assessment (EA) that helps an agency document and determine whether the impacts of a proposed action are significant.[72] If upon investigation, the agency determines the impacts are minimal, the agency may issue a Finding of No Significant Impact. If the EA affirms significant impacts, an agency will require an environmental impact statement which must identify and quantify potential impacts. The agency must also propose alternatives to the proposed action.

Rail infrastructure projects conducted on existing rights of way, or those that involve the construction, reconfiguration or expansion of existing facilities can qualify for a CE.[73] The American Short Line and Regional Railroad Association believes creating more clarity around when CEs qualify would save its members time and resources.[74]

In addition, FRA grantees may seek opportunities to adopt other agency's CE as implemented by other DOT and Federal agencies that regularly interact with rail. These other non-DOT agencies include the United States Army Corps of Engineers and the Surface Transportation Board.[75] The Fiscal Responsibility Act of 2023 was signed into law on June 3, 2023.[76] Section 109 of the law allows agencies to voluntarily adopt the CEs listed by another agency provided the adoption is appropriate.[77]

USE OF PRE-AWARD AUTHORITY

Pre-award costs are incurred after the award selection announcement date, but before the grant is obligated.[78] Recipients may incur costs using non-Federal dollars at their own risk for later reimbursement or credit once the funds are obligated. For rail grants managed by the FRA, grant recipients must request pre-award authority (PAA) from the FRA. The American Short Line and Regional Railroad Association believes allowing recipients to segment activities, such as conducting engineering analysis and the acquisition of materials may help serve as a hedge against material inflation and reduce the amount of time to begin construction.[79]

National Infrastructure Projects, available at https://www.transportation.gov/briefing-room/investing-america-biden-harris-administration-announces-more-42-billion-bipartisan.

[70] FED. RAILROAD ADMIN., *Environment FRA & NEPA, available at* https://railroads.dot.gov/rail-network-development/environment/environment.

[71] *Id.*

[72] FED. RAILROAD ADMIN., *FRA & NEPA Documentation, available at* https://railroads.dot.gov/rail-network-development/environment/fra-nepa-documentation.

[73] FED. RAILROAD ADMIN., *Additional Information on Categorical Exclusions*, https://railroads.dot.gov/rail-network-development/environment/additional-information-categorical-exclusions.

[74] Regulatory and Legislative Priority Items for the Short Line Freight Railroad Industry Prepared for the new Trump Administration's Federal Railroad Administration by the American Short Line and Regional Railroad Association. (Feb. 2025), [hereinafter "*Short Line Priorities*"] (on file with Comm.).

[75] *Id.*

[76] Pub, L. 118–5, 137 Stat 44.

[77] *Id.*

[78] FED. RAILROAD ADMIN., *Federal Railroad Administration Answers to Frequently Asked Questions about Pre-Award Authority* (Sept. 22, 2023), *available at* https://railroads.dot.gov/sites/fra.dot.gov/files/2023-09/Pre-Award%20Authority%20FAQs%20-%209.22.23__PDFa.pdf.

[79] Short Line Priorities, *supra* note 65.

SECTION 106 HISTORICAL PRESERVATION REVIEWS

The National Historic Preservation Act (NHPA) requires agencies to consider the impact of their actions on historic properties.[80] Section 106 of the NHPA applies to all projects receiving a Federal grant or requiring a Federal permit regardless if they qualify for a categorical exclusion under NEPA. Section 11504 of the FAST Act initiated the creation of an exemption from Section 106 Advisory Council on Historic Preservation (ACHP) review for railroad rights-of-way consistent with the exemption for interstate highways.[81] The highways exemption recognizes that "the integrity of the system depends on continuing maintenance and upgrades so that it can continue to move traffic across great distances." [82] The Advisory Council on Historic Preservation (ACHP) issued a general exemption from Section 106 for the Federal highway system except for limited number of individual elements in the system which were so designated by the Federal Highways Administration.[83]

The ACHP adopted an "activity-based approach" and a "property-based approach for rail" that differs from the exemption granted highways.[84] If Federally-funded projects are outside of the list of exemptions, railroads can instead pre-identify projects as historically significant.[85] That process requires railroads to conduct a review and examination of properties involved in a project to identify and qualify what could be considered of historical significance. This review is often conducted by third party contractors with specific expertise. Conducting this type of Section 106 review can be costly. Short line railroads may find the process cost prohibitive.

ACHP is an independent Federal agency created to implement HHPA. ACHP is comprised of 24 statutorily designated members from Federal agencies, preservation organizations, tribes and expert private citizens who carry out, in part, historic preservation case reviews and the Section 106 process.[86]

V. WITNESSES

- Mr. Matthew Dietrich, Executive Director, Ohio Rail Development Commission
- The Hon. Garrett Eucalitto, Commissioner, Connecticut Department of Transportation, *on behalf of* American Association of State Highway and Transportation Officials
- Mr. Kevin Hicks, P.E., Senior Vice President, TranSystems, *on behalf of* National Railroad Contractors Association
- Ms. Kristin Bevil, General Counsel and Chief Legal Officer, Pinsly Railroad Company, *on behalf of* American Short Line and Regional Railroad Association

[80] 54 USC § 300101.
[81] Pub. L. No. 114–94, § 11504, 129 Stat. 1693; *see also* 70 Fed. Reg. 11,928 (Mar. 10, 2005).
[82] 70 Fed. Reg. 11,928 (Mar. 10, 2005).
[83] 70 Fed. Reg. 11,928–9.
[84] *Id.*
[85] *Id.*
[86] ADVISORY COUNCIL ON HISTORIC PRESERVATION, *About the ACHP, available at* https://www.achp.gov/about.

AMERICA BUILDS: IMPROVING THE EFFICIENCY AND EFFECTIVENESS OF FEDERAL RAIL ASSISTANCE

TUESDAY, MAY 6, 2025

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to call, at 10:01 a.m. in Room 2167, Rayburn House Office Building, Hon. Daniel Webster (Chairman of the subcommittee) presiding.

Mr. WEBSTER OF FLORIDA. The Subcommittee on Railroads, Pipelines, and Hazardous Materials will come to order.

I ask unanimous consent that the chairman be authorized to declare a recess at any time during today's hearing.

Without objection, show that ordered.

I ask unanimous consent that the Members not on the subcommittee be permitted to sit with the subcommittee in today's hearing and ask questions.

Without objection, show that ordered.

As a reminder, if Members wish to insert a document in the record, please also email it to DocumentsTI@mail.house.gov.

I recognize myself for the purpose of making an opening statement for 5 minutes.

OPENING STATEMENT OF HON. DANIEL WEBSTER OF FLORIDA, CHAIRMAN, SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

Mr. WEBSTER OF FLORIDA. Most of us are familiar with the unfortunate and unnecessary reputation of our country for building and repairing infrastructure. It takes too long, costs too much.

Many of what we would today call megaprojects, like the original Oakland-San Francisco Bay Bridge and the Triborough Bridge in New York, took just a few years to build. Hoover Dam was completed in just 5 years.

While delays to large projects garner all the media attention, many of the same laws, processes, and redtape that add years to project completion time and costs also plague smaller projects initiated by both freight and passenger service carriers.

Recognizing the importance of a safe, efficient, and reliable freight and passenger rail transportation system, Congress has authorized several programs to assist those carriers who, owing to their size or market segments, lack the resources of larger operators to invest substantial funds in their infrastructure needs. These include programs like CRISI, which serves as a vital source of funding to assist short line railroads to rehabilitate and expand infrastructure necessary for their mission to provide first- and last-mile freight service.

Improving the efficiency and effectiveness of these programs is the purpose of today's hearing and a goal as the committee works to reauthorize Department of Transportation surface transportation programs.

Additionally, Federal infrastructure funding should support core programs and the construction of infrastructure.

The Trump administration has inherited a backlog of more than 3,000 unobligated DOT grants. Responsibly, the administration took the time to review these grants to ensure the best use of taxpayer dollars. Today, the Department announced it approved more than 180 grants totaling $3.2 billion. I look forward to working with the administration to reduce the Biden backlog in a timely manner and ensure that Federal grants are focused on improving critical infrastructure.

Again, I look forward to learning the views of today's witnesses.

[Mr. Webster of Florida's prepared statement follows:]

Prepared Statement of Hon. Daniel Webster, a Representative in Congress from the State of Florida, and Chairman, Subcommittee on Railroads, Pipelines, and Hazardous Materials

Most of us are familiar with the unfortunate and unnecessary reputation of our country for building and repairing infrastructure: it takes too long and costs too much.

Many of what we would today call "mega projects," like the original Oakland-San Francisco Bay Bridge and the Triborough Bridge in New York, took just a few years to build. The Hoover Dam was completed in just five years.

While delays to large projects garner all the media attention, many of the same laws, processes, and red tape that add years to project completion time and costs also plague smaller projects initiated by both freight and passenger service carriers.

Recognizing the importance of a safe, efficient, and reliable freight and passenger rail transportation system, Congress has authorized several programs to assist those carriers who, owing to their size or market segments, lack the resources of larger operators to invest substantial funds in their infrastructure.

These include programs like CRISI, which serves as a vital source of funding to assist short line railroads to rehabilitate and expand infrastructure necessary for their mission to provide "first and last mile" freight service.

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Additionally, federal infrastructure funding should support core programs and the construction of infrastructure.

The Trump Administration inherited a backlog of more than 3,000 unobligated DOT grants. Responsibly, the Administration took the time to review these grants to ensure the best use of taxpayer dollars.

Today, the Department announced it approved more than 180 grants totaling over $3 billion.

I look forward to working with the Administration to reduce the Biden backlog in a timely manner and ensure that federal grants are focused on improving critical infrastructure.

Mr. WEBSTER OF FLORIDA. I now recognize Ranking Member Titus for 5 minutes for an opening remark.

You are recognized.

OPENING STATEMENT OF HON. DINA TITUS OF NEVADA, RANKING MEMBER, SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

Ms. TITUS. Well, thank you, Mr. Chairman, and thank you for holding this hearing.

Through the Bipartisan Infrastructure Law, this committee made some historic investments in passenger rail, and we are seeing the impact of that all across the country. Certainly, we are seeing it in Las Vegas. Thanks to a $3 billion grant from the Federal-State Partnership for Intercity Passenger Rail, Brightline West has broken ground on a new high-speed train between Las Vegas and Los Angeles. I have been working to bring high-speed rail to the Southwest for many years, and I am excited that it is becoming a reality.

I am also proud that this project is creating good-paying union jobs. Rail union workers are building Brightline West, and they are going to play a role in operating and maintaining it once it is in service. In fact, it has been estimated that the project will create 35,000 construction jobs and 1,000 permanent jobs. And that is nothing to sneeze at.

While Brightline West is a success story, I know it is not the only model we need to support as we work to improve intercity passenger rail. We have got to remember that there is not a passenger rail system in the world, in the whole world, that operates without some Government investment in capital projects.

I believe we need to provide robust funding for Amtrak and competitive grants in the next transportation authorization bill. We don't want to lose all the progress that we have made over the past 5 years, and that is what will happen if we don't invest. Amtrak services are found in red and blue districts, and I am glad to see that some of my Republican colleagues voted in favor of amendments to protect Amtrak funding for the Northeast Corridor and for the North Carolina rail system during last week's markup in this committee.

There are many communities across the U.S. that will benefit from sustained Federal rail investments. The Federal Railroad Administration has identified 69 corridors in 44 States as ready for additional investment. These are in many of our districts, with proposed lines, extensions to existing routes, or improvements to the rail service in 49 districts in this committee alone, 49 in this committee alone.

Now, in addition to helping expand passenger rail service, Federal rail grants also make our rail networks safer. For example, the Railroad Crossing Elimination program helps address safety concerns at grade crossings. There are over 2,000 incidents and 200 fatalities at these dangerous intersections every year. We can and must do better. The $3 billion Congress allocated to this program is helping eliminate these problems, or at least make them safer across the country.

I would like to use our time today to hear from our witnesses about how investments from the Bipartisan Infrastructure Law are improving rail services in your communities or with your systems, and I also welcome suggestions for how we can work together to speed up the grant implementation process. Whether through improving the obligation process or ensuring that FRA has sufficient staff to execute these grants, I believe that targeted change could help speed up that grant implementation and help move the systems forward.

So, I look forward to working with you, Mr. Webster, Chairman Graves, and Ranking Member Larsen on these issues as the surface transportation reauthorization process moves forward.

So thank you, and I yield back.

[Ms. Titus' prepared statement follows:]

Prepared Statement of Hon. Dina Titus, a Representative in Congress from the State of Nevada, and Ranking Member, Subcommittee on Railroads, Pipelines, and Hazardous Materials

Thank you for holding this hearing, Mr. Chairman.

Through the Bipartisan Infrastructure Law, this Committee made historic investments in passenger rail, and we are certainly seeing the impacts of those investments in Las Vegas. Thanks to a $3 billion grant from Federal State Partnership for Intercity Passenger Rail, Brightline West broke ground last April on a new high-speed train service from Las Vegas to Los Angeles.

I have been working to bring high speed rail to Southern Nevada for decades, and I am excited that it is finally becoming a reality. I am also proud that the project is creating good-paying, union jobs. Rail union workers are building the Brightline West line and will play a role in operating and maintaining it once it is in service. Overall, the project is expected to create 35,000 construction jobs and 1,000 permanent jobs.

And while Brightline West is a success story, I know that it is not the only model we need to support as we work to improve intercity passenger rail service across the United States. There is not a passenger rail system in the world that operates without some government investment in capital projects.

We need to provide robust funding for Amtrak and competitive grants in the next surface transportation reauthorization so we do not lose all the progress we have been making over the past five years. Amtrak services Red and Blue Districts alike, and I was glad to see some of my Republican colleagues vote in favor of amendments to protect Amtrak funding for the Northeast Corridor and for North Carolina rail investments during last week's markup in this Committee.

There are many communities across the United States that will benefit from sustained federal rail investments. The Federal Railroad Administration has identified 69 corridors in 44 states as ready for additional investment. These corridors are in many of our districts, with proposed lines, extensions to existing routes or improvements to passenger rail service in 49 districts in this Committee alone.

In addition to helping expand passenger rail service, federal rail grants also make our rail networks safer. For example, the Railroad Crossing Elimination Program helps address safety concerns at grade crossings. There are over 2,000 incidents and 200 fatalities at these dangerous intersections each year. We can and must do better. The $3 billion Congress allocated to this program is helping eliminate or make these intersections safer across the United States.

I would like to use our time today to hear from our witnesses about how investments from the Bipartisan Infrastructure Law are improving rail service in your communities. I also welcome suggestions for how we can work together to speed up the grant implementation process. Whether it be through improving the obligation process or ensuring that the FRA has sufficient staff to execute these grants, I believe targeted changes could speed up grant implementation.

I look forward to working with Chairman Graves, Ranking Member Larsen, and Subcommittee Chairman Webster on these issues during the surface transportation reauthorization process.

I yield back.

Mr. WEBSTER OF FLORIDA. I now recognize the ranking member of the full committee.

Mr. Larsen, you are recognized for 5 minutes.

OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. LARSEN OF WASHINGTON. Thank you, Chair Webster and Ranking Member Titus, for holding today's hearing.

Today's hearing is about efficiency and effectiveness in delivering rail improvements. I support these goals, and yet I am concerned this administration is more worried about the rhetoric than rolling up its sleeves to get there. In his first 100 days, the President has driven up costs and cut critical services. We have seen chaos and confusion in the constant freezing and unfreezing of transportation grants, attacks on the workforce that deliver these transportation investments, and conditions placed on grants that have nothing to do with transportation.

The Bipartisan Infrastructure Law was a transformational investment in many things, including passenger rail. After 50 years of underinvestment, Amtrak and the recipients of rail competitive grants can plan and succeed, thanks to 5 years of guaranteed funding for capital projects. This funding has allowed Amtrak to address decades of deferred maintenance and begin construction on long-delayed capital projects. This investment has allowed Brightline West to begin construction, as Ranking Member Titus has highlighted.

Funding has been announced to support safety improvements all over the country, including my district. In early 2025, the city of Everett was awarded $18 million to eliminate two existing crossings with Burlington Northern Santa Fe through the construction of an overpass and roundabout near the Smith Island terminal. In 2023, the city of Burlington was awarded $2 million in a planning grant to identify which of the city's 16 at-grade crossings is most suitable for grade separation.

Nationally, these investments helped create 1.7 million construction and manufacturing jobs across the country, and these are jobs with good wages and benefits. That is why it is hard to understand why the administration has, over the past 100 days, halted progress and put millions of dollars, hundreds of thousands of jobs, and thousands of projects at risk. Secretary Duffy testified last month before the Senate Environment and Public Works Committee that roughly 3,200 previously awarded projects were on hold.

Now, the BIL invested more than $48 billion in 445 projects to improve rail safety and expand passenger rail travel nationwide, and still the administration has refused to tell us which of these projects are on hold.

In the Pacific Northwest, Washington State and Oregon are committed to advancing the Cascadia high-speed rail project. This project will connect people and communities, increase our regional economic competitiveness, and improve the quality of life across the region with high-speed rail between Vancouver, BC, Seattle, and Portland. It will connect workers to good jobs, it will increase access to affordable housing, and offer greater mobility for almost 10 million people.

Now, similarly, the Federal-State Partnership for Intercity Passenger Rail is matching billions of dollars in State and private investment in passenger rail improvements, including bridges and tunnels on the Northeast Corridor.

The BIL is improving transportation in every State and every congressional district, which is why it is concerning the administration is trying to undermine that progress.

Just last month, Secretary Duffy reduced previously awarded grants for rail infrastructure in New York, Newark, Dallas, and Houston. He also sent a letter to put all Federal grant recipients on notice that previously awarded grants will be reviewed and possibly paused to ensure they align with the administration's priorities. If jobs and investments aren't the administration's priorities, what are?

Halting the flow of benefits from appropriations already approved by Congress is a strange way to launch the golden age of infrastructure. It is not efficient, it is not effective. Instead, we should be working on a bipartisan basis to keep it going.

Meanwhile, the Department continues to signal that mass layoffs are coming, even though U.S. DOT staff who administer grants are there to prevent waste, fraud, and abuse of the money Congress allocates. The FRA is a grantmaking agency. Approximately 2.2 percent of its budget is for salaries and benefits. Federal workforce cuts provide minimal cost reductions and will make the Department less efficient.

Moving forward, public investment is vital to building a truly national intercity passenger rail system. Every passenger rail system in the world developed with some form of public investment. Highways, transit, airports, and harbor maintenance projects have access to dedicated revenue, and it is time that we provide long-term funding certainty for intercity passenger rail.

I am committed to building on the successes of the investments in the BIL and ensuring that this committee can say that America builds rail at hearings for many years to come.

I want to thank the witnesses for being here, and I look forward to the discussion.

With that, I yield back.

[Mr. Larsen of Washington's prepared statement follows:]

Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure

Thank you, Chairman Webster and Ranking Member Titus, for holding today's hearing.

Today's hearing is about efficiency and effectiveness in delivering rail improvements. I support these goals, and yet I am concerned this Administration is more worried about rhetoric than rolling up its sleeves to get us there.

In his first 100 days, President Trump has driven up costs and cut critical services.

We have seen chaos and confusion in the constant freezing and unfreezing of transportation grants, attacks on the workforce that delivers these transportation investments, and conditions placed on grants that have nothing to do with transportation.

The Bipartisan Infrastructure Law was a transformational investment in passenger rail.

After 50 years of underinvestment, Amtrak and the recipients of rail competitive grants can plan and succeed thanks to five years of guaranteed funding for capital projects.

This funding has allowed Amtrak to address decades of deferred maintenance and begin construction on long-delayed capital projects.

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Funding has been announced to support safety improvements across the country, including in my district:

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Nationally, these investments helped create 1.7 million construction and manufacturing jobs across the country.

These are jobs with good wages and benefits.

That's why it is hard to understand why the Administration has, over the past hundred days, halted progress and put millions of dollars, hundreds of thousands of job, and thousands of projects at risk.

Secretary Duffy testified last month before the Senate Environment and Public Works Committee that roughly 3,200 previously awarded projects were on hold.

The BIL invested more than $48 billion in 445 projects to improve rail safety and expand passenger rail travel nationwide.

Still, the Administration refuses to even tell us which of these projects are on hold.

In the Pacific Northwest, Washington state and Oregon are committed to advancing the Cascadia high-speed rail project.

Cascadia will connect people and communities, increase economic competitiveness, and improve the quality of life across the region with high-speed rail between Vancouver, B.C., Seattle, and Portland, Oregon. It will connect workers in my district to good jobs, increase access to affordable housing and offer greater mobility for almost ten million people.

Similarly, the Federal-State Partnership for Intercity Passenger Rail is matching billions of dollars in state and private investment in passenger rail improvements including bridges and tunnels on the Northeast Corridor.

The BIL is improving transportation in every state and every Congressional district, which is why it's concerning that the administration is trying to undermine the BIL's progress.

Just last month, Secretary Duffy reduced previously awarded grants for rail infrastructure in New York, Newark, Dallas, and Houston. He also sent a letter to put all federal grant recipients on notice that previously awarded grants will be reviewed, and possibly paused, to ensure they align with this Administration's priorities. If jobs and investments aren't the Administration's priorities, what are?

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It is not efficient. It is not effective. Instead, we should be working on a bipartisan basis to keep it going.

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Highways, transit, airports, and harbor maintenance projects have access to dedicated revenue. It's time to provide long-term funding certainty for intercity passenger rail.

I am committed to building on the successes of the investments in the BIL and ensuring this Committee can say that "America Builds Rail" at hearings for many years to come.

Thank you to the witnesses for being here, and I look forward to the discussion.

Mr. WEBSTER OF FLORIDA. I, too, would like to welcome the witnesses, and thank you for spending your time to come and share with us your insights. And I look forward to hearing what you have to say.

Briefly, I would like to explain our lighting system. There are three lights. Green is go, yellow is slow down, it is time to end, and red means stop. Pretty simple.

I ask unanimous consent that the witnesses' full statements be included in the record.

Without objection, show that ordered.

I ask unanimous consent that the record of today's hearing remain open until such time as the witnesses have provided answers to any questions that might be submitted in writing.

Without objection, show that ordered.

I also ask unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, show that ordered.

As your written testimony has been made a part of the record, the subcommittee asks you to limit your remarks to 5 minutes.

We will start with Mr. Dietrich.

You are recognized for 5 minutes.

TESTIMONY OF MATTHEW DIETRICH, EXECUTIVE DIRECTOR, OHIO RAIL DEVELOPMENT COMMISSION; HON. GARRETT EUCALITTO, COMMISSIONER, CONNECTICUT DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS; KEVIN D. HICKS, P.E., SENIOR VICE PRESIDENT AND RAIL & FREIGHT MARKET SECTOR LEADER, GANNETT FLEMING TRANSYSTEMS, ON BEHALF OF THE NATIONAL RAILROAD CONSTRUCTION AND MAINTENANCE ASSOCIATION; AND KRISTIN BEVIL, GENERAL COUNSEL AND CHIEF LEGAL OFFICER, PINSLY RAILROAD COMPANY, ON BEHALF OF THE AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION

TESTIMONY OF MATTHEW DIETRICH, EXECUTIVE DIRECTOR, OHIO RAIL DEVELOPMENT COMMISSION

Mr. DIETRICH. Thank you, Mr. Chairman, Ranking Member Titus, and members of the subcommittee. My name is Matthew Dietrich, and I am the executive director of the Ohio Rail Development Commission.

We are part of the Ohio Department of Transportation, and we work on projects involving rail infrastructure, including short line grants, rail coordination for highway projects, and grade crossing safety. We use State, private, and Federal funding, including FHWA formula funding and FRA discretionary grants for our work. We have used both the RCE and CRISI grant programs to supplement and leverage our State programs, a short line program, and a grade crossing safety program started by Governor Mike DeWine. We used the Governor's safety funds to match RCE funding specifically for grade separations, and we use our FHWA section 130 funds for at-grade crossings that cannot be separated.

First, you have my written remarks, so I would like to summarize, but I hope to leave you with two takeaways.

The RCE and CRISI grant programs are critical to the improvement of the freight rail infrastructure and safety. I can say without these programs, many of the 24 projects that we have received funding for just simply would not have happened without the Federal programs.

Second, the more we can use standard project delivery processes that State DOTs around the country use to deliver other projects, the faster we will be able to complete them. With that, I have offered the following suggestions to streamline the project delivery.

As you all know, grade separations are large projects that take a long time. Therefore, the applicants use the funding they have available, which is often State or FHWA formula funds. Because modal agencies' project development processes differ slightly, there is a great deal of time spent retrofitting these applications and creating barriers to development. This work could be avoided if the FRA would accept other modal agency standards and processes, especially when it comes to NEPA.

The FRA could also provide pre-award authority letters with the notification of award to grantees. There is a natural lag time with these Federal grants from NOFO to submission to notification to the kickoff meeting. My organization has taken advantage of pre-award authority letters, but even those pre-award authority letters require additional paperwork after the kickoff meeting. If the FRA could provide pre-award authority letters immediately with the notification of award, grant recipients could continue to develop these projects concurrently with the administrative processes.

The documentation for a project awarded to my organization is the same required for an organization that has never received any Federal funding. If the FRA developed a tiered grant process that could streamline grant administration for States, these projects could advance more quickly. For example, a great deal of the grant documentation isn't focused on the project, but on the governance and compliance. As a recipient of Federal funds in the State DOT, my entire organization is structured for Federal compliance. So, having separate documents is not only redundant, but it takes a lot of time and a lot of legal review.

Another thing is that FRA could prequalify States to administer grants by allowing us to take more responsibility of administration. And I look to the NEPA assignment as a possible blueprint. Many States, including Ohio, have NEPA assignment where we assume Federal responsibilities. If a program like this could be expanded to cover the administration of discretionary grants, we could take some burden off of our Federal colleagues while at the same time accelerating projects.

It was mentioned about the obligation process. The obligation process right now for discretionary grants is the same for formula funds. Formula funds: States have flexibility; discretionary grant projects: you don't. That means that there is obligation—if you have construction, it is sitting out there, possibly for years, as you are going through the process. This creates a worst case scenario.

So if FRA could revise its obligation process to more accurately represent the commitments of the agency, that would add certainty and eliminate the need to continually revise and renegotiate grant agreements as we move forward.

Finally, consider allocating a portion of the program to States so we can develop the projects. Of the last award, 123 awards, only 33 received construction funding. If we as States could have a small portion to develop projects, then we could not only develop more complete projects, but I think it would increase the number and quality of the application pool.

And please accept these comments as constructive criticism. We want to work together with all of you, with our FRA colleagues, to make this program better and a success. And thank you for the opportunity.

[Mr. Dietrich's prepared statement follows:]

Prepared Statement of Matthew Dietrich, Executive Director, Ohio Rail Development Commission

Good morning Chairman Webster, Vice Chairman Begich, Ranking Member Titus, and members of the Subcommittee, my name is Matthew Dietrich. I am Executive Director of the Ohio Rail Development Commission, part of the Ohio Department of Transportation tasked with rail infrastructure development, rail coordination for highway projects and grade crossing safety. I speak from the perspective of a state department of transportation that routinely administers federal transportation funding. The Rail Commission delivers projects using both Federal Railroad Administration (FRA) and Federal Highway Administration (FHWA) funds and both formula funds and discretionary grant awards. My organization has received multiple grant awards from the US Department of Transportation. Since 2010 the Rail Commission has been awarded and administered twenty-four (24) federal discretionary grants.

These discretionary grants, specifically Railroad Crossing Elimination (RCE) and Consolidated Rail Infrastructure and Safety Investment (CRISI), are critical to improving freight rail infrastructure and safety. My organization has been successful leveraging private freight railroad and state funding for these programs to complete projects that simply would not have happened without the federal funding.

While the Rail Commission has experience with numerous federal discretionary grant programs funding rail infrastructure, my comments today focus on the FRA's RCE Program. This program shows both the challenges associated with federal discretionary grants but also the opportunities to make the process more efficient and more effective. First, I think it is important to note that grade crossing elimination projects are safety projects. Ohio Governor Mike DeWine created a state program to address grade crossing safety in the state. We have used those funds to leverage the federal RCE Program for grade separations, which are roadway bridges over or under rail lines. We chose this approach for two reasons. First, the safest crossing is one that does not exist and often the only way to eliminate at-grade railroad crossings without causing significant disruption to communities is to separate the roadway from the railroad. Second, we use Section 130 funding from the FHWA to address safety issues at railroad-highway crossings where grade separations are not feasible.

Based on my agency's experience over the years, below are six ways that project delivery could be streamlined while still meeting all federal requirements:

Accept Projects Developed Under the Project Development Process of Other US DOT Administrations

Grade separation projects are large, expensive infrastructure projects that, by definition, include multiple transportation modes. A great deal of time and resources are needed just to get a project to a stage that is suitable for submission of a federal grant application. One of the challenges with all discretionary programs is the uncertainty of funding. Therefore, applicants must balance the amount of work undertaken to develop the project with the uncertainty of the funding outcome, source, and timeline. Based on available funds, projects are often initiated following the processes of a different modal agency, such as the FHWA. While there are very good reasons for these differences in project approaches by the modal Administrations, in some cases, these differences create barriers to project implementation. Much work is needed to determine how these projects initiated following the project development process of one USDOT Administration can be retrofitted into the process of another USDOT Administration. This effort adds unnecessary work to both the application process as well as the project development process after the project is selected and funds are awarded. The Rail Commission won an RCE grant for a grade separation in Fostoria, Ohio, in the first year of the program. Between the time of application submission and the award announcement, we secured additional FHWA funding through standard Ohio DOT programs to advance the planning and engineering work and progressed that work following FHWA procedures. Rather than accelerate the project, the additional funding and work created delay and resulted in FRA determining that $70,000 of the RCE award was no longer eligible because we had progressed the work. It was the first instance in my career that identifying more funding for a project became an obstacle to overcome. This work could be avoided if the FRA accepted other approved USDOT Administrations' processes, such as NEPA, to develop projects.

Provide Pre-Award Authority Letters with notification of award

The time lags between application due dates, award notifications and kick-off meetings create project downtime that could be utilized by grant recipients to advance projects. My organization has taken the opportunity to seek pre-award authority letters from the FRA for our projects, but even this requires the submission of information to the FRA beyond the application. The statutory language of the RCE Program allows project development work initiated after the creation date of the program in the IIJA to be an eligible part of the project. At the current time, the Rail Commission has five grant awards under this program. Work has stopped on three of the projects because we have not received pre-award authority. These delays could be avoided if the FRA provided a pre-award authority letter with the notification of an award. While not full obligation of funding, these pre-award letters allow grant recipients to continue to develop these projects concurrently with the administrative processes. For several CRISI projects, the Rail Commission has been able to use pre-award authority from the FRA to purchase materials and conduct NEPA work while the rest of the project documentation is finalized. This process not only allowed the projects to advance more quickly but also mitigated some of the impacts of inflation on material costs. At the current time, we have a RCE award for a grade separation in Circleville, Ohio. Despite the fact that we have non-FRA funding allocated to the project, work on the project has stopped because we would jeopardize the FRA funding without pre-award authority.

Streamline the grant documentation process for state DOT recipients

My fellow DOT colleagues are entrusted to administer billions of federal transportation dollars following processes that have been developed over, and informed by, decades of experience. Yet, the documentation for a project awarded to my organization is the same documentation that is required for another entity that has never administered federal funding. If the FRA developed a tiered grant agreement process that considers the recipients' experience and authority administering federal funding, these projects could advance more quickly. For instance, lengthy legal review is required for grant documentation that is not related to the actual project but focused on governance and compliance. As a recipient of federal funding, our entire organizational structure is designed to comply with federal regulations so the need to have standalone documents is redundant and creates additional steps unrelated to project delivery.

Prequalify states to administer grants

Another way for the FRA to streamline project delivery is the creation of a prequalification program for states to assume more direct responsibility for project delivery after award. A precedent and possible blueprint for this suggestion is National Environmental Policy Act (NEPA) Assignment. Many states, including Ohio, have received authority from US DOT Administrations to assume the federal responsibilities regarding NEPA. In Ohio, we have NEPA Assignment for both Federal Highway and Federal Rail programs. Expanding this program to encompass the administration of discretionary grants would reduce the burden on federal staff while simultaneously allowing states to more quickly advance awarded projects. For example, now that Ohio has NEPA Assignment for FRA projects, we have and continue to modify our programmatic agreements with resource agencies to include rail infrastructure projects and we are updating our internal manuals and computer systems to process rail projects. This work will remove the uniqueness of the administering FRA discretionary grants and allow us to use the standard project delivery processes that ODOT uses to deliver its overall program of projects.

RECONSIDER THE OBLIGATION PROCESS

Until grants are federally obligated, there is risk to all parties. In the case of Ohio's projects, almost all grant awards include construction funding. Historically, federal transportation funding for construction is not obligated until NEPA clearance is achieved. This is not an issue for traditional federal formula funds to states because the states have flexibility to adjust budgets to match project schedules. However, discretionary grants are project specific. The funding cannot be flexed by the recipients to other projects that might be on an accelerated timeline. The result is that for discretionary grant awards, portions of federal grant awards are left committed but unobligated for years. Because all of our infrastructure grants include construction funding, we currently have over $150 million in unobligated grant funds even though we are actively working on many of those projects. This creates a worst-case scenario for these projects: the grantee must develop the project without certainty of funding even after award and FRA appears to have significant balances of unused funding. If the FRA obligation process were revised to more accurately represent the commitments of the agency, such as entering into grant agreements and obligating funding earlier in the process, the certainty would provide assurance to grantees and accelerate work by eliminating the need to continually revise and renegotiate grant documents to move to the next step in the process.

ALLOCATION TO STATES FOR PROJECT DEVELOPMENT

In addition to the process changes I have suggested, an additional step to advance projects more efficiently would be to allocate a portion of program funding to states to develop projects. As I stated earlier, these are large infrastructure projects that span multiple federal fiscal years. I think it is telling that of the 123 awards from the FY 23–24 RCE Program, just 34 received construction funding. Allocating a portion of the funding to states based on criteria such as railroad mileage and population would accomplish two goals: allow states to develop projects on timelines that are not dictated by the next Notice of Funding Opportunity and improve the quality and readiness of discretionary grant applications that are submitted to the FRA for funding. The Rail Commission is currently using the one-time state funding provided by Governor DeWine's Administration for grade crossing safety to conduct project development activities for potential RCE project applications. Allocation of funding to states would allow us to further this work through the NEPA process for new projects.

I provide these comments not as criticism of the US DOT but as suggestions from someone with decades of experience administering federal transportation funding to help collectively move these critical safety projects forward in the quickest, most efficient way possible. While my observations today are focused on the RCE Program, many of these recommendations can also be applied to other federal rail funding programs.

Thank you for the opportunity to offer these suggestions and I am happy to answer any questions.

Mr. WEBSTER OF FLORIDA. Thank you very much.

Mr. Eucalitto.

TESTIMONY OF HON. GARRETT EUCALITTO, COMMISSIONER, CONNECTICUT DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

Mr. EUCALITTO. Chairman Webster, Ranking Member Titus, and members of the subcommittee, thank you for the opportunity to testify today. My name is Garrett Eucalitto, and I serve as the commissioner of the Connecticut Department of Transportation, and I am currently the president of the American Association of State Highway and Transportation Officials, or AASHTO. Today, it is my honor to testify on behalf of AASHTO, which represents all State departments of transportation, the District of Columbia, and Puerto Rico. I am proud to bring perspective from across the country and share what we are experiencing in Connecticut.

Transportation is more than pavement and steel. It is a force multiplier for nearly every aspect of our lives. It is how people get to work and school, how we visit family and friends for important milestones, and how goods move from factories to store shelves. Transportation is the quiet foundation that supports our economy, our communities, and our way of life.

When our transportation system functions well, it is invisible. And when it doesn't, impacts are widespread. We need to view infrastructure as a national platform, rather than a one-off project. Roads in Connecticut fuel supply chains in Georgia. Rail lines in the Northeast support commerce across the Midwest. Success isn't local, it is networked. And to keep that network strong, we need sustained, strategic investment that reflects the scale and complexity of the system we are depending on.

The Infrastructure Investment and Jobs Act provided historic investment in our rail transportation system, with $102 billion in Federal rail funding from fiscal years 2022 through 2026. This infusion of investment has been critical to State DOT passenger and freight rail efforts. Years of deferred projects are now finally moving forward. Much of the railroad infrastructure in our country was built in the 1800s and has been neglected for generations.

The Fed-State Partnership for Intercity Passenger Rail Grant Program has been instrumental in tackling many of these repair backlogs, boosting system performance, and fueling the modernization of our rail services, creating a faster, more connected transportation network. For example, in Connecticut, we are making progress replacing our aging, heavily used, movable railroad bridges, including the 129-year-old Norwalk River Bridge, known as the WALK Bridge. About a decade ago, the WALK Bridge sustained numerous catastrophic mechanical failures which crippled the entire Northeast Corridor. Now, thanks to the Federal funding, a replacement project is underway, and we will no longer have to fear the impacts to passenger and freight traffic because of another mechanical failure.

Bold investments like these will transform passenger rail service, improve the reliability of freight rail, and ensure people and goods can travel safely and quickly throughout our country. None of this would be possible without dedicated, sustained Federal support. We need reliable, predictable funding to plan decades' worth of capital improvements. Fits and starts of funding make it difficult to plan and implement any project. This wouldn't be acceptable on our highway side, and it shouldn't be acceptable on the railroad side.

Without formula funding like highway and transit infrastructure, our railroad investments are dependent on discretionary grant programs. This makes us more attuned to opportunities to improve the grants application process and administrative procedures. Duplicative permitting requirements and convoluted regulatory environments can delay the delivery of much-needed rail projects, which ultimately drives up costs. While it is not unique to the railroad sector due to the difficulties working in an active rail territory, the impact can be more pronounced. This inclusion of a dedicated rail title in the next surface transportation reauthorization bill will be critical to maintaining the current momentum of State DOT passenger and freight rail efforts.

But without administrative changes to improve the efficiency of our grant programs and legislative changes to eliminate costly, redundant regulatory hurdles, project sponsors will continue to encounter project delays, increased costs, and inefficiency. We do need a long-term reauthorization that extends current IIJA funding levels that keeps pace with inflation, all while giving State DOTs the ability to efficiently deliver projects that keep our communities safe and keep our economy moving.

AASHTO and its members are committed to implementing the IIJA and its historic investment in rail. With so much aging rail infrastructure, this is going to take a lot of time and effort. But we are on the way to building a future age of rail in America.

Thank you for the opportunity to testify, and I look forward to answering questions.

[Mr. Eucalitto's prepared statement follows:]

Prepared Statement of Hon. Garrett Eucalitto, Commissioner, Connecticut Department of Transportation, on behalf of the American Association of State Highway and Transportation Officials

INTRODUCTION

Chairman Webster, Ranking Member Titus and Members of the Subcommittee, thank you for the opportunity to testify today.

My name is Garrett Eucalitto, and I serve as Commissioner of the Connecticut Department of Transportation (Connecticut DOT), and I am currently the President of the American Association of State Highway and Transportation Officials (AASHTO). Today, it is my honor to testify on behalf of AASHTO, which represents the state departments of transportation (state DOTs) of all 50 states, the District of Columbia, and Puerto Rico.

After earning degrees in political science, government, and international relations and affairs, I started my career here in Washington, D.C., spending six years with former Sen. Joe Lieberman, where I championed Connecticut's transportation priorities at the federal level.

I moved back to Connecticut to work in the state's budget office, overseeing infrastructure policy, and later served as Transportation Program Director at the National Governors Association in Washington, D.C., helping governors advance transportation priorities. In 2020 I was appointed Deputy Commissioner of the Connecticut DOT, before stepping into my current role as Commissioner in 2023.

Today, I have the privilege of leading one of Connecticut's largest state agencies. Our team of 3,300 dedicated professionals manages a nearly $3 billion budget to deliver a multimodal transportation system that is safe, efficient, and reliable.

Connecticut is a small, yet mighty state that sits within the heart of the Northeast Corridor, one of the busiest and economically vital transportation systems in the world. The Northeast Corridor region is home to more than 50 million people, and growing, and represents the world's fifth largest economy. The Northeast Corridor region contributes 30 percent of all U.S. jobs and generates 20 percent of the nation's Gross Domestic Product. Each day, this essential backbone of American mobility carries more than 750,000 passengers and 70 freight trains—serving as a lifeline for our economy and our communities. The Northeast Corridor, with its 457 miles of track, 17 tunnels, and over 1,100 bridges, is not only an engineering marvel of the past, but an American asset that demands renewed commitment today.

Rail is critical to the state of Connecticut, and a key component of Connecticut DOT's infrastructure and operations portfolio. With over 230 route miles of passenger rail, half of which is owned by Connecticut DOT, and 582 miles of freight rail, with forty percent owned by Connecticut DOT, we invest heavily in railroad infrastructure to keep our economy moving. Connecticut DOT also owns over 400 pieces of rolling stock to support the passenger rail operations that crisscross the state. More than 43 million people and 2.9 million tons of weight move by rail within and through Connecticut annually. The Connecticut DOT supports a range of passenger rail services, ensuring access and mobility for tens of thousands of daily commuters and travelers across the region. Just like our interstate highway system, our state's rail system is a key component of the nation's overall transportation infrastructure and economy, and we depend on a strong federal partnership.

The nation's infrastructure is interconnected, crisscrossing state lines and regions. The successes playing out in Connecticut and throughout the country would not be possible without federal support. I would like to extend AASHTO's utmost gratitude to you and your colleagues on the House Transportation and Infrastructure Subcommittee on Railroads, Pipelines and Hazardous Materials (Subcommittee) for your dedicated and tireless leadership on surface transportation policy and in your oversight of the Infrastructure Investment and Jobs Act (IIJA) implementation. As AASHTO members look forward to the reauthorization of surface transportation programs prior to the IIJA's expiration in September 2026, the nation's state DOTs want to thank this Subcommittee and Congress for the sound policy and stable funding provided through this multiyear bill.

As this Subcommittee continues to work on the reauthorization of surface transportation programs, I want to discuss the following topics as part of my testimony today:

- Provide an overview of the IIJA rail program successes
- Provide an overview of the challenges state DOTs have experienced since the passage of the IIJA
- Provide an overview of the rail program policy recommendations currently being considered by AASHTO members

OVERVIEW—INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA) RAIL SUCCESSES AND CHALLENGES

The IIJA provided historic investment in our rail transportation system, with $102 billion in federal rail funding from Fiscal Years 2022 through 2026.[1] This infusion of investment has been critical to state DOT passenger and freight rail efforts. This funding was split mainly across the Amtrak National and Northeast Network, the Consolidated Rail Infrastructure and Safety Improvements Grant Program, the Railroad Crossing Elimination Grant Program, and the Federal-State Partnership for Intercity Passenger Rail Northeast Corridor and National Grant Program (including the Corridor Identification and Development Grant Program). As state departments of transportation have worked to deliver IIJA-funded rail projects, successes and challenges have emerged.

As a result of the IIJA, 19 federal grants worth over $2.3 billion have been allocated for rail improvement projects in Connecticut. Years of deferred projects, including many listed on the Federal Railroad Administration (FRA) Major Backlog Projects list, are now moving forward.

Of note, we are making progress replacing our aging, deteriorated moveable bridges, including the 129-year-old Norwalk River Railroad Bridge, known locally as the WALK Bridge, and the 119-year-old Devon Railroad Bridge in Stratford and Milford. Led by our partners at Amtrak, crews are also currently replacing the 118-year-old Connecticut River Bridge, which connects Connecticut's shoreline towns of Old Lyme and Old Saybrook to Rhode Island and beyond.

We are modernizing the New Haven Line power system by replacing outdated equipment. We are reconstructing rail overpass bridges, enhancing security infrastructure, and upgrading all tracks on the New Haven Line to meet modern safety standards. We are expanding the Hartford Line by restoring a second track through the entire corridor from New Haven to Springfield, Massachusetts, to boost both frequency and speed of passenger service.

The Federal-State Partnership for Intercity Passenger Rail Grant Program has been instrumental in funding these crucial projects that not only reduce the state's repair backlog but also improve performance and pave the way for both new and expanded intercity passenger rail services, including those operated by private entities.

INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA) RAIL SUCCESSES

An overarching key success of the IIJA was the inclusion of a dedicated rail title with significant levels of authorized federal funding. These landmark funding levels have allowed state DOTs and freight railroads to actualize years of rail planning.

[1] *Infrastructure Investment and Jobs Act information from FRA*. Infrastructure Investment and Jobs Act Information from FRA - FRA. (n.d.). https://railroads.dot.gov/IIJA

The beneficial economic and social impacts of these investments highlight the need for continued federal support for rail program funding in the next surface transportation reauthorization bill.

State DOTs are committed to improving safety throughout the transportation system. This includes working with the rail industry to manage the many concerns that arise from rail-highway crossings. The IIJA included several programs dedicated to addressing this issue.

The creation of the Railroad Crossing Elimination Grant Program in the IIJA and the implementation of beneficial changes to the Federal Highway Administration's Section 130 Railway-Highway Program are key examples. The Railroad Crossing Elimination Grant Program provided an additional stream of federal funding focused on rail crossing safety improvements, which has accelerated the speed with which state DOTs can make rail safety improvements.[2]

There are many important examples of projects around the country that are benefiting from these programs.

The Texas DOT received a Fiscal Year 2022 Railroad Crossing Elimination Grant Program award for the US 90 Grade Separation Project. The project will support the construction of two at-grade rail crossings. It will close the at-grade crossing along Waco Street and build a grade-separated bridge to eliminate the US 90 highway-rail crossing over existing Union Pacific Railroad tracks.[3]

The Michigan DOT received a Fiscal Year 2023–2024 Railroad Crossing Elimination Grant Program award for the Grade Separation of M–85 and Canadian National (CN) Railroad Project. The 'project will eliminate a dangerous at-grade crossing on one of the Downriver Region's busiest traffic corridors, where freight tracks intersect with highway and pedestrian rights-of-way at M–85, a critical north-south route between Detroit and Trenton.'[4]

The Connecticut DOT received two Fiscal Year 2023–2024 Railroad Crossing Elimination Grant Program awards for two high-risk grade crossings in the state. One $400,000 award is being used to study the feasibility of closing the existing at-grade crossing at Toelles Road (FRA Crossing #500637X) on the Hartford Line rail corridor and construct a new roadway bridge to carry Toelles Road over the Amtrak-owned Hartford Line and U.S. Route 5 (U.S. 5). The Toelles Road at-grade crossing is Connecticut's #1 ranked crossing on the FRA's Accident Prediction Report. Between January 2019 through July 2024, there were 207 calls for service and 39 police department incidents at the Toelles Road crossing.

Another grant of $2.4 million was awarded to study alternative options and develop preliminary engineering plans for the consolidation of crossings on the state-owned Metro-North Railroad (MNR) Danbury Branch in Norwalk and Danbury, CT. Despite prior improvements and ongoing education and outreach efforts, collisions continue to occur, including a tragic and fatal crash at the Commerce Street crossing in 2023

In addition, the IIJA modified the Section 130 Railway-Highway Program by changing the federal cost share to 100 percent and increasing flexibility with how funds can be applied.[5] Enhancements to the Section 130 Railway-Highway Program have allowed states the flexibility to address railway-highway safety in a way that meets each state's unique needs.

Funding from the Section 130 program is helping improve safety around rail crossings across the country, including in Connecticut through the installation of new vehicular gates and railroad flashers, upgraded traffic control signals with railroad pre-emption, installation of pavement markings, and much more. Section 130 funding has been put to good use at the Connecticut DOT; there are nearly twenty projects in design or in construction, and one recently completed project was in North Canaan, where we replaced crossing surfaces and made geometric improvements at freight rail grade crossings on U.S. Routes 7 & 44, accompanied by sidewalks and gates and bells.

Another success from the IIJA was the inclusion of the Federal-State Partnership for Intercity Passenger Rail Grant Program and the Corridor Identification and De-

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[2] *Railroad crossing elimination grant program*. Railroad Crossing Elimination Grant Program - FRA. (n.d.). https://railroads.dot.gov/grants-loans/railroad-crossing-elimination-grant-program

[3] *Railroad crossing elimination (RCE) program FY2022 selections*. Railroad Crossing Elimination (RCE) Program FY2022 Selections - FRA. (n.d.). https://railroads.dot.gov/elibrary/railroad-crossing-elimination-rce-program-fy2022-selections

[4] *FY23–24 railroad crossing elimination (RCE) grant program selections*. FY23–24 Railroad Crossing Elimination (RCE) Grant Program Selections - FRA. (n.d.). https://railroads.dot.gov/FY23-24-RCE-Grant-Program-Selections

[5] *Rail-Highway Crossings Program Questions & Answers guidance*. Rail-Highway Crossings Program Questions & Answers Guidance - FHWA. (n.d.). https://highways.dot.gov/safety/hsip/xings/rail-highway-crossings-program-questions-answers-guidance

velopment (Corridor ID) Grant Program.[6] The Corridor ID grant program creates a pipeline of projects that are ready for capital investment through programs like the Federal-State Partnership for Intercity Passenger Rail Grant Program. Each project in the current Corridor ID inventory and projects selected under the Federal-State Partnership for Intercity Passenger Rail Grant Program have significant, discernible positive impacts on communities and state economies.

This program has also provided key support for rail projects in several states.

The North Carolina DOT received a Fiscal Year 2022–2023 Federal State Partnership for Intercity Passenger Rail Grant Program award for the North Carolina—Raleigh to Richmond (R2R) Innovating Rail Program. The 'project is part of a phased effort to develop a new passenger rail route between Raleigh, NC, and Richmond, VA, along the CSX Transportation "S-Line" as part of the Southeast Corridor connecting North Carolina with Virginia, Washington, D.C., and the Northeast Corridor. The project involves completion of final design, right-of-way acquisition, and construction activities to build additional parts of the Southeast Corridor from Raleigh to Wake Forest, NC, including new and upgraded track, eleven grade separations, and closure of multiple at-grade crossings.'[7]

The Florida DOT received a Fiscal Year 2022 Corridor ID Grant Program award for the proposed Jacksonville, Orlando, and Miami corridor. The 'proposed corridor would provide new or enhanced service on one or more existing alignments.'[8]

Additionally, the IIJA succeeded in providing Amtrak with necessary stability through funding for the National Network and the Northeast Corridor.[9] State DOTs with state-supported intercity passenger rail benefit when Amtrak has sufficient federal funding and the IIJA has provided this stability while also working to address accountability through forums such as the State Amtrak Intercity Passenger Rail Committee (SAIPRC) and the Northeast Corridor Commission.

Amtrak secured a 2023 Federal State Partnership for Intercity Passenger Rail Grant to replace the aging Connecticut River Bridge with a modern, moveable structure south of the current one. This long-awaited replacement comes after the bridge, built in 1907, was deemed "structurally deficient" in 2006 and was at risk for 15 years due to chronic underfunding.

The new bridge will boost safety and speed for passengers by 55 percent on the Northeast Corridor's Acela Express, Northeast Regional, and Shore Line East. Amtrak received more than $800 million in grant funds for this project, and the remainder of this historic $1.3-billion project is funded by Amtrak and the state of Connecticut.

These bold investments are transforming passenger rail service along the Northeast Corridor.

The IIJA also provided robust funding for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program.[10] The CRISI program funding has a wide array of eligible uses and has bolstered states' ability to grow freight connectivity and enhance safety.

Here are some examples of how state DOTs are using this program to provide much-needed mobility benefits:

The Colorado DOT was awarded a grant under the Fiscal Year 2023–2024 round of funding for the CRISI Grant Program. The 'project will design, install, and test PTC on a portion of the Front Range Subdivision, including constructing a new siding. Additionally, the project will improve several railroad crossings at five high-priority locations along the Subdivision. This will enhance safety and efficiency, as the

[6] *Federal-State Partnership for Intercity Passenger Rail (FSP) grant program*. Federal-State Partnership for Intercity Passenger Rail (FSP) Grant Program - FRA. (n.d.). https://railroads.dot.gov/federal-state-partnership-intercity-passenger

[7] *FY22–23 Federal-State Partnership for Intercity Passenger Rail Program (national) selections*. FY22–23 Federal-State Partnership for Intercity Passenger Rail Program (National) Selections - FRA. (n.d.). https://railroads.dot.gov/elibrary/fy22-23-FSP-National-rail-program-selections

[8] *FY22 Corridor Identification and Development Program selections*. FY22 Corridor Identification and Development Program Selections - FRA. (n.d.). https://railroads.dot.gov/elibrary/fy22-CID-program-selections

[9] FRA. (n.d.). Amtrak Annual Grant Program Fact Sheet. https://railroads.dot.gov/sites/fra.dot.gov/files/2025-01/Amtrak%20Annual%20Grants%20fact%20sheet__1.23.25__PDFa.pdf

[10] *Consolidated Rail Infrastructure and Safety Improvements (CRISI) program*. Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program - FRA. (n.d.). https://railroads.dot.gov/grants-loans/consolidated-rail-infrastructure-and-safety-improvements-crisi-program

project will reduce crashes, increase travel-time savings, and increase economic savings.'[11]

The Georgia DOT received a Fiscal Year 2023–2024 CRISI Grant Program award for the CaterParrott Railroad (CPR) Short Line Upgrade Project. The project includes the 'rehabilitation and upgrade of track, bridges, and siding and construction of a new rail spur on the CaterParrott Railroad in Lowndes and Berrien Counties.'[12]

The Connecticut DOT has received two CRISI grants in recent years to help fund new stations along the Hartford Line, an inter-city rail line that is part of the Northeast Corridor. The new Enfield station benefited from a $13.86 million CRISI grant, while the new Windsor Locks station received $17.49 million is CRISI funding. These grant dollars were instrumental in moving these two projects across the design finish line and into eventual construction. Also in Connecticut, the Housatonic Railroad received $5.37 million to improve 18 miles of railroad and upgrade bridges, increasing freight rail capacity.

The inclusion of a dedicated rail title in the next surface transportation reauthorization bill will be critical to maintaining the current momentum of state DOT passenger and freight rail efforts. For Connecticut DOT, these programs have proven to be a critical component of our multi-modal transportation program.

Infrastructure Investment and Jobs Act (IIJA) Rail Challenges

One key challenge that state DOTs have experienced since the passage of the IIJA is the extended time it takes from a grant announcement and award to the signing of a grant agreement and eventual obligation of funds. I want to be clear: FRA faced a herculean task following the passage of IIJA, which included a 561 percent increase in rail infrastructure funding compared to the FAST Act. Not only did they have to hire hundreds of additional staff, but they had to stand up a significantly enhanced grant administration program, all while attempting to make awards to the states eager to get to work building. At the same time, states have identified numerous processes and procedures that could be improved to accelerate the obligation of funds.

One way to address this situation would be the creation of a more efficient process to approve pre-award authority for Federal Railroad Administration (FRA) grants. This would allow state DOTs to expedite project delivery and reduce cost escalations. The FRA defines pre-award authority as costs incurred after the award selection announcement date but before the grant is obligated.[13] AASHTO members have been working to identify mechanisms that would increase the speed with which federal discretionary rail grant agreements are signed—not just FRA grants but across all USDOT modes.

State DOTs have also continued to experience challenges with project delivery and permitting requirements. Too often, these requirements can be duplicative and can unnecessarily delay the delivery of much-needed rail projects—with project costs escalating as a result.

AASHTO members believe there are reasonable modifications to project delivery and permitting requirements that could more efficiently and effectively move rail projects forward without doing damage to the environment. For example, Congress should direct executive branch agencies to fully implement the One Federal Decision process to speed up the review timeline for projects and improve the accountability for all parties involved in a project's development. Congress should also take steps to modernize the use of the National Environmental Policy Act—including by modifying the definition of a "major project" and "federal action."

Additionally, with many large projects receiving funding from multiple federal partners, coordination amongst the various federal modal agencies should be improved, preferably with the agencies accepting their peer agencies' environmental reviews and quickly designating a lead oversight agency/project sponsor. These

[11] *FY 2023–2024 Consolidated Rail Infrastructure and Safety Improvements (CRISI) program: Project Summaries*. FY 2023–2024 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program: Project Summaries - FRA. (n.d.). https://railroads.dot.gov/elibrary/fy-2023-24-crisi-program-project-summaries

[12] *FY 2023–2024 Consolidated Rail Infrastructure and Safety Improvements (CRISI) program: Project Summaries*. FY 2023–2024 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program: Project Summaries - FRA. (n.d.). https://railroads.dot.gov/elibrary/fy-2023-24-crisi-program-project-summaries

[13] *Federal Railroad Administration answers to frequently asked questions about pre-award authority*. Federal Railroad Administration Answers to Frequently Asked Questions about Pre-Award Authority - FRA. (n.d.). https://railroads.dot.gov/elibrary/federal-railroad-administration-answers-frequently-asked-questions-about-pre-award

types of changes would better align federal resource agencies' review and permitting actions that improve transportation and environmental outcomes while reducing delays.

State DOTs also continue to encounter challenges with the consistency of federal rail funding, and they would benefit from measures to provide more consistent funding to enhance planning and project delivery efforts. Stable federal funding is essential to maintain the flow of anticipated investment in rail transportation improvements, maintenance, and operations; the absence of this stability leads to project delays that escalate costs.

The process to reach a final agreement on FRA awards can take up to 18 months or longer, which accounts to virtually two full construction seasons. This is due, in part, to requirements for bi-weekly meetings with the FRA, which has proven to be time-consuming and results in a drawn out, less efficient, process. The FRA also has separate and different workflow provisions for various grant program terms and conditions. For example, Attachment 1 Terms and Conditions require multiple agreements and signatures, instead of one signature. Attachment 2 Terms and Conditions are transmitted via email, rather than using an online platform. The Federal Transit Administration utilizes a web-based automated system where all grant documents are housed in a shared platform; having a similar FRA module would eliminate back-and-forth emails.

As an example, the Connecticut DOT was notified in November 2023 that it was awarded $465 million in the Fiscal Year 2022 and 2023 Federal-State Partnership for Intercity Passenger Rail Program for Projects on the Northeast Corridor (FSP–NEC) for the Norwalk River Railroad Bridge; this is a project that began construction in May 2023. That grant was obligated by FRA in January 2025.

Additionally, there are improvements to the financial processing of grants that could make the process much more efficient for awardees. Grantees should be able to seek federal reimbursement at a defined percentage, for example, 80 percent federal and 20 percent state, and not based on the total project cost, provided the non-federal match is met. Currently, the FRA determines the federal share percentage based on the total project cost resulting in odd percentages carried out to four decimal places. This extends the federal reimbursement schedule and puts more burden on both the grantee and the FRA staff. Once the project is fully billed to the federal contribution, the grantee will continue with the non-federal share until completion and simply continue with all federal reporting requirements as required by the FRA Grant Agreement. This would continue to keep the FRA fully informed of project progress as well as expenditures throughout the life of the project. This would streamline the FRA reimbursement requests and ultimately require less FRA and grantee staff time for processing, aligning the FRA with the processes followed by the Federal Transit Administration and Federal Highway Administration.

I want to thank the leadership of FRA for their openness to process improvements, and willingness to discuss efficiencies in the federal rail assistance programs, such as those I describe in my testimony. Over the past few months, Connecticut has seen several grant awards begin to advance, and state DOTs are aligned in the desire to more effectively put federal funding to work.

AASHTO Surface Transportation Reauthorization Policy Recommendations

AASHTO has adopted an overarching vision for surface transportation reauthorization that covers state DOT work across the USDOT modal administrations. This overarching vision for surface transportation reauthorization calls for a world-class, multimodal transportation system that supports and strengthens the nation's transportation infrastructure for a strong economy with improved safety and mobility.

Achieving this vision requires the following:

- Federal funding stability: Stable federal funding is necessary to keep the pipeline of planned investments in transportation improvements, maintenance, and operations moving forward; a disruption to this stability will translate into project delays that increase costs, resulting in fewer projects per dollar.
- Formula-based federal funding paired with state contributions: This approach to federal funding reflects the proven federal-state commitment that ensures the flexibility necessary for each state to best meet its unique investment needs.
- Current funding levels plus inflation must be the baseline: The baseline for the next bill must grow from current levels and keep up with inflation to advance safety and mobility in a meaningful way.
- User pay principles for all vehicles: Congress should ensure all vehicle types pay their fair share to fund transportation and to sustain the Highway Trust Fund.

On this last point, I want to note that this Committee has started to discuss options for raising revenue for the Highway Trust Fund as part of its reauthorization process. The shortfall in the Highway Trust Fund is a serious issue and AASHTO members are grateful that the Committee understands this challenge.

As part of implementing that vision, AASHTO is currently looking at the following draft surface transportation reauthorization policy recommendations developed by the AASHTO Council on Rail Transportation, to include:

- Provisions to clarify that a state, or a political subdivision of a state, that provides equipment, track, right-of-way, or financial support for intercity passenger service, but does not operate the railroad, is not a rail carrier or railroad and not subject to the regulatory requirements applicable to railroads.
- Reauthorization of funding for capital and operating expenses for Amtrak Northeast Corridor and Amtrak National Network (including state-supported corridors) at no less than the Fiscal Year 2022 through 2026 levels, the indexing authorized levels to inflation, and the addition of eligibility for states for capital and operating assistance.
- Reauthorization of the Consolidated Rail Infrastructure and Safety Improvements Program at no less than the Fiscal Year 2022 through 2026 levels, maintenance of the current federal cost share, and clarification on eligibility for early project planning efforts.
    - Further, that a set-aside be created from the CRISI Program for grants to states for eligible activities under 49 USC 22907. This draft recommendation directs the Federal Railroad Administration to consider state input when finalizing factors for this set-aside.
- Reauthorization of the Section 130 Railway-Highway Crossing Program at no less than the Fiscal Year 2022 through 2026 levels, in addition to maintenance of the current 100 percent federal cost share for projects. Further, the Council recommends an increase in authorized funding levels in relation to the Highway Safety Improvement Program.
- Reauthorization of the Railroad Crossing Elimination Grant Program at no less than the Fiscal Year 2022 through 2026 levels and to maintain, at a minimum, the current federal cost share for projects.
    - Further recommended is support for United States Department of Transportation efforts to modernize its National Environmental Policy Act procedures in line with other AASHTO recommendations, including providing consistency across the department through efforts like 'One Federal Decision.'
- Reauthorization of the Federal-State Partnership for Intercity Passenger Rail Northeast Corridor and Federal-State Partnership for Intercity Passenger Rail National Grant Program at no less than the Fiscal Year 2022 through 2026 levels and maintenance of the current federal cost share.
    - Additionally recommended is the elimination of the 22905(c) letter requirements for railroad projects in cases where the operating railroad is not the owner of the rail asset but has an existing contract that includes maintenance responsibilities, to facilitate the delivery of projects for this program and other applicable rail grant programs. Additionally, clarification is requested to ensure that a 22905(c) letter is required only for construction, not preconstruction activities.
- Reauthorization of the Corridor ID grant program at no less than the Fiscal Year 2022 through 2026 levels, and that the current federal cost share is maintained.
- Reauthorization of the Restoration and Enhancement Grant Program at no less than the Fiscal Year 2022 through 2026 levels, maintenance of the current federal cost share, and clarification on prioritization for projects selected through the Corridor ID Grant Program.
- Reauthorization of the Interstate Rail Compact Grant Program at no less than the Fiscal Years 2022 through 2026 levels and maintenance of the current federal cost share. The addition of a state or group of states as eligible applicants under this program is also recommended.
- Creation of a provision requiring that if the Federal Railroad Administration enters into an agreement with a state to conduct rail inspections, it must also include bridge inspections, if requested by the state.
- A study to be conducted by the Government Accountability Office examining whether a pooled insurance arrangement for public entities supporting passenger rail could be implemented via an interstate compact or federal grant,

with the identification of a trustee for funds generated for disbursement in the event of court-ordered liability.

- Reauthorization of the following Federal State Committees at no less than the Fiscal Year 2022 through 2026 levels:
  - The State-Amtrak Intercity Passenger Rail Committee,
  - And the Northeast Corridor Commission
  - As well as Operations Lifesaver
- Reauthorization of the Next Generation Corridor Equipment and Pool Committee (NGEC) at $1 million per year for FY 2026 through FY 2030, and allowance for the establishment of a percentage set aside for the NGEC within Federal Railroad Administration capital grants awarded for the acquisition of passenger equipment.

CONCLUSION

AASHTO and its members continue to take seriously the responsibility to implement the IIJA and its historic investment in rail transportation. Thank you again for the honor and opportunity to testify today, and I am happy to answer any questions.

Mr. WEBSTER OF FLORIDA. Thank you very much.

Mr. Hicks, you are recognized for 5 minutes.

TESTIMONY OF KEVIN D. HICKS, P.E., SENIOR VICE PRESIDENT AND RAIL & FREIGHT MARKET SECTOR LEADER, GANNETT FLEMING TRANSYSTEMS, ON BEHALF OF THE NATIONAL RAILROAD CONSTRUCTION AND MAINTENANCE ASSOCIATION

Mr. HICKS. Good morning, Chairman Webster, Ranking Member Titus, and members of this esteemed subcommittee. My name is Kevin Hicks, and I am a senior vice president and rail and freight market sector leader at Gannett Fleming TranSystems, or GFT. I currently serve on the board of directors of the National Railroad Construction and Maintenance Association, the NRC, and as the chairman of the NRC's Policy and Legislative Committee. In my role at GFT, I work on business development and project delivery nationally for clients in the railroad industry.

Since 2010, GFT has been helping Federal Government to deliver railroad infrastructure projects both through our design services for railroad owners, through public agency projects building railroad infrastructure that expands freight and passenger rail capacity, and also by assisting the FRA in oversight of the successful delivery of projects that have some Federal investment through an FRA grant. The firm has provided oversight for over 500 grants across the U.S.

Prior to joining GFT, I spent the first 25 years of my career with the Union Pacific Railroad, serving in many engineering positions and ultimately working my way up to AVP and chief engineer of design. Though I now currently reside in Omaha, Nebraska, I grew up in Congressman Burlison's district in the town of Ash Grove, Missouri. I am honored to join this distinguished panel today and to provide a perspective on this important topic.

As I mentioned in my opening, I serve on the board of directors of the NRC. While GFT is just one member company within the NRC, our member companies generate more than 100,000 jobs nationwide, supplying, building, and maintaining freight, passenger, and industrial rail networks. The NRC supports the continued funding of the FRA grant programs at existing or increased funding levels.

We appreciate the committee focusing its attention on the issue of improving the efficiency and effectiveness of Federal rail assistance. Let me preface my comments by saying that I think the staff of the FRA is full of hard-working and talented individuals, and my comments are not an indictment on them.

Let me first describe at a high level a few of the issues from our perspective. More detailed information is included in my written testimony.

First, the selection process is slow. The grant award selection can take around 6 months after the application is submitted. With the influx of funding from the IIJA, the size and complexity of the NOFOs has increased, which has impacted the speed of selecting projects.

Second, the grant takes too long to obligate. It takes 6 to 18 months, on average, to obligate a grant after selection. It takes too long to deliver projects. And the waste, due to delays in the forms of administrative and planning costs, inflation, and lost opportunities for alternative use of capital hinder us from achieving our capacity expansion goals. Regarding NEPA, it takes a very long time to obtain environmental clearances. The project sponsor is not able to engage with FRA or U.S. DOT on the NEPA process until the grant is awarded.

Third, delays to project implementation. Numerous factors impact project readiness, and most of these factors are outside of the FRA's control. But the FRA could do more to avoid future delays by having project sponsors better define the status of these factors in advance of obligation.

Now, I will turn to some ideas to help enhance the process. Our recommendations for reforms focus around three key themes: creating project pipelines, sufficient and consistent staffing, and stakeholder agreements.

Congress should consider directing FRA to identify a pre-approved—or at least a prior vetted—pipeline of projects. FRA should consider further standard standardization of the grant applications, thereby reducing the effort required both in preparation and in review.

In addition, the agreements and scopes of work should be more formulaic and template-based.

FRA could also consider consolidating existing grant programs and having separate programs for preliminary engineering, or PE, and NEPA versus final design and construction grants.

For final design and construction grants, FRA should require PE and NEPA to be completed in order to be eligible for funding. This would help to ensure that the projects selected for final design and construction are truly ready to be delivered in an acceptable timeframe.

FRA should also commit to an expedited NEPA process timeline and eliminate NEPA requirements where States have existing or duplicative requirements.

To help make the grant agreement processing time more efficient, there needs to be sufficient and consistent FRA staffing with experience, capacity, and the ability to make decisions. Empowering FRA project managers to be decisionmakers would help address the problem.

And regarding stakeholder agreements, the FRA should require PE, cost estimates, and stakeholder concurrence within grant applications. A sign-off form or letter template would make it easier for the FRA to collect and verify stakeholder concurrence.

Thank you for the opportunity to share our perspective today. I look forward to answering any questions you might have.

[Mr. Hicks' prepared statement follows:]

Prepared Statement of Kevin D. Hicks, P.E., Senior Vice President and Rail & Freight Market Sector Leader, Gannett Fleming TranSystems, on behalf of the National Railroad Construction and Maintenance Association

INTRODUCTION

Good morning, Chairman Webster, Ranking Member Titus, and Members of this esteemed subcommittee. My name is Kevin Hicks and I am a Senior Vice President and Rail & Freight Market Sector Leader at Gannett Fleming TranSystems (GFT). I currently serve on the Board of Directors of the National Railroad Construction and Maintenance Association (the "NRC"). I also serve as the Chairman of the NRC Policy & Legislative Committee.

As you may know, the NRC is an association that advances the mutual interests of railway contractors and suppliers who construct, maintain, and supply both freight and passenger railroads. Founded in 1978, the NRC connects members with other railway industry professionals and government legislators and policymakers. Together we work to create a positive business climate and to make railway construction and maintenance safer and more efficient.

Although NRC members often compete against each other, our collaboration furthers the railway construction industry and benefits American freight, transit and commuter rail lines, our member contractors and suppliers, the general public, and our own professional growth.

In my role at GFT I work on business development and project delivery nationally for clients in the railroad, ports and maritime, energy, and warehousing businesses.

Prior to joining GFT, I spent the first 25 years of my career with the Union Pacific Railroad, serving in many positions, and ultimately working my way up to AVP and chief engineer of design.

In addition to my role with the NRC, I am an active member of several industry and professional organizations, including the American Railway Engineering and Maintenance Association, the Railway Tie Association, the Missouri S&T Corporate Development Council, and the Inspire University Transportation Center at Missouri S&T.

Though I now currently reside in Omaha, Nebraska, I grew up in Congressman Burlison's district in the town of Ash Grove, Missouri.

I am honored to join this distinguished panel today and to provide our perspective on this important topic.

Gannett Fleming TranSystems

GFT is an Architecture, Engineering, and Construction (AEC) firm shaping the Infrastructure of Life: water, power, transportation, and buildings. Our team of 5000+ experts design, construct, and engineer resilient, creative solutions that uplift communities across North America and beyond.

GFT has been engrained in the US freight rail industry for over forty years. Our experts are engaged in the planning, permitting, design, and construction management of a broad spectrum of railroad infrastructure, including bridges, at-grade crossings and grade separations, line and yard capacity expansions, and intermodal facility construction and expansions.

Since 2010, GFT has been helping the federal government to deliver railroad infrastructure projects, both through our design services for railroad owners, through public agency projects building railroad infrastructure that expands freight and passenger rail capacity, and also by assisting the Federal Railroad Administration (FRA) in oversight of the successful delivery of projects that have some portion of federal investment through an FRA grant. In the FRA grant oversight work, the firm's professional engineering, transportation planning, and environmental practitioners work with the grant recipients to comply with federal requirements and assure that each project's scope is delivered without any extra cost to the federal government and that the promised public benefits are successfully delivered per the intent of the public expenditure. The firm has provided oversight for over 500 grants across the eastern and western U.S.

NRC and the Rail Contracting Industry

While GFT is just one member company within the NRC, our member companies generate more than 100,000 jobs nationwide supplying, building and maintaining freight, public transit and industrial rail networks.

As I mentioned in my opening, I serve on the Board of Directors of the NRC. The NRC is a U.S. trade association that represents nearly 400 companies in the rail contracting and rail supply industry, with employees in all 50 states. Most NRC member companies are small family owned, multi-generational businesses with operations, manufacturing facilities, and offices located all across the United States.

NRC members perform every type of rail infrastructure work—from design and engineering to basic construction and maintenance to highly specialized and custom design-build jobs. This work includes building new tracks, repairing and maintaining existing track, laying and replacing rail, welding and grinding, surfacing, ballast distribution, tie insertion and removal, grade crossings, signal systems, switches and turnouts, bridge deck replacement and maintenance, track design, crane rail, inspection services, emergency maintenance, and more.

The freight railroad industry has grown dramatically since the partial de-regulation of the industry by the Staggers Act in 1980. The prevalence of rail transit systems throughout the country has also increased dramatically over the last generation resulting in increased urbanization and density. The size of the rail construction and maintenance contractor and supplier community has grown in proportion. More than 500 independent rail contracting companies in the United States perform more than $10 billion worth of rail infrastructure construction and maintenance work every year.

In addition to the contracting community, in 2020, the rail supply industry directly employed almost 240,000 workers, who directly contributed $27.7 billion of value-added economic activity across the United States.[1] Rail suppliers also deliver secondary benefits that other modes of transportation cannot, such as reductions in road congestion, highway fatalities, fuel consumption, greenhouse gases, cost of logistics, and public infrastructure maintenance costs.

NRC members serve every type of railway owner, including Class 1, short line and regional railroads, industrial track owners, the U.S. military, port facilities and terminals, and rail transit agencies operating light rail, streetcars, subways, metro, commuter rail operations, and intercity passenger rail systems.

ISSUES WITH THE FEDERAL DISCRETIONARY GRANTS PROCESS AND POTENTIAL SOLUTIONS

Again, we appreciate the committee focusing its attention on the issue of improving the efficiency and effectiveness of federal rail assistance.

Let me preface my comments by saying that I think the staff of the FRA is full of hardworking and talented individuals and my comments are not an indictment on them. Rather, the grant process that has been established at the FRA has put burdens on the staff often times putting them in positions that do not make the grants process efficient or effective.

Also, the NRC supports the continued funding of the FRA grant programs at existing or increased funding levels. Spending on infrastructure, especially rail infrastructure, is truly a sound investment that pays dividends to our economy, supply chain, and our transportation network. These funds will also help stimulate additional infrastructure investment by states, localities, and private sector partners, and will help to onshore additional manufacturing jobs here in the U.S.

I will focus my comments first on describing some of the current issues from our perspective, identifying the responsible parties, and finally, offering some recommendations for reforms in the next surface transportation reauthorization bill that the committee will soon be drafting.

My comments focus around three key themes: 1) creating project pipelines, 2) sufficient and consistent staffing; and 3) stakeholder agreements.

[1] *Rail Supply Industry: Manufacturing and Services Keeping the American Economy on Track*. January 2023. www.remsa.org/files/RailSupplyIndustry__EconomicImpactStudy.pdf

1. Selection Process is Slow

Issue: Grant award selection takes about 6 months after the application is submitted. It takes FRA a long time to evaluate the large number of applications received as all the federal rail grant programs are vastly oversubscribed. This is a vicious spiral that forces FRA staff to be in a constant cycle of publishing a Notice of Funding Opportunity (NOFO), awarding grants, and then immediately drafting the next NOFO.

With the influx of funding from the IIJA, the size and complexity of the NOFOs has increased which has also impacted the speed of selecting projects. These delays are especially felt by our NRC member contractors who are usually engaged at the end of this process. These delays result in changing budgets that jeopardize the projects and places additional risks onto contractors.

Recommendations: Congress should consider directing FRA to identify a "pre-approved" or at least a prior vetted pipeline of projects. FRA NOFOs should have more stringent requirements (e.g. require projects to have more burden of proof of readiness) and/or eligibility to shrink the applicant pool. FRA should consider further standardization of the grant applications, e.g., a more defined template, thereby reducing the effort required both in preparation and in review. FRA could also consider consolidating existing grant programs and having separate programs for preliminary engineering (PE) and NEPA versus final design and construction grants. For final design and construction grants, FRA should require PE/NEPA to be completed in order to be eligible for funding.

2. Grants Take Too Long to Obligate

It takes 6–18 months on average to obligate a grant after selection. It takes too long to deliver projects, and the waste due to delays in the form of administrative and planning costs, inflation, and lost opportunities for alternative use of the capital, hinder us from achieving our capacity expansion goals. The expediting of transportation projects can be accomplished while retaining all current environmental safeguards.

Next, I will detail several obligation-related issues in more detail:

Obligation prerequisite—NEPA

Issue: It continues to take a very long time to obtain environmental clearances. The project sponsor is not able to engage with FRA or USDOT on the NEPA process until the grant application is selected. Many times, the project sponsor does not have the capacity to complete NEPA themselves, and it takes a few months to hire an environmental consultant.

Recommendations: FRA should establish a process to evaluate projects and allow them to proceed with NEPA before applying for a grant (e.g. establish a pipeline). FRA should also commit to an expedited NEPA process and eliminate NEPA requirements where states have existing or duplicative requirements, like in California or Washington. Sufficient and consistent FRA staffing would also help minimize the NEPA process timeframe. FRA should also require that project sponsors be ready to submit documentation within a certain timeframe (e.g. must submit environmental assessment within 1 month of selection) or consider having a separate grant or step in the grant program *only* for completing NEPA. This is similar to what the FRA Corridor ID program is attempting to establish, although that program has also moved in too slow of a manner. This would give the resulting project priority for funding, similar to the NEC inventory established in the FRA Federal-State Partnership program. Congress should also consider directing the FRA to establish a separate grant program, or step within existing programs, for projects to complete the NEPA process, and then require a completed NEPA document as proof of eligibility for funding for a final design/construction project. Finally, the FRA should allocate a larger percentage of its funding to agency staffing focused on expediting project delivery.

Obligation prerequisite—NEPA Categorical Exclusions (CEs)

Issue: Many rail projects, particularly those on short line or regional railroads, consist of ordinary ties, rail, ballast, and surfacing type work that falls under a NEPA Categorical Exclusion (CE). The FRA requires a CE worksheet to prove, with a "legally defensible evidentiary record," that the project qualifies for a CE. This requires significant work, including resource mapping and appendices, to prove eligibility for a CE.

In addition, Section 106 of the National Historic Preservation Act of 1966 (NHPA) requires federal agencies to consider the effects on historic properties of projects they carry out, assist, fund, permit, license, or approve throughout the country. If a federal or federally-assisted project has the potential to affect historic properties, a Section 106 review will take place. This requires a Secretary of the Interior (SOI) qualified archeologist and State Historic Preservation Office consultation to be completed before the FRA can approve the CE worksheet. This process causes many delays to rail projects attempting to receive a CE.

Recommendation: The CE process should be streamlined to a simple grantee self-certification for an ordinary track rehabilitation project.

Regarding Section 106, Congress should consider the creation of a national rail network that can be recognized for its historical importance, but only certain elements require compliance with Section 106, exempting the national rail network from Section 106 the same way the Interstate Highway System is exempt. At a minimum, Congress should expand the Advisory Council on Historic Preservation (ACHP) issued *Section 106 Program Comment to Exempt Consideration of Effects to Rail Properties Within Rail Rights-of-Way* to cover a broader list of activities, such as construction of additional yard or industrial tracks within the footprint of an existing yard or industrial facility.

Obligation prerequisite—Preliminary Engineering (PE)

Issue: It takes a while for project sponsors to have PE, cost estimates, and stakeholder concurrence ready for FRA review. Many times project sponsors do not even hire a consultant to complete PE until the grant is awarded and sometimes sponsors struggle with getting stakeholder concurrence, which can add to project delays.

Recommendations: The FRA should require PE, cost estimates, and stakeholder concurrence with grant applications. Again, project sponsors should complete PE/NEPA before being awarded a final design or construction grant. For stakeholder concurrence, a sign-off form or letter template would make it easier for the FRA to collect and verify stakeholder concurrence. Short of that, the FRA should at a minimum define the stakeholder concurrence requirements and define the format required.

Obligation prerequisite—49 U.S.C. § 22905

Issue: Project sponsors often struggle with obtaining the 22905 railroad agreement with the host railroad. It often gets caught up as a provision within a larger design, construction or maintenance agreement.

Recommendation: The FRA already provides simple template language which could be extracted as a separate 1-page agreement. If the host railroads would be willing to sign a 22905-only agreement, separate from the larger overarching agreements and the FRA would require 22905 agreement with the grant application, this could potentially speed up the project timeline.

Grant Agreement Processing Time

Issue: The FRA is very flexible, customizing the grant agreement scope of work for each individual project. Multiple disciplines at the FRA (e.g. Project Managers, Grant Managers, Engineers, Planners, Environmental Specialists, Legal, etc.) must review the "Attachment 2" (SOW, schedule, budget, performance measures) for each individual grant and this takes a long time. In addition, larger multimodal USDOT grants like BUILD and Mega must also undergo additional USDOT OST Office of the Secretary review.

Recommendation: This process can be expedited by sufficient and consistent FRA/USDOT staffing with experience, capacity, and the ability to make decisions. Empowering FRA project managers to be decisionmakers would help address this problem. In addition, the agreements and scopes of work should be made more formulaic and template-based.

Currently, the FRA builds in flexibility so that sponsors are not trapped with a hyper-specific SOW. The project sponsors also need to understand that they are being asked to fill in a binding contract document, and that they should not just copy and paste from a SOW with their contractor. Better education could help, along with fewer choices and less flexibility. For example, if grant agreements included a standard SOW by project type (e.g. Task 1 is always the project management plan, Task 2 is always final design, Task 3 is always construction) then that would minimize opportunities for customization.

Finally, FRA engineering reviews should be limited to ensuring the PE and final design are in alignment with the grant agreement and not in conflict with industry standards, especially with grantees that are familiar with these standards and grants. FRA engineering reviews should only occur on request to smaller or less experienced grantees.

3. Delays to Project Implementation

Issue: Numerous factors impact project readiness, including railroad coordination and approvals, utility coordination and relocations, right of way acquisition, permitting and additional funding.

Recommendation: Most if not all of these factors are outside of the FRA's control, but the FRA could do more to avoid future delays by having project sponsors better define the status of these factors in advance of obligation. The FRA could also conduct risk reviews later in the grant process based on project scope, readiness, and budget.

ADDITIONAL RECOMMENDATIONS FOR REFORMING THE GRANTS PROCESS

Finally, as this committee begins the process of reauthorizing surface transportation programs, Congress should direct the FRA to speed up and streamline the discretionary grant process to reduce waste, cost overruns, and unnecessary project delays. The NRC offers the following broad grants recommendations that we suggest will help America build and improve the federal rail discretionary grant process:

- Standardize environmental approval processes across USDOT modal agencies.
- Provide pre-award spending authority for advance construction and pre-construction activities across funding programs available to rail infrastructure projects. USDOT should provide clear and consistent guidance to grant recipients.
- Provide each successful grantee with a target date for a completed grant agreement. Responsibility for meeting a target date would be shared by USDOT and the grantee.
    - ◦ FRA should model its grant management system after FTA's Transit Award Management System (TrAMS).
- Make the grant process easier for smaller entities by establishing a page limit for NOFOs and grant applications. The complexity of NOFOs has grown and has disproportionately impacted smaller entities with less resources and personnel.
- Codify authority for flexing and transferring funds between USDOT modal agencies when appropriate.

CLOSING

Thank you for the opportunity to share our perspective today on improving the efficiency and effectiveness of federal rail assistance and building America's rail network. I look forward to answering any questions you may have.

Mr. WEBSTER OF FLORIDA. Thank you very much.

Now, Ms. Bevil, you are recognized.

TESTIMONY OF KRISTIN BEVIL, GENERAL COUNSEL AND CHIEF LEGAL OFFICER, PINSLY RAILROAD COMPANY, ON BEHALF OF THE AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION

Ms. BEVIL. Chairman, Ranking Member, members of the subcommittee, my name is Kristin Bevil. I am general counsel and chief legal officer of Pinsly Railroad Company. I also serve as an elected vice president on the board of the American Short Line and Regional Railroad Association.

The Pinsly Railroad Company owns eight short line railroads across the country that offer freight services, transloading, railcar storage, and industrial development opportunities. At Pinsly, we operate 850 miles as the first-mile/last-mile to our customers, connecting them to the national rail network.

Most short lines began with the purchase of an unprofitable branch line from a much larger railroad. Those short lines didn't have a lot of money, weren't in great shape, and didn't have much traffic, often suffering from years of deferred maintenance. But the local entrepreneurs who took over these lines to make a go of it, including the Pinsly family, which is our company's namesake, were very successful. In fact, today, there are 600 short line railroads that manage one-third of the freight rail network.

Short lines operate in 49 States, support 478,000 jobs, and produce $56 billion in value added to the economy, and yet account for only 6 percent of the freight industry's total revenue. We are small businesses that are critical to the communities in this Nation.

For decades, this subcommittee has supported policies that have allowed short line railroads to survive and even thrive. Almost all of you on this committee have a short line railroad in your district, and these Pinsly's Grenada Railroad operates in Congressman Cohen's district.

This hearing today focuses on Federal rail assistance and its efficiency and effectiveness. Let me assure you, Federal dollars are critical to our efforts to grow as short lines. Although we invest up to one-third of our own revenue in maintenance, the backlog of projects to upgrade rail and bridges to modern standards on short lines is $12 billion. That is a staggering number. Fortunately, this committee and Congress has provided several grant programs that have allowed short lines to grow our customer base, provide quality jobs, and drive the economy forward in rural and smalltown America.

As Congress looks to reauthorize the surface transportation bill, our top priority is robust and advanced appropriated funding for the CRISI grant program. It is the only Federal grant program that short lines are eligible to apply for directly, and it has been transformational. Two hundred and forty CRISI grants have been awarded to short line railroads. Advance appropriations allow for certainty and predictability, and will ensure that more railroads will apply.

My testimony provides examples of completed CRISI projects with specific benefits and statements of support. None of those would have been possible without the CRISI program.

The Pinsly Railroad and our customers have benefited directly from CRISI grants. Our Florida Gulf and Atlantic Railroad spans the panhandle of Florida and provides critical transportation of aggregates that are used by the Florida Department of Transportation to build Florida's highways and roads. A CRISI grant enabled us to upgrade that line to a more efficient, reliable service all along that route, which helped our customer, Anderson Columbia, grow its aggregate business and ensured that the Florida DOT has the materials it needs to maintain Florida's highways.

While short line investment is the best bang for the buck to be had for the public dollar, the CRISI grant program does have some room for improvement. The time from award announcement to obligation and funding is simply too long. Delays can cause overruns and costs, and our customers miss opportunities when we have to wait and wait.

Good options to speed up the process include batch processing of NEPA categorical exclusions, more aggressive use of pre-award authority, or setting deadlines for agency processing. This program can move faster with no real additional risk, and that would be good for getting America to build.

The rail crossing elimination in section 130 programs and the support of Operation Lifesaver are also very valuable to our industry, as they address the risk of injuries at grade crossings.

As you shape the Nation's next surface transportation bill, we urge that these vital programs and policies be secured in legislative text, and that process improvements are considered to help maximize the value and impact of each dollar.

Thank you for your longstanding support of our short line railroads, our customers, and the communities that we serve. I look forward to answering any questions.

[Ms. Bevil's prepared statement follows:]

Prepared Statement of Kristin Bevil, General Counsel and Chief Legal Officer, Pinsly Railroad Company, on behalf of the American Short Line and Regional Railroad Association

INTRODUCTION

Chairman, Ranking Member, and Members of the Subcommittee:

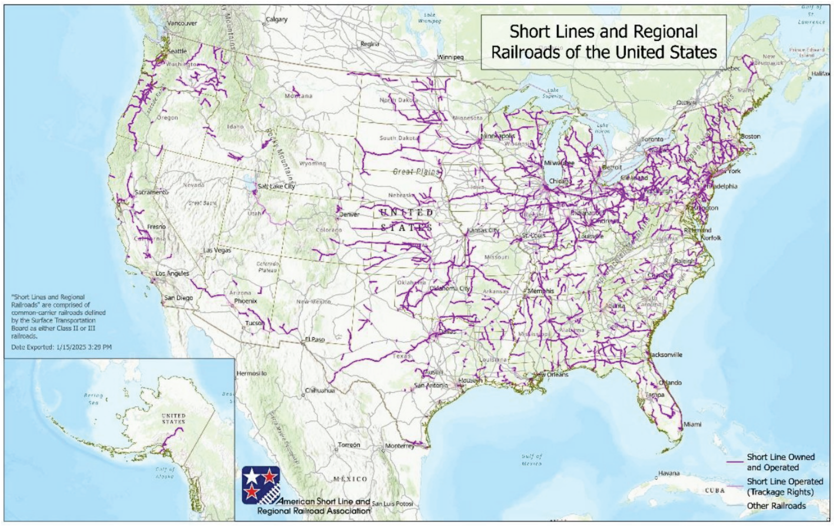
Thank you for the opportunity to testify before you today as you examine how to improve the efficiency and effectiveness of federal rail assistance through important rail safety grant programs.

My name is Kristin Bevil, and I am the General Counsel and Chief Legal Officer for Pinsly Railroad Company. I also serve as an elected Regional Vice President on the Executive Board of the American Short Line and Regional Railroad Association (ASLRRA). Thus, I have a broad view of the impact of federal grant programs on my company, as well as on short lines across the country.

The Pinsly Railroad Company owns and operates eight short line railroads—Florida Gulf & Atlantic Railroad (FGA), Grenada Railroad (GRYR), Camp Chase Railway (CAMY), Chesapeake & Indiana Railroad (CKIN), Vermilion Valley Railroad (VVRR), Hondo Railway (HRR), North Florida Industrial Railroad (NFL) and Pioneer Valley Railroad (PVRR). Pinsly Railroad Company's railroad subsidiaries offer freight services, transloading, railcar storage, and industrial development opportunities. We directly employ *175 employees* and serve over *150* customers across the nation. Operating *850* route miles, we make connections for *150* shippers in *8* states, and *91 communities*.

THE SHORT LINE RAILROAD FREIGHT INDUSTRY

Short line railroads are a critical component of rural and small-town America's economic fabric. These lines often represent the sole link to the national rail network, providing first- and last-mile connections for more than 10,000 shippers, supporting hundreds of thousands of jobs and billions in economic output. The typical short line employs about 30 people, operates about 80 route miles, and makes about $8 million in revenue per year. While we operate approximately 30% of the national network (or 50,000 route miles) and handle about 20% of the freight cars in service, our members earn only about 6% of the total revenue earned by the country's freight railroads.



As you will note from the map above, almost every Member of this Subcommittee has one or more short lines operating in their district, and in many cases these short lines are one of the significant businesses in their town.

IMPORTANCE OF THE CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS PROGRAM

Our industry is one of entrepreneurial grit. Short lines were born out of necessity following the Staggers Rail Act of 1980, which allowed for the sale of unprofitable, deferred-maintenance branch lines that were otherwise headed for abandonment from large Class I railroads to local operators who believed in their potential. Rehabilitating and operating these lines is enormously capital-intensive. Short lines routinely reinvest up to a third of their revenues into infrastructure maintenance and upgrades—far more than most other industries. As an example, Pinsly has invested over *$25 million annually* into our infrastructure for routine maintenance—and that does not include major infrastructure projects, many of which could not be accomplished with regular annual revenue. This is where the *Consolidated Rail Infrastructure and Safety Improvements* (CRISI) program, a vital federal rail grant program, becomes essential.

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

Since its creation in 2015, the CRISI grant program has provided the only reliable and accessible source of federal infrastructure funding directly available to short line railroads. By allowing small business private railroads to apply directly, unlike other federal programs that require a public sponsor, CRISI has leveled the playing field and empowered small railroads to pursue safety, efficiency, and capacity upgrades that would otherwise be financially impossible.

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.

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

CRISI Grants Deliver Clear and Measurable Benefits

CRISI projects have produced six core benefits, which I would like to briefly highlight:

1. *Addressing Critical Infrastructure Needs*—Short lines often inherit infrastructure in poor condition with significant deferred maintenance—these lines were often at risk of abandonment if not for the short line purchase. CRISI enables

transformational projects like bridge replacements and rail upgrades that remove bottlenecks and enable industry-standard 286,000-pound railcars, improving interoperability and competitiveness.

2. *Improving Safety*—Rail safety begins with sound infrastructure. CRISI funds replace worn ties and rails, reducing 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 service expansion.
4. *Enhancing Environmental Outcomes*—Rail is the most fuel-efficient mode of freight transport. CRISI-funded upgrades facilitate modal shift from truck to rail, reduce emissions, and allow for cleaner locomotive technologies.
5. *Promoting Rural Economic Development*—CRISI investments enable service to new and growing businesses.
6. *Improving Service for Customers*—Small improvements—such as 500 feet of new track or the elimination of a chronic derailment risk—can make an enormous difference in the transportation costs and competitiveness of rural shippers.

The Importance of Predictable and Robust Funding

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

Short lines are small businesses with limited human and financial resources. The grant application process is time consuming and, to be competitive, requires significant up-front investment by applicants. For example, for more complex projects, costly engineering work must be conducted to assemble a competitive project scope and budget that can demonstrate project readiness. Short lines must also marshal committed, matching funds of at least 20%, but often up to 50% to be competitive with larger applicants.

The annual appropriations process is always uncertain, and that uncertainty makes it difficult for applicants to start those upfront activities until they know if there will be adequate resources for which to compete.

It is essential that the next surface transportation reauthorization not only extends CRISI but also preserve its advanced 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, as demonstrated by the experience of the Pinsly Railroad, 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.

These delays are not isolated incidents. Unfortunately, they are all too common among short line railroads seeking to modernize their infrastructure.

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 time and planning—just to be in a position to compete 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.

And the communities we serve—where local expertise is employed to carry out 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.

Pinsly Railroad Awarded CRISI grants:

1. *Florida Gulf & Atlantic Railroad (Pinsly subsidiary), "Florida Panhandle Rural Capacity Expansion Project", FY20 FRA CRISI Grant, $8,300,000.00*

The Florida Gulf & Atlantic Railroad was awarded a CRISI grant in June 2022 to rehabilitate a rail line previously owned by a Class I that had suffered from deferred maintenance. The project included 85,000 new rail ties, bridge replacements and crossing upgrades. The project rehabilitated the infrastructure allowing Florida Gulf & Atlantic Railroad to provide service efficiently and safely to aggregate commodities customers in support of the Florida Department of Transportation's highway projects. The grant agreement was executed in May 2023, *nearly a year after the award was announced* and a Notice to Proceed was not received until December 2023. Construction took place in 2024. The project was further delayed when Florida Gulf & Atlantic came in under budget and had an opportunity to further improve the infrastructure by submitting a Grant Adjustment Request Form to increase tie density and add an additional mile of work. *The change took 45 days to approve*. While most construction was complete in 2024, the final report was submitted and closed out April 2025, *three years after the grant was awarded*. Shawn Snyder, Vice President of Anderson Columbia, a Florida Gulf & Atlantic customer said, "Florida Gulf and Atlantic services three asphalt plants in the Panhandle from Jacksonville to Pensacola. The reliability of the service once they take control of the cars has been excellent. With Anderson Colombia being so reliant on the rail, seeing the commitment through the rail and Florida Gulf & Atlantic, specifically, gives us comfort in our markets that we will be stable or have the ability to grow as the markets grow. It's been a great partnership over the last couple of years."

2. *Florida Gulf & Atlantic Railroad (Pinsly subsidiary), "Florida Panhandle Rail Resiliency and Connectivity Project", FY22 FRA CRISI Grant, $23,198,945.00*

The grant for the "Florida Panhandle Rail Resiliency and Connectivity Project" was awarded in September 2023. The project is focused on resiliency and hardening of infrastructure to withstand hurricanes and major storms. Pre-award authority was received in March 2024. Engineering Design review was submitted for approval in July 2024. *Almost two years and two hurricanes later, we think we will have a grant agreement soon*.

3. *Grenada Railroad (Pinsly subsidiary), "Central Mississippi Rail Resiliency and Capacity Expansion Project", FY23–24 FRA CRISI Grant, $18,247,915.00*

The Grenada Railroad is a railroad that was saved from abandonment and as a result of both private and public investment, has significantly increased the number of customers served by the line. According to Governor Tate Reeves, "Mississippi's economic momentum would not be as robust without the functioning rail line that moves input goods and finished products all over America." The recently awarded grant for the "Central Mississippi Rail Resiliency and Capacity Expansion Project" will increase capacity for significant growth through additional sidings, rail tie replacement, joint elimination and improved grade crossings across the line. Announcement of the grant award was made in October 2024 and Grenada Railroad is working closely with FRA to get a grant agreement in place.

4. *Pioneer Valley Railroad Company (Pinsly subsidiary), "The Tunnel Hill Reclamation and Pioneer Valley Railroad Development Project", FY23–24 FRA CRISI Grant, $8,868,942.00*

The Pioneer Valley Railroad, in collaboration with WIN Waste Innovations (WIN), was awarded a CRISI grant to fund infrastructure improvements at the Tunnel Hill Reclamation (THR) facility in New Lexington, Ohio, and at the PVRR rail line which spans across Holyoke and Westfield, Massachusetts. The announcement of the award was made in October 2024, and the Pioneer Valley Railroad team is working closely with FRA to get a grant agreement in place.

The CRISI program can be further improved, and made even more impactful, in the following ways:

- *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.

- *Speed*—CRISI projects should move from announcement to obligation to completion faster than they currently do. For almost all short line projects, most of which are quite simple in the context of infrastructure investments, this 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 current lengthy federal approval process. When questions of the National Environmental Policy Act Process (NEPA) clearance as a necessary precedent arise in the context of PAA, the agency should consider segmented provision of PAA for non-ground disturbing elements of scope such as engineering analyses and acquisition of materials. Prompt acquisition of materials can be a particularly useful step to mitigate project cost inflation risk, and 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 reports on the status of processing grants, from award notification through obligation to close out, to the transportation authorizing and appropriating committees. 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.
- *Publish regular grant status reports*—FRA could proactively shine light on the status of processing grants, from award notification through obligation to closeout. This data would be useful for setting realistic stakeholder expectations regarding the timeline for the agency to execute the process for each award to achieve grant obligation. Regular (e.g., quarterly) public reporting would also foster accountability and incentivize a faster program. These reports could include:
  a) Key milestones of approval of pre-award authority, if applicable, and approval of the environmental decision document for the project.
  b) Internal deadlines for moving grants through this process.
  c) Delays outside the control of FRA personnel.
- *Optimize grant application processes and program accessibility*—FRA should consider a mechanism to share and analyze high level CRISI grant application information with ASLRRA. This information is publicly shared for programs like RAISE that have only public applicants, but not for CRISI, due to the broader eligibility. 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 that the CRISI program is broadly accessible, especially to the smallest railroads.
- *Improve Notices of Funding Opportunity (NOFO) and the application review process*—The prior administration's 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. Bundling like CEs for review and ap-

proval is an effective procedure for expediting grant awards that Congress can encourage.

- *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 streamlining the steps, improving communication, and aligning requirements with real-world project conditions.

- *Coordinate Section 106 Reviews*—FRA can reduce delays by coordinating with DOT's Office of the Secretary (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.
- *Consider Buy America waivers*—FRA, in coordination with OST and the Office of Management and Budget, should judiciously deploy Buy America waivers where appropriate. These waivers can be a useful tool when domestic production capacity does not yet exist. We have seen the due diligence on waiver requests go awry. Inexperienced analysts can incorrectly assume domestic capacity when none practically exists or may conduct excessive research to determine non-availability.

2. 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 continues to fund the OLI, RCE, and Section 130 programs at robust and guaranteed levels.

Conclusion

Investing in short lines is one of the best public-private partnerships available. We drive the economy in areas where it is often difficult to do so. Rural and small towns across American would be closed off from the national economy with limited transportation options if freight rail were not present, safe, and efficient.

Federal grant funding is an example of bipartisan, high-impact, efficient infrastructure investment that supports American jobs, enhances safety, and strengthens our supply chain—all across the United States.

Support for CRISI, OLI, RCE and Section 130 has been crucial to our ability to maintain our infrastructure, improve safety and make significant, game-changing improvements to rail service in the communities we serve. As you shape the nation's next surface transportation bill, we urge that these vital programs and policies be secured in legislative text, and that process improvements are considered to help maximize the value and impact of each dollar granted, ensuring the continued success and growth of the short line industry, the nation's freight rail network, and most importantly the tens of thousands of critical agricultural, energy, manufacturing, and industrial rail shippers.

Thank you for your time, your attention, and your longstanding support of our nation's short line railroads and the customers and communities we serve. I look forward to answering your questions.

ADDENDUM

SHORT LINE RAILROAD COMPLETED CRISI PROJECT EXAMPLES

CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD (CSS)
FRA Project Name: Chicago South Shore & South Bend Rail Rehabilitation and Safety Improvement Project

CRISI Grant:	$2,831,705
Local Match:	$707,926 (20%)
Total Project Cost:	$3,539,631
Member/District:	Rep. Rudy Yakym (IN–02), Rep. Frank Mrvan (IN–01)

The project replaced 7.5 miles of 90-lb rail with 115-pound rail on Kingsbury Industrial Lead, improving safety associated with the heavier rail, and increasing train speed on 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.

IOWA INTERSTATE RAILROAD (IAIS)
Project Name: Booneville Bridge Project

CRISI Grant:	$3,470,500
Local Match:	$3,470,500 (50%)
Total Project Cost:	$6,941,000
Member/District:	Rep. Zach Nunn (IA–03)

The project replaced the 118-year-old Booneville Bridge over the Raccoon River, located approximately 15 miles west of Des Moines. The bridge carries over 42,000 carloads per year on the Class II Iowa Interstate Railroad's (IAIS) Council Bluffs, Iowa, to Chicago, Ill., service. The bridge was in danger of being put out of service in the near future under previous conditions, which would result 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.

"*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

Video of Completed Project—here [https://www.youtube.com/watch?v=PZbq7d1VPD8].

IOWA INTERSTATE RAILROAD (IAIS)
Project Name: IAIS Continuous Welded Rail Upgrade

CRISI Grant:	$5,579,357
Local Match:	$6,291,615 (53%)
Total Project Cost:	$11,870,972
Member/District:	Rep. Zach Nunn (IA–03), Rep. Randy Feenstra (IA–04)

The project 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, IA. 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.

LAKE STATE RAILWAY (LSRC)
FRA Project Name: Infrastructure Enhancement Program for Lake State Railway's Huron Subdivision

CRISI Grant:	$7,875,770
Local Match:	$8,197,230 (51%)
Total Project Cost:	$16,073,000
Member/District:	Rep. Jack Bergman (MI–01)

The project rehabilitated 30.3 miles of track with 115-lb. continuous welded rail, tie and turnout renewal and crossing rehabilitation. This project allowed for elimination of 23.8 miles of excepted track which resulted in increased speed from 10 mph 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-lb. railcars required by LSRC customers and Class I railroad interchange partners. The elimination of the aging and lighter 85-lb 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.

LANCASTER & CHESTER RAILROAD (L&C)
FRA Project Name: South Carolina Piedmont Freight Rail Service Improvement Program

CRISI Grant:	$8,752,185
Local Match:	$4,712,715 (35%)
Total Project Cost:	$13,465,900
Member/District:	Rep. Ralph Norman (SC–05)

The project provided funding for the acquisition of three Tier IV locomotives, the rehabilitation of 46 miles and one bridge upgrade to allow for the handling of 286-lb. railcars. The project increased track speed from10 mph to 25 mph, gave customers the ability to utilize 286-lb 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, SC

NAPOLEON, DEFIANCE & WESTERN (NDW)
Project Name: NDW Safety Upgrade in Opportunity Zones Project

Grantee:	Ohio Rail Development Corporation
CRISI Grant:	$4,112,452
Local Match:	$4,112,452 (50%)
Total Project Cost:	$8,224,904
Member/District:	Rep. Martin Stutzman (IN–03), Rep. Bob Latta (OH–05), Rep. Marcy Kaptur (OH–09)

The project upgraded approximately 10 miles of 80-lb. rail with 132 to 136-lb. 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.

"*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

Video overview of project—here [https://youtu.be/IwFm__a__KWs4].

NEBRASKA KANSAS COLORADO RAILWAY (NKCR)
Project Name: Velocity Enhanced Rail Transportation Project

CRISI Grant:	$4,505,542
Local Match:	$4,505,542 (50%)
Total Project Cost:	$9,011,084
Member/District:	Rep. Lauren Boebert (CO–04), Rep. Adrian Smith (NE–03)

The 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 106.6 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 for 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)

OMNITRAX HOLDINGS COMBINED SHORT LINES
Project Name: Transportation Investments for Employment and Safety (TIES1)

CRISI Grant:	$37,364,504
Local Match:	$9,341,126 (20%)
Total Project Cost:	$46,705,630
Member/District:	Rep. Sanford Bishop (GA–02)

The 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 $11MM 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 will eliminate the need for 16 subsequent tie spot replacement mobilizations saving $43MM.

"*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

RED RIVER VALLEY & WESTERN RAILROAD
FRA Project Name: Rural Economic Preservation Through Rail Replacement

CRISI Grant:	$6,704,544
Local Match:	$2,915,234 (30.3%)
Total Project Cost:	$9,620,778
Member/District:	Rep. Julie Fedorchak, At Large

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 on 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 change 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 RAILROAD (SERA)
FRA Project Name: Sierra Northern Railway's Consolidated Rail Infrastructure and Safety Improvement

CRISI Grant:	$17,415,000
Local Match:	$18,300,000 (51.3%)
Total Project Cost:	$35,700,000
Member/District:	Rep. Tom McClintock (CA–05)

Video overview of project is here [https://www.youtube.com/watch?v=2j8ulXpa1A0].

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:

- Quadrupled carload business
- Add new customers—such as a new grainload shipper
- Reduce derailments
- Provided 30 new railroad jobs in the area
- Improved grade crossings and increase speed led to less time blocking motoring public
- Took an estimated 5,000 trucks of propane off local highways in year one

"*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 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

TEXAS, GONZALES & NORTHERN RAILWAY (TXGN)
FRA Project Name: Harwood Interchange Improvement Project

CRISI Grant:	$2,223,768
Local Match:	$2,223,768 (50%)
Total Project Cost:	$4,447,536
Member/District:	Rep. Michael Cloud (TX–27)

The 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 enhanced drainage. With concrete culverts. 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 Train 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 1 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

TWIN CITIES & WESTERN RAILROAD COMPANY (TCWR)
FRA Project Name: Joint Elimination—Rail Infrastructure and Safety Improvement

CRISI Grant:	$2,000,839
Local Match:	$2,000,839 (50%)
Total Project Cost:	$4,001,678
Member/District:	Michelle Fischbach (MN–7), Tom Emmer (MN–6), Kelly Morrison (MN–3)

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 tie replacement from 20,000 required in 2019, to 17,000 by 2021.

For customers, the improved quality of the rail 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 improvement 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, United 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–6

Mr. WEBSTER OF FLORIDA. Thank you all for your testimony. I appreciate that, and thank you. We will now turn to questions from the panel. I recognize myself for 5 minutes for questions.

There is a great deal of commonality among all the witnesses regarding the specific challenges you experience when applying for Federal infrastructure funding. If you had to rank the top three challenges, what would they be? Specifically, where would NEPA fit in the ranking?

Just start with Mr. Dietrich and go down the panel.

Mr. DIETRICH. Thank you, Mr. Chairman.

I think one of the challenges with the discretionary grants, first and foremost, is the stop-start and the need to address that and use that downtime. You mentioned NEPA specifically, and that is definitely in number one or two, in terms of advancing the projects.

And it is not compliance with NEPA, it is the differences in the modal agencies, as I mentioned in my testimony.

We, as Ohio, have actually taken the advantage of—we have—we had NEPA assignment for FHWA funding. We just received NEPA assignment for FRA, because we think that is important enough that, again, getting those into our standard processes allows us to meet all the Federal requirements, but to do it internally and quicker without all the back and forth.

So I think those are the two big issues. It is the stop-and-start nature of the discretionary grants, as well as trying to standardize NEPA. Thank you.

Mr. WEBSTER OF FLORIDA. Mr. Eucalitto.

Mr. EUCALITTO. I would definitely put NEPA as one of the top items under the umbrella of all the regulatory pieces that come along with it: section 106, National Historic Preservation Act; Endangered Species Act; NEPA; I think all of those fall under the umbrella of NEPA, in my mind, as something that needs to be addressed. Usually for my State, it is the biggest hurdle.

I think the second piece would be FRA has been given a herculean task of standing up a massive program out of the blue with the new legislation, and they have been doing their best job. But that means there is a lot of opportunity to do it better and learn from the mistakes made by the other modal administrations.

Mr. WEBSTER OF FLORIDA. Mr. Hicks.

Mr. HICKS. I would say NEPA efficiency is in my top two, and it goes hand in hand with my number one, with the number one being perhaps a two-stage process or a pipeline. and the need for that is somewhat based on the NEPA timelines and the long timelines that it takes to get NEPA approved.

So I would say that is where it falls with me, is the need to change the process or reduce the amount of NEPA to condense the timelines to get projects actually out on the ground.

Mr. WEBSTER OF FLORIDA. Ms. Bevil.

Ms. BEVIL. Yes, I would just add for short line railroads, our projects, especially under the CRISI grant program, are often subject to categorical exclusion from NEPA. And if there is a way to speed up that process, that would be very helpful in speeding up the projects overall.

Mr. WEBSTER OF FLORIDA. So if NEPA, the NEPA process, was streamlined, how would this reduce both the project cost and also the time of completion?

I will start with Mr. Dietrich.

Mr. DIETRICH. Thank you. Thank you, Mr. Chairman.

For example—and again, I will go to NEPA assignment, because I think there are a lot of opportunities there—we are signing programmatic agreements right now with all the resource agencies so that Army Corps of Engineers, Fish and Wildlife, things like that, that rail projects are now included in those programmatic agreements so they can process those just like—and again, I look at Garrett—we are working with these agencies all the time. And so the more we can put these into the pipelines, the better we can establish that.

We are adapting our computer systems internally so that we can process these projects. Take the uniqueness out of the discretionary grants and just put them into the pipeline like every other project. That, sir, I think, is where we can see—it's not the big reform stuff, but I think that's the opportunity in the nuts and bolts where we can really see this stuff progress quicker.

Mr. WEBSTER OF FLORIDA. Mr. Eucalitto.

Mr. EUCALITTO. And Mr. Chair, I can add a specific example in my State where we had to redo our—when we got FRA funding after having FTA funding, FRA required to do a new finding of no significant interest impact, and that added 6 months onto the project before we could start construction, which drove up costs by about $90 million. And so that is a huge impact to my State and all the taxpayers.

Mr. WEBSTER OF FLORIDA. Well, my time is expiring. So, Ms. Titus, you are recognized for your questions. Five minutes.

Ms. TITUS. Well, thank you, Mr. Chairman.

I was proud to work with my colleagues to provide the $66 billion of supplemental advance appropriations over the 5 years for passenger rail that was in the Bipartisan Infrastructure Law. As we begin work on the surface transportation authorization, as the ranking member of this subcommittee, one of my priorities is to be sure that we do that guaranteed funding for rail programs again.

I think I know the answer to this based on your all's testimony, but I would like to just get a one-word answer to the question. Just go down the row. First off, have your industries or members benefited from the BIL's guaranteed funding for rail?

Mr. Dietrich, yes or no?

Mr. DIETRICH. Yes.

Mr. EUCALITTO. Yes.

Mr. HICKS. Yes.

Ms. BEVIL. Yes.

Ms. TITUS. Good. That's what I thought. Now, as a followup, should this committee include guaranteed funding for rail in the next surface transportation authorization?

Mr. Dietrich.

Mr. DIETRICH. I apologize for my ignorance, but I don't necessarily understand what the difference is. A rail title or just rail funding?

Ms. TITUS. Just rail money, a guarantee.

Mr. DIETRICH. Yes.

Ms. TITUS. Well, how about a title?

Mr. DIETRICH. I don't—like I said, I am a little bit out of my element here, so——

Ms. TITUS [interrupting]. Okay, just give me the money, huh?

[Laughter.]

Mr. DIETRICH. Sorry.

Ms. TITUS. Whatever you want to call it.

Mr. DIETRICH. Yes.

Ms. TITUS. Okay. That's a good answer.

Mr. EUCALITTO. Yes.

Mr. HICKS. Yes, we support rail funding.

Ms. BEVIL. Yes, we would like to see advance appropriations for CRISI program.

Ms. TITUS. Great. Well, I agree with you, and I think that is what we should do.

Another question, Mr. Eucalitto, I will ask you. In your testimony, you asked Congress to reauthorize and fund the Corridor ID Program. Now, I talked about the $3 billion grant for Brightline, but that doesn't happen overnight. You've got to bring it together, you've got to plan. Where is it going to go? What is the best use of the money? Help States, reorganization, planning, regional groups. Could you talk to us a little bit about how you think this will help States, and how this will be a good thing to consider into the new bill?

Mr. EUCALITTO. Yes, thank you for the question.

The Corridor ID Program, I think, is really beneficial because it allows us, as States and applicants, to make the case as to why we should be making this longer term investment. It allows for future applications for capital funding to be more well-reasoned and well-justified so we can make the best use of the taxpayer dollars we are being given.

There is a lot of work that goes into trying to plan where we should be building future rail service, rail lines, or increasing capacity and improving existing rail lines, and that takes a lot of work. We need the partnership with the FRA to be able to do that work, to do the service development planning, to then come back to the FRA, to Congress to make the case why we should be continuing to make those investments. Without doing that preplanning work ahead of time that Corridor ID allows, it's really not 100 percent baked applications for future funding.

Ms. TITUS. Thank you.

Some places we need improvements, some places we need expansion, and we need to identify those places and move forward on those projects, and this would help to do that.

Mr. EUCALITTO. Absolutely.

Ms. TITUS. Mr. Dietrich, you mentioned about multimodal transportation projects, some of the logistical challenges. Could you talk a little bit about anything that the FRA could do with the Federal Highway Administration to bring that coordination that we need, or move it along faster, or do grants simultaneously? Elaborate on that.

Mr. DIETRICH. Thank you for the question. That is one of my favorite discussions.

I think that, again, if we could standardize some of these processes—literally, my staff has developed a cheat sheet between our project development process at the State DOT and FRA. And as we are—even when we are talking to consultants, we have to tell them which one we are using. So the more we could standardize those processes and for the modal agencies to accept those processes—and NEPA is just one of them. It goes above and beyond that. But the more those could be standardized at the U.S. DOT, the easier it will be.

Garrett had mentioned about FTA funding. We had a project with a grade separation where, from the time of the application to award, we were awarded FHWA formula funding from our State DOT, a substantial amount, $2 million, to progress the project work. Because we were able to progress that work, we thought everybody would be very happy. When the award came along, we actually lost $70,000 of the award because we advanced planning without that pre-award authority letter.

So, there is language in the legislation, especially IIJA, that counted those expenses, especially for the RCE project, since the award. So, it was the first time in my career that bringing additional resources to a project was not met with celebration.

So, I think, again, that standardization of the processes and allowing us States, especially the DOTs, to develop these projects in the interim. I hope that answers your question, but I think it is all about standardization.

And if I might, I also think it's about scalability. Right now, the grant agreements, it's a one-size-fits-all. And unfortunately, it seems like it is lowest common denominator. So again, if they could be scalable for the type of project that we are looking at, I think that would be beneficial, too.

Thank you.

Ms. TITUS. Maybe you will share that cheat sheet with us.

Mr. DIETRICH. Yes, I will.

Ms. TITUS. Thank you.

I yield back.

Mr. WEBSTER OF FLORIDA. Mr. Owens, you are recognized for 5 minutes.

Mr. OWENS. Thank you, Chairman Webster and Ranking Member Titus and today's witnesses. Thank you for convening this important hearing as the committee begins to work on the surface transportation reauthorization.

For my home State of Utah, this hearing could never be more timely or relevant. Authorized by the FRA just 1 year ago, the Savage Tooele Railroad is Utah's first new railroad in decades. This 11-mile short line under construction in Tooele County will connect the Lakeview Business Park in Grantsville to the Union Pacific mainline near Interstate 80. Further south, construction is underway for the Savage Railport in Iron County, a key component of Utah's Inland Port Authority's Iron Springs project area. This facility also aims to provide direct access to Union Pacific lines, serving as a regional hub for agriculture, enhancing southern Utah's connectivity to global markets.

Both these projects are perfect representations of the role of short lines to enhance logistical efficiency to expand economic development. However, these projects have not come easy. The Utah congressional delegation has collaborated to help navigate the very complex approval process. As we look ahead for reauthorizing key programs and departments, we must find ways to remove the bureaucratic barriers to rail investment in our communities.

Ms. Bevil, could you share your perspective on the challenges our short line railroads face when advancing projects like the Savage Tooele Railroad project in Utah which aims to connect small communities to Class I rail lines?

Ms. BEVIL. Yes, thank you, Congressman.

Your example of the short line in the State of Utah is a fantastic example of how short lines really do connect the local economy to the national rail network. Short lines have the ability to apply for the CRISI grants, which has been a fantastic program. The advanced appropriations that exist for those CRISI projects have provided some certainty as we go on to know that those programs are available.

The challenge with the program is the speed. One of our railroads applied for a CRISI grant in 2020 and finally received the award a year later. And then the agreement—sorry, a year to the award, another year to the agreement. All of that has to do—some with the environmental process, some with getting documents together. It all takes a very long time. Speeding up the review process, speeding up categorical exclusion, waivers, those things would help short lines accomplish these projects much faster.

Mr. OWENS. Regarding those CRISI grants, obviously, it is a job-creator for rural communities. Can you share how the short lines select local contractors for repair and rehabilitative work?

Ms. BEVIL. Yes, absolutely. So short lines, we don't typically employ big track gangs to replace our rails. When we win these CRISI grants, we have to hire contractors, and those contractors provide really good-paying jobs, good, local jobs in our communities.

Mr. OWENS. Okay, thank you.

Mr. Hicks, earlier you suggested that FRA establish a project pipeline as a way to prescreen and evaluate projects before the grant application is submitted. Can you elaborate on how you envision this working in practice?

Mr. HICKS. Well, I definitely don't have the details all worked out on how that would happen. But we have discussed the Corridor ID Program, I think that is somewhat of an example on how you could establish a pipeline of projects, get them into the pipeline, awarded, vetted to do the preliminary engineering, do the NEPA, do the things that take a little bit more time, and then get a solid list of projects available to work from when moved into final design.

So maybe it is a two-stage process, where you have one approval for the preliminary work, and then, after that is completed, then you move on to the second stage of authority to do the final design and construction. That is somewhat how I would see that working.

Mr. OWENS. Okay, thank you.

And I will yield back. Thank you.

Mr. WEBSTER OF FLORIDA. Thank you.

Now the ranking member, Mr. Larsen, you are recognized for 5 minutes.

Mr. LARSEN OF WASHINGTON. Thank you. Thank you, Mr. Chair.

First for Mr. Hicks. In your role in supporting FRA grant obligations, do you know how many grants at FRA are on hold for review?

Mr. HICKS. Thank you for the question. No, Congressman Larsen, I do not know what that number is. I do know that our firm has seen a slowdown of those in the last several months, and so recently some——

Mr. LARSEN OF WASHINGTON [interrupting]. I'm sorry, a slowdown of those on hold, or a slowdown of grants going out?

Mr. HICKS. A slowdown on the—excuse me, what was the question?

Mr. LARSEN OF WASHINGTON. A slowdown on grants being on hold, or a slowdown on grants going out?

Mr. HICKS. A slowdown—first there was a slowdown on putting them on hold, and now that seems to be moving a little bit more.

Mr. LARSEN OF WASHINGTON. A little bit, yes. So it is greater than zero?

Mr. HICKS. Yes, for sure.

Mr. LARSEN OF WASHINGTON. Great, yes. Do you have any sort of idea of characterizing them? Are they ones that have been awarded but not obligated?

If it is obligated by the FRA, does FRA seem to move forward and we are looking at only ones that have been awarded?

Mr. HICKS. From my perspective, it seems to be both pre- and post-, where just, I don't know, in the last several months, just not a lot of movement on both until here recently.

Mr. LARSEN OF WASHINGTON. Yes. Okay, thanks.

The same for you, Mr. Eucalitto, the same question from AASHTO's perspective. On the FRA grants, what are you all seeing?

Mr. EUCALITTO. Yes, thank you for the question. So, initially, I think we did see, kind of——

Mr. LARSEN OF WASHINGTON [interrupting]. Sorry, initially as of——

Mr. EUCALITTO [interrupting]. As of January——

Mr. LARSEN OF WASHINGTON [interposing]. Yes, okay.

Mr. EUCALITTO [continuing]. We saw, like, a pause on action on grants both at the staff level and within FRA in getting them out the door.

I will say, from my State's perspective, we are a very—we have numerous grants from the FRA because we sit on the Northeast Corridor. Within the past month and a half, we have seen staff action begin to occur. They have begun processing environmental documents. So there has been a re-action of many of our grants, which is welcome news for me in my State. I know other States are saying the same thing.

At AASHTO's level, we did express to U.S. DOT the risks of any slowdown on grants because when you work in the construction industry, especially in the northern climates, you have time-of-year restrictions in which you can actually do work in the field. And so any delay of any kind to a construction project, to any federally funded project, could have substantial impacts in postponing it for the next year. So we are glad to see some of our grants begin to actually have action.

Mr. LARSEN OF WASHINGTON. Yes. Ms. Bevil, on the American Short Line and Regional Railroad Association, are you tracking that issue of grants being awarded, then paused, then going out, or do you have any sense of what is going on there?

Ms. BEVIL. Yes, I think we have had a similar experience where there was a short pause in January, but we are seeing things moving now.

Mr. LARSEN OF WASHINGTON. And then, Mr. Dietrich, from Ohio's perspective.

Mr. DIETRICH. Ohio's perspective is consistent with the rest of the committee. We just got some pre-award authority letters for an RCE project, and we are getting more documentation now——

Mr. LARSEN OF WASHINGTON [interposing]. Yes, yes.

Mr. DIETRICH [continuing]. For the grant agreements.

Mr. LARSEN OF WASHINGTON. Great, thanks.

So, Mr. Eucalitto, this week—I would just, kind of trying not to be too State-based myself, because I have a broader responsibility, but every once in a while, I get to be. I met with Washington and Oregon's Chambers of Commerce this week, who have a collective view that rail is core infrastructure, certainly for our State, we are in a Corridor ID Program.

From your perspective at AASHTO, are you considering rail as core infrastructure as we are moving towards a rewrite of the surface transportation bill?

Mr. EUCALITTO. Yes, we absolutely consider rail to be core infrastructure.

AASHTO will be holding our spring meeting next week, and we will be voting on numerous resolutions tied to what we would like to see Congress do for reauthorization, an entire section of resolution just dedicated to rail. We know it is critical. It is the connective tissue for our economy, both for passenger and for freight. And without it, our economy would grind to a halt.

Mr. LARSEN OF WASHINGTON. That's great. With that, I yield back. Thank you.

Mr. WEBSTER OF FLORIDA. Mr. Burlison, you are recognized for 5 minutes.

Mr. BURLISON. Thank you, Mr. Chairman.

Mr. Hicks, in your testimony, you highlight that there are more than 500 independent rail contracting companies in the United States who performed $10 billion worth of rail infrastructure construction and maintenance work annually.

And my question, Mr. Hicks, is can you highlight the work that your companies do and how it impacts the broader rail industry?

Mr. HICKS. Absolutely. Thank you for the question, Congressman Burlison.

NRC represents engineers, consultants, railroad contractors, railroad suppliers that are from all 50 States, all over the country. They help to build, implement, and maintain all these projects nationwide, both on freight and passenger service. So there are multiple companies out there in all of the districts that are performing these services of supplying and building these projects nationwide. So it contributes to hundreds of thousands of jobs in the implementation and construction of the projects and maintenance of them.

Mr. BURLISON. Especially under the Biden administration, has the implementation of strict Federal regulations made it more difficult?

Mr. HICKS. There has been some difficulties in—I mean, we have discussed NEPA delays, things of that nature here. That definitely made the cost of the projects increase because time is money, and the longer it takes, the more expensive things get.

Mr. BURLISON. Okay. And do you have any suggestions for how we can approach those?

Mr. HICKS. I definitely believe that, either through a combination of things, of NEPA simplification, or maybe assignment to States, or maybe expansion of categorical exemptions for commonsense types of projects, would make a lot of sense in reducing the delays.

And, just, consistent management of the projects in FRA also helps with consistency, keeping them moving.

Mr. BURLISON. Thank you.

Mr. Dietrich, in your testimony, you kind of went through the differences between the discretionary grants and the ones that have flexibility. Specifically, you mentioned that "Historically, Federal transportation funding for construction is not obligated until NEPA clearance is achieved . . . " citing that this generally does not pose an issue for traditional Federal formula funds granted to States because they have the flexibility to adjust their budgets to match the project schedules.

However, for the projects that are specific discretionary grants, it's a different story. Can you elaborate on that? Because I am not familiar with how this works whatsoever.

Mr. DIETRICH. Yes, Congressman, thank you for the question.

So, when we get formula funds, we get the allocation of the States. And as projects come in, we slot the money in as the projects are ready. So NEPA, planning, detailed design, whatever, through the project development process, and that money is just slotted in.

So if a project falls behind, then that money would go to a different project, where with a discretionary grant, the money is project-specific.

So, if we are following that obligation process—so, say, the FRA obligates money for preliminary engineering and NEPA, but there is a problem, and NEPA takes longer than anticipated. So, the rest of that construction funding is unobligated. And then it is only when we are done with NEPA that we go back, renegotiate the agreement, sign more agreements with the FRA for the next step and the next step and the next step.

And what I am asking for is if there is a possibility for the FRA to look at that obligation process, so when they obligate the funds, they obligate the funds for the entire life cycle of the project. And that allows us—the money is obligated, there is certainty there, we don't have to keep going back for amendments, different agreements, but rather, you just go through the natural progression of the project.

Because, as I pointed out in my testimony, what it is, it's worst case scenario. We are advancing projects with the hope of the money being there. And likewise, the FRA looks like they are sitting on a bunch of money not being used, when actually it is all committed. So if there is just some way to match that obligation to the project commitments, I think it would help everybody.

Mr. BURLISON. Okay, and I wanted to get one last question in with my time.

Ms. Bevil, you said that there is approximately—you didn't say this, but I know that there is about 315 miles of track of short line rail in my district. And given the difficulties and the obstacles with grants, can you shed some light on how difficult that is for short line or the smaller businesses?

Ms. BEVIL. Sure, sure. It can be challenging, as a small business, to plan out work that needs to be done on your short line with the timelines that these grants take.

So, if I am planning a project for 5 years from now, that is not going to take care of my needs that I have right now for new ties and rail and crossings on my short line railroad. So, anything we can do to speed up the process of receiving this funding would be helpful to short lines.

Mr. BURLISON. Thank you.

I yield back.

Mr. WEBSTER OF FLORIDA. Okay, Mr. Moulton, you are recognized for 5 minutes.

Mr. MOULTON. Thank you, Mr. Chairman. I am so proud to work with the ranking member on high-speed rail, and we are making real progress there, but I want to give more context to something she said when she mentioned that no passenger rail system in the world exists without subsidies.

Well, the reality is in America that we heavily subsidize highways and airlines and barely give a pittance to passenger rail: $535 billion over 35 years for interstates. The gas tax, of course, doesn't cover the cost. So since 2008, we have transferred $275 billion in taxpayer money from the general fund, and this is only direct costs.

We commissioned a study in Massachusetts to understand the true picture of Government subsidies for driving, including things like emergency services to handle accidents, because you are 17 times more likely to die traveling the same distance by car as by train. It works out to $64 billion a year just in Massachusetts. So every family in Massachusetts spends an average of $14,000 subsidizing everyone else driving, even if they don't own a car.

Now, speaking of safety, we just had two more close calls at Reagan National Airport this weekend, months after the worst U.S. air disaster in years. So how are the airlines doing with subsidies?

Well, the Federal Government spent $54 billion to just bail out the airlines during the pandemic. After 9/11, it was $5 billion plus $10 billion in loans. Sir Richard Branson, father of Virgin Brands, once said that the fastest way to become a millionaire is to be a billionaire and buy an airline.

On top of this, we give massive subsidies to airlines without a second thought through the FAA, the TSA, and billions of building—airports. Our private airlines would lose money hand over fist without that help. Congress just approved $12.5 billion to modernize air traffic control. You remember that, Mr. Chairman? It is very analogous to Positive Train Control, the next generation of rail traffic control, and yet Congress didn't pay for that at all. We made the railroads pay for it themselves. Railroads invested nearly $11.5 billion to install PTC. In fact, the only transportation system in the world that—or in America, rather—that truly operates without public subsidies is our freight rail system, and that speaks to the innate efficiency of the things you are talking about.

So I think that, look, if my colleagues truly believed in the free market, we would let these modes compete. That is the way other countries handle transportation funding. Rather than just pour billions of taxpayer subsidies into highways and airports, they find out which solution makes the most sense.

And so there is not some vast high-speed rail conspiracy that infects every other developed country in the world except for the United States. It actually just is more efficient. It also happens to be better for public safety, economic development, housing, the environment. And yet one of the biggest cost drivers of high-speed rail projects is the environmental reviews. So that makes no sense.

In terms of a level playing field, Commissioner Eucalitto, when I drive from Boston to New York on Interstate 84, why is there no stoplight where it intersects with I–91?

Mr. EUCALITTO. We want to make sure to get people through efficiently and safely for——

Mr. MOULTON [interrupting]. Right, so you don't have to stop, right?

Mr. EUCALITTO. Correct.

Mr. MOULTON. You just—you have a transfer, okay?

And yet Connecticut says you value the Northeast Corridor and you encourage your citizens to ride trains, and yet on the busiest passenger rail corridor in the country, where the line diverges from Penn Station to Grand Central, there is no interchange. Why does Connecticut have no plan to build an interchange? Because right now two trains show up at the same time, one of them has to stop and wait.

Mr. EUCALITTO. So I know with that specific case, the Metropolitan Transportation Authority, MTA in New York, they are working on Penn Station access to improve throughput into Penn Station. We in Connecticut——

Mr. MOULTON [interrupting]. Well, I would just ask—and you take this for the record—how many highway interchanges has Connecticut built in the last 100 years? Because you have not built a single modern rail interchange like we are just discussing at this intersection that is so critical that delays thousands of passengers every day. It would be interesting to hear that.

Let me also ask, does Connecticut conduct highway maintenance at night to minimize disruptions?

Mr. EUCALITTO. Yes, we do.

Mr. MOULTON. So does every other railroad in the world except, to my knowledge, Metro-North. Why does Metro-North only conduct maintenance during the day, delaying thousands of passengers on Metro-North and Amtrak every single week?

Mr. EUCALITTO. I can take that question to the president of Metro-North and get back to you.

Mr. MOULTON. I would appreciate that very much.

Look, the point is, we ought to just have a level playing field. It is crazy that a mode of transportation that is so fundamentally good for public safety, good for the environment constantly gets hampered by Government reviews and redtape. That is why this hearing is so important.

But we also have to have a comprehensive picture of the subsidies here, because it is so out of whack. We are subsidizing all the inefficiencies in highways and airlines, and we have got this amazingly efficient system that we hang out to dry.

Thanks, Mr. Chairman, I yield back.

Mr. WEBSTER OF FLORIDA. Mr. Fong, you are recognized for 5 minutes.

Mr. FONG. Thank you, Mr. Chairman, for holding this hearing on the future of Federal rail assistance. I appreciate the testimony from the witnesses.

As we assess how best to steward taxpayer dollars in support of America's transportation infrastructure, we must take a hard look at what has worked and what has not. In my home State, the California high-speed rail project is, regrettably, a textbook example of Government mismanagement and fiscal irresponsibility.

Since 2009, the Federal Railroad Administration has allocated approximately $3.5 billion to this project; $2.5 billion under the American Recovery and Reinvestment Act; and nearly $1 billion in subsequent Federal grants. These funds have subsidized a bloated bureaucracy and a project that is nowhere near completion. Originally pitched to voters as a $33 billion system connecting San Francisco to Los Angeles, the pricetag now exceeds over $100 billion, with no direct connection between either of these cities in sight. Instead, we have carved up my community, California's Central Valley, to create a stranded asset with no utility.

This is not just a California problem. It is a national issue, because it is Federal taxpayer money being wasted. Congress cannot and should not continue to send resources to this project that has no accountability, weak performance metrics, and no realistic paths to completion.

The California high-speed rail boondoggle highlights exactly what happens when lofty promises collide with poor planning and unchecked spending. It should serve as a warning, not a blueprint, for future Federal rail investments. As we consider rail grants going forward, we must demand results; investments must have clear deliverables, cost discipline, and independent oversight.

If I can ask—in terms of one area of investment is short line rail projects—Ms. Bevil, first- and last-mile service is absolutely essential for supply chain and goods movement for shippers, retailers, and the short line rail industry. How does first and last mile impact shippers, and what steps are needed by Congress to improve efficiency and reliability?

And what kind of safeguards can we put in to ensure viable projects are supported?

Ms. BEVIL. Thank you for the question.

Short lines impact shippers in an incredibly positive way. Most short lines are local. The folks that work on the railroad live in the communities where the customers live. We are the first mile, last mile. We are there to adjust service. We can be flexible and bring the national network to those customers. So oftentimes you will hear customers say that they want to locate on a short line because of that service.

Providing that service requires intensive capital improvements to our short line railroads. That's track, rail, crossings, and the CRISI program really provides a lot of benefit in that way. Having advance appropriations, knowing that funding is going to be there is important, and being able to get those dollars into short line railroads' hands.

Mr. FONG. Thank you very much. I will just throw—just because my opening statement was so focused on high-speed rail in California, but it is clearly just the biggest waste of money.

I mean, I represent an area where I see the damage every single day. I drive by these corridors, we call it the Stonehenge of the Central Valley, where we have billions of dollars being spent not only in the Federal Government, but the State of California is spending $1 billion a year trying to salvage this project with just no private investment; a complete bait and switch, I think, to what the voters were promised.

So if I could ask, what kind of safeguards do you envision included in the Federal rail assistance to ensure viable projects are supported and nonviable projects are not supported?

I will throw it out to the entire panel.

Mr. DIETRICH. Congressman, I don't know if this is equivalent, but during my testimony, I said that one of the things that we do is we use the Federal funds to supplement our State programs. And so I think one of the nature—and one of the reasons we have been successful is we don't ask for Federal money unless we are putting money into it. And all of our projects freight projects involve funding from our Federal partners.

So I think using State programs such as my own is kind of a—I don't want to say a litmus test, but a screening process. So what makes the CRISI grant program work for us is that it goes through the same screening as if we were going to give it State money. It just becomes an order of magnitude in a scale of: Can we handle this with the State program? Is the scope appropriate for Federal funding?

So I think having those screening mechanisms at the State level might get to what you are talking about. Again, it is not an apples-to-apples comparison, so I apologize.

Mr. FONG. I appreciate that. I have run out of time. I might trust the Ohio Government better than the Sacramento.

But, I yield back.

Mr. WEBSTER OF FLORIDA. Mrs. Foushee, you are recognized for 5 minutes.

Mrs. FOUSHEE. Thank you, Chairman Webster and Ranking Member Titus, for holding this hearing. And thank you to the witnesses for being here with us today.

As members of this committee are well aware, prior to the passage of the Bipartisan Infrastructure Law, there was no guaranteed source of funding for intercity passenger rail. The 18 States who fund Amtrak service, including my home State of North Carolina, would have to wait until after Congress finished the appropriations process to know how much money would be available for passenger rail service and projects that year.

The majority completed the fiscal year 2025 appropriations process in the middle of March, halfway through this fiscal year. It is not hard to imagine how that would make project planning and budgeting for State DOTs immensely difficult in a world without the guaranteed BIL funding already in place.

Mr. Eucalitto, can you speak to the way BIL has impacted the ability of States to plan for passenger rail projects?

Mr. EUCALITTO. Yes, thank you for the question.

When we look at transportation infrastructure investments across all modes, having reliability and predictability of funding allows us to do long-term planning of where we should be investing our funds, where we should be allocating our staff resources, which are very limited. If we don't know that funding will be there to apply for or to receive, then we may be hesitant to invest our staff resources and a lot of our planning resources towards those projects.

The IIJA, having this ability to know that these funds are available to go after, States like mine have been able to redirect our resources, make long-term plans for infrastructure projects that we never thought we would be able to actually execute.

And then I know in other States they have other projects that they are looking at implementing. We talked about one in Nevada, but also I know North Carolina is heavily investing in rail, and those States are now—they see the opportunity, they are dedicating the resources at the State level to match those Federal funds, and that is the important thing that my colleague from Ohio talked about. Everything is matched with State and local funds, as well, so it is a force multiplier in investments.

Mrs. FOUSHEE. Indeed. North Carolina is using a Federal-State Partnership for Intercity Passenger Rail Grant, the largest grant award in the history of our State, to establish the S-Line, providing a better, faster, and more efficient connection between North Carolina's rail network and Virginia's, and thereby connecting my State to the expansive Northeast rail corridor. Any reduction or delay in this grant would increase project costs, have a direct and negative impact on job creation, and would endanger years of planning and collaboration between the North Carolina DOT, freight rail companies operating in our State, and the communities in which the S-Line has been promised.

So Mr. Eucalitto, what would happen if the FRA were to suddenly reduce the size of one of those grants you and your team are currently executing?

Mr. EUCALITTO. So we start a project under the assumption that the funds will be there when we need them, and that the project will be funded. And we work to make sure that we monitor it carefully, and do it the most efficient way possible.

If there was a funding reduction in a rail grant or any form of grant, we would look to potentially suspend work on that project or have to go to our State legislature to see what we would have to move around to supplement the loss in Federal funds. It is difficult, then, to look at the landscape of all the infrastructure needs in our State: What projects would we suspend or pause?

And in my State DOT, we have a bin, a bin of unfunded projects. So in this case, we would put that project—put it in the bin, and then hope that funding would become available in the future.

And it would put people out of work who may be lined up to work on that project.

Mrs. FOUSHEE. Thank you for that. And lastly, can you speak a little about how you and the Connecticut DOT are working with the U.S. DOT to ensure that you are able to protect your State's existing grants and execute on the FRA's requirements?

Mr. EUCALITTO. Thank you. The staff at FRA are fantastic professionals who have been doing amazing work trying to deliver, I think, over a 500-percent increase in rail funding. It has been truly impressive. They are under a lot of pressure.

And so, we have been spending a lot of time meeting with FRA staff to work with them to try and find some efficiencies for how we can get work out the door faster and more efficiently and try to get things moving and put shovels in the ground.

Mrs. FOUSHEE. Thank you, Mr. Chair, I yield.

Mr. WEBSTER OF FLORIDA. I would like to ask unanimous consent that we enter into the record an announcement of Secretary Duffy and President Trump issued today, which approved 24 rail grants totaling $300 million.

Without objection, show that ordered.

[The information follows:]

Press Release of May 6, 2025, from the U.S. Department of Transportation, Submitted for the Record by Hon. Daniel Webster

Tuesday, May 6, 2025
Contact: pressoffice@dot.gov

U.S. TRANSPORTATION SECRETARY SEAN P. DUFFY APPROVES ANOTHER 180 GRANTS TO GET AMERICA BUILDING AGAIN

Secretary Duffy is chipping away at the unprecedented Biden-Buttigieg backlog of more than 3,200 unsigned projects.

WASHINGTON, DC.—U.S. Transportation Secretary Sean P. Duffy today announced the Department has approved another 180 infrastructure grants to get America building again. The latest grants, which total more than $3.2 billion, are part of the unprecedented backlog of more than 3,200 projects the previous administration announced but did not execute. Since assuming office, Secretary Duffy and the Department of Transportation have approved a total of 329 grants, or roughly 10% of the Biden-Buttigieg backlog.

"*America is building again*," said U.S. Transportation Secretary Sean P. Duffy. "*At the Department of Transportation, that means getting back to basics: Building More, Building Efficiently and Building Quickly. The last administration liked to grab the headlines but didn't want to do the hard work of building. They also tied road construction up with red tape and leftist social requirements—adding millions in costs and months of delay—all while our outdated infrastructure sat in disrepair. This administration has a different vision: drain the swamp and make government work for the American people*."

ALABAMA'S I–10 BRIDGE:

The largest grant within this package is $550 million for breaking ground on Alabama's I–10 Mobile River bridge and Bayway multimodal project. This project will allow the state to implement desperately needed infrastructure upgrades by bypassing two aging tunnels and replacing the existing Bayway Bridges.

Completing this project was a major promise [https://www.kplctv.com/2019/05/14/pres-trump-promises-new-i-bridge-if-hes-re-elected/] made by President Trump.

REMINDER:

The Trump Administration inherited a record number of 3,200 unobligated grants that had been announced by the previous administration but never obligated. This unprecedented backlog of unobligated grants delayed critical investments in communities across the country. Under Secretary Duffy's direction, the Department is working diligently to accelerate the distribution of these long-overdue funds and address core infrastructure projects.

As part of this process, the Department has ripped out burdensome DEI, Green New Scam, and social justice requirements that Congress deliberately did not mandate. This includes social cost of carbon accounting, pointless greenhouse gas emission reporting, and discriminatory DEI language.

Additional examples of removed leftist requirements can be found here [https://www.transportation.gov/briefing-room/grant-agreement-schedule-h-and-i-2025].

Removing these requirements will save taxpayers millions. Road construction costs skyrocketed [https://enotrans.org/article/fhwa-highway-construction-costs-continued-to-grow-at-24-annual-rate/] roughly 70% under the last administration. The greenhouse gas reporting burden alone increased project costs and added months to the permitting process.

GRANTS BREAKDOWN:

The latest series of 180 grants approved are outlined below. A more detailed breakdown of each grant can be found here [https://www.transportation.gov/infrastructure-investment-and-jobs-act/grants-press-release].

Mr. WEBSTER OF FLORIDA. Mr. Stauber.

Mr. STAUBER. Thank you, Chair Webster. I have said it before and I will say it again: NEPA is holding back our supply chain infrastructure, our energy independence, and our economy as a whole.

And while we made some important changes to the NEPA process in the Fiscal Responsibility Act, the reforms were largely ignored by the Biden administration, as they interpreted that law as "just a suggestion." Environmental assessment, 1-year shot clock; environmental impact statement, 2-year shot clock; and the Biden administration said that was just a suggestion, unfortunately.

Why would you pass legislation to spend billions of dollars on infrastructure and not actively work to remove barriers so projects could actually come online in a timely fashion?

Ms. Bevil, I know CRISI grants are important to the short line rail industry. Does NEPA often delay and get in the way of short line rail from using their awarded CRISI grants?

Ms. BEVIL. Thank you for the question.

Yes, I mean, it can delay projects. A majority of short line CRISI projects apply for a CE, but even that process can take some time. Often we need to hire a consultant to go through that process to get the categorical exemption. If it is a bigger project—say, a larger bridge or a build-out of some stretch of rail—then the NEPA process can take a very long time and can add to us completing the project, years.

Mr. STAUBER. Which is years, which is a lot of money and a lot of time. Right?

Ms. BEVIL. It is, yes.

Mr. STAUBER. Okay, so you mentioned categorical exclusions. Tell us where that would be a benefit. Explain to us why and where that would be a benefit for the short lines.

Ms. BEVIL. Sure. So when short lines are doing track projects that are on their own property and not disturbing any outside land, being able to just submit, for instance—say, a grant, CRISI award, was announced and there was a bunch of projects that kind of fell into one category. If those could just move through quickly and get that categorical exclusion, be excluded from the NEPA process any further, that would make things go quickly.

Mr. STAUBER. So, you have a—so, let me try to rephrase this. You have a short line, let's say a mile of track that you wanted to replace in the same location. New track, new steel. And you are looking for a categorical exclusion. It is denied. You go through the NEPA process, which could take years, costing time and money. You are putting that replacement in the exact location as the prior track. It doesn't make sense, and that is the whole—that is why we have to really look at getting these projects online sooner, not skipping out on any environmental laws or labor laws.

The gentleman just talked about projects being delayed. It is time and money. So the categorical exclusions in this example is perfect. It is in the—it is on the same location, same property, same line, just newer steel and maybe newer safety features.

Ms. BEVIL. That is correct, and we have no problem complying with the environmental laws. We agree to do that. We just want that process to happen faster.

Mr. STAUBER. Exactly. I think that the four witnesses here can be—can help our American economy by looking at the NEPA process and helping us when we are currently doing permitting reform.

I have said it in this committee before. Can anybody tell me on this—any witness here tell me, on average, how long it takes to open up a mine in the United States of America?

Twenty-nine years. Twenty-nine years. That's on average.

I mean, we can do better than that. You are the transportation experts. We need to get this running, and we need to get it done yesterday. And so I think that all of your help is going to really be a positive impact on our rail and safety communities.

So with that, Mr. Chair, I yield back.

Mr. WEBSTER OF FLORIDA. Mr. Deluzio, you are recognized for 5 minutes.

Mr. DELUZIO. Thank you, Mr. Chairman, and good morning, everyone. I want to focus my questioning on the Railroad Crossing Elimination grant program.

My district in western Pennsylvania, we have got freight tracks running all over the district. Ninety-five percent of my constituents live within 5 miles of those tracks. Almost half live within 1 mile. And we have some of the most dangerous crossings not just in Pennsylvania, but in the Northeast region. Cheswick in particular, a very dangerous crossing. Lots of data about it. McKees Rocks is another. And so I think that Railroad Crossing Elimination grant program is essential. It is a very important one. I know the railroads agree with this. I know communities have been begging us for more action from the Federal Government.

But a complaint that I often hear is that these grants are very difficult for small communities to apply for and get. And in Pennsylvania, and in western Pennsylvania in particular, lots of smaller municipalities, boroughs, townships struggle to get this funding.

And so Mr. Eucalitto, Mr. Dietrich, I will start with each of you. What can we do to make it so that smaller communities can get these dollars to deal with crossings where—it is in their community, these are dangerous crossings. How can they get those dollars?

Mr. EUCALITTO. Thank you for the question.

So this is a common problem we see at the State DOT level with rail grants and all modes of transportation. And so what we have been doing on the roadway side is, we do a fund swap oftentimes because the hardest part is actually using the funds once the communities receive them to comply with all the Federal regulations.

So we will often take funds aimed for locals and swap it with State funds so they don't have to deal with the Federal redtape. That is not available on the railroad side. But I think there are things that can be done to make it easier, such——

Mr. DELUZIO [interrupting]. Can I—just—if that is an approach, does that require something from Congress? And if so, what should we be thinking about?

Mr. EUCALITTO. So that is available for the formula fund side. I think it is worth looking at the Federal highway programs and what they allow for those fund swaps. It works great for us at the State DOT level to allow local governments to use State funds while leverage—we use the State funds, so they don't deal with the redtape.

We could apply for—on behalf of local governments at the State DOT level, that is an approach. But also having, like, a uniform, common application, because every grant application is different. And so, the local governments have to figure out how to apply for that grant application with that specific requirement. If there was almost like a common app like for college admissions for grants it would be a lot easier for local, small communities.

Mr. DELUZIO. And I will tell you—and I know I am not alone in this—I have municipalities of a couple hundred people in my district who have rail crossings who need these Federal dollars.

Mr. Dietrich, I want you to weigh in, as well.

Mr. DIETRICH. Thank you for the question.

The way we have handled that in Ohio is, we set up a State program—Governor DeWine set up a State program. And what we use that for is, we have communities apply to us, and then we will determine whether that is something, if we can handle with State funds—if it is a smaller project, say, an access road as opposed to a grade separation. If it is a grade separation, we will work with our DOT districts and go through our local program administration process.

So, we will apply on behalf of the communities, with concurrence from ODOT to build the project if we are awarded. So as Connecticut does, we will apply on behalf of the local communities, but we will use that State money to determine if the project is scalable enough, if we can do it just with State funds.

Mr. DELUZIO. And that is what you would—that is your approach with the current requirements and grant application rules, rather than if we were to change something here in Congress.

Mr. DIETRICH. Yes, and it gets to more of the complexity of just administering Federal funds.

I mean, I think one of the things that is really important to note, we deal with Federal funds all the time, so we are set up to do this. But like the short line railroads, the small communities, whether it is CRISI, RCE, they just—they are just not set up to do it. And I mean, that is something that we as States have been taking on, that role. It is a traditional role through the formula funds.

It is not a traditional role through the discretionary projects. So we struggle as States on how to best assist local communities, how to best assist short lines. Sometimes they will get the awards and they will realize that they do not have the organizational capacity to administer them.

So it—I wish I had a—you identified a very, very legitimate concern, I just don't really have a good response, other than that we take on a lot of that responsibility as State DOTs to help communities with it.

Mr. DELUZIO. I thank you both, and I hope the committee will be thoughtful about thinking about our smaller communities as we get to work on this this coming year. Thank you.

I yield back, Mr. Chairman.

Mr. WEBSTER OF FLORIDA. Mr. Taylor, you are recognized for 5 minutes.

Mr. TAYLOR. Thank you, Chairman Webster and Ranking Member Titus, for holding this hearing today, and thank you to our witnesses for your testimony and insight and the sacrifices you made to be here.

I want to especially thank Mr. Dietrich from the Ohio Rail Development Commission for testifying before the committee on Ohio's successes in growing its rail industry and increasing rail safety in our great State.

Ohio has 44 operating railroads and over 5,000 miles of track, making Ohio the third largest rail infrastructure State in the Nation. With Ohio's presence in the rail industry, it is vital that when Ohio receives Federal grants, the funds are delivered promptly.

Mr. Dietrich, in your testimony, you mentioned how grant applications require a great amount of time and resources to compile. As I am sure you are aware, many rural communities across southern Ohio do not have the resources to hire grant writers. Can you elaborate on how the State of Ohio has been able to help rural communities receive Federal dollars from the Federal Railroad Administration?

Mr. DIETRICH. Thank you, Representative.

Actually, it goes along with our other question. We actually set up a program where communities and railroads will apply to us, and we will then be the applicant. We will take on responsibility for the grants administration. We were just successful—Circleville, we just received an RCE grant for that, and we are going to administer that for them. We are working with Haverhill right now down in Scioto County through that same process. And that was enabled because the Governor provided us the State funds so we can do the planning, we can do the studies that communities don't have the resources to apply for—they don't even have the resources to apply for the grants. So that is what we are—that is the role that we are playing to help the rural communities.

Mr. TAYLOR. Well, as Congressman Fong stated, the Ohio Government is surely more trustworthy than the California ones, but how are we going to help the rural communities outside of Ohio get—is there something Congress can do to make it easier for them to get grants?

Mr. DIETRICH. Mr. Chairman, Congressman, the only thing I can think of is possibly some training, some training to administer.

There are programs under Federal—under FHWA formula funds, the LPA program, local program assistance programs that provide training and things like that to local communities. And I think that would be something that could be done.

Mr. TAYLOR. Okay, thank you.

Ohio has over 500 miles of short line rail that delivers critical goods to businesses and communities. Short line railroads across the State and country often rely on CRISI grants for infrastructure improvements, safety enhancements, and workforce development. Ms. Bevil, in your experience, how have CRISI investments benefited railroads and surrounding local communities in terms of economic growth and public safety?

Ms. BEVIL. Thank you for the question.

In my experience, we have a railroad in Mississippi—actually, the Grenada Railroad—that we partnered with the local mayor of the city of Hernando, as well as six other mayors, to apply for a CRISI grant in the last round that was awarded. And that grant will expand capacity, which will eliminate blocked crossings and also upgrade numerous crossings across these small towns in Mississippi. That is a way that we have really partnered with the locals to promote public safety.

Mr. TAYLOR. Okay, thank you.

Mr. Dietrich, again, we have talked a lot about the NEPA process in here today. Do you have an idea of how Ohio, administering the NEPA process itself, how much that sped up the process of getting permits out?

Mr. DIETRICH. Thank you, Mr. Chairman, Congressman.

We just received it in December, so we are just embarking on that. We anticipate that it will—I can't give you a timeline, because, as Ms. Bevil said, a lot of the freight projects are just low-level CEs, so they are going to be on a project basis.

The low-level CEs, I think, we will be able to process—almost batch them out, I think, especially if they don't involve railroad right-of-way. So there is going to be an immense amount of time savings on those projects. The larger grade crossing elimination projects with real estate acquisition, things like that, those would still be more on timeline. Our anticipation is they will be more on timeline, as if they were FHWA or just standard ODOT-led projects.

Mr. TAYLOR. Okay. Thank you all very much.

And I yield back.

Mr. WEBSTER OF FLORIDA. Mr. Johnson, you are recognized for 5 minutes.

Mr. JOHNSON OF GEORGIA. Thank you, Mr. Chairman. I want to thank you and the ranking member for hosting this critical hearing, and I thank the witnesses for their time and for their testimony today.

The Bipartisan Infrastructure Law was supposed to be a turning point for America's rail system. For the first time in 50 years, we had the funding, the jobs, and the plans to deliver modern, safe, and reliable rail service in every corner of the country. It was about giving communities, many of which had been waiting far too long, access to the transportation services that they deserve.

However, instead of building on this historic investment, we are witnessing reckless actions threatening to undo it all. Under this administration, we have seen grants slashed, funding blocked, and workers laid off. These actions aren't just inefficient, they are actively stalling progress, driving up costs, and delaying projects essential to providing the rail service the American people were promised.

These cuts are stripping away jobs from the very people who are supposed to be rebuilding our infrastructure, upgrading our tracks, and designing the rail systems of the future. It is a direct hit to the workers who make sure we are on track for progress.

We need more than an empty declaration. We need reliable, predictable, and dedicated funding for rail in the next surface transportation bill. The American people deserve better service now, not 10 years from now. They have been waiting long enough. Our investment today will create jobs, improve safety, and finally connect people to the services that they need. It is time to get back on track. Let's finish the job we started and make sure that the promises we have made to the American people are kept.

Mr. Hicks, as we work on the surface transportation bill, it is critical that we evaluate how the Federal Railroad Administration is delivering on its mission not just internally, but through contractors it relies on to carry out that work. Gannett Fleming TranSystems holds a contract worth up to $50 million to support the Federal Railroad Administration in managing and implementing major infrastructure grants.

We all know the grant process can be complex, especially with the scale of investment we have seen under the Bipartisan Infrastructure Law. However, with that level of responsibility comes an expectation that this process is constantly improving and not stalling.

Mr. Hicks, when did Gannett Fleming TranSystems begin work under its $50 million FRA grant, and how many people are currently working on this project?

Mr. HICKS. Thank you for the question, Congressman Johnson.

Yes, GFT has been actively working supporting FRA since about 2010 on multiple contracts over that time that do add up to that number——

Mr. JOHNSON OF GEORGIA [interrupting]. Under this current $50 million contract.

Mr. HICKS. The current contract——

Mr. JOHNSON OF GEORGIA [interrupting]. When did you begin work?

Mr. HICKS [continuing]. I believe was awarded in, I want to say, 3Q or 4Q of last year.

Mr. JOHNSON OF GEORGIA. And have you——

Mr. HICKS [interrupting]. And we have not really been doing much of anything on it right now.

Mr. JOHNSON OF GEORGIA. Why is that?

Mr. HICKS. Under directive of the FRA to pause action.

Mr. JOHNSON OF GEORGIA. So the President and DOGE have cut the grant, and you are not able to receive the money to do what you were to do under the grant, is that correct?

Mr. HICKS. There was definitely a pause that came from some directive and to us from our client, FRA, to slow down or stop, which is recently starting up again, but slowly.

Mr. JOHNSON OF GEORGIA. All right. Any other reasons why you have not begun work under the grant?

Mr. HICKS. No, just direction from our client.

Mr. JOHNSON OF GEORGIA. All right, thank you.

Ms. Bevil, the investments made through the Bipartisan Infrastructure Law have clearly had a significant impact. Can you discuss the ripple effects we are seeing from these investments, particularly from shippers and carriers, and what will happen when the money dries up or if the grants remain paused?

Ms. BEVIL. Sure. One of the major causes of derailments for a short line railroad is lack of ties and failure of the track. And the CRISI program directly addresses those conditions.

Putting money into our track then allows our customers to have efficient, reliable service. They rely on the short lines to get goods to the national rail network, and we need the track to get them there. Without the CRISI program, those projects will slow down. They will either not happen or they will happen over a course of many years versus getting the projects done right away.

Mr. JOHNSON OF GEORGIA. Thank you.

Mr. Chairman, I yield back.

Mr. WEBSTER OF FLORIDA. Mr. Nehls, you are recognized for 5 minutes.

Mr. NEHLS. Thank you, Mr. Chairman. Thank you for all our witnesses.

I had an opportunity not so long ago to go down to Fort Worth and Western Railroad, located in the great State of Texas. It operates over 276 miles in eight counties in our State. So Ms. Bevil, I know we have talked a lot about CRISI, but explain to the people that are watching this how valuable robust funding is for these rail safety programs like CRISI.

Ms. BEVIL. Sure. Most short lines began from purchases from larger railroads of unprofitable branch lines, and so, short lines have a lot of deferred maintenance. In order to correct that maintenance, programs like CRISI really provide the ability to invest in the track.

Mr. NEHLS. So I know we have been talking about it, inefficiency, Government inefficiency. We have seen it. How long does it typically take to achieve a CRISI grant agreement with the FRA?

Ms. BEVIL. From the time of application to award, it can take 4 or 5 years.

Mr. NEHLS. Okay.

Ms. BEVIL. I have heard of projects taking longer, as well.

Mr. NEHLS. So what is the total length of time between the award announcement and the actual disbursement of the funds?

Ms. BEVIL. The time from award announcement to agreement is usually a year or so, and then to actual disbursement can be another 6 months to a year.

Mr. NEHLS. So, 1 to 2 years. Talk a little bit about the element of advanced appropriation funds associated with the programs like CRISI in the context of providing long-term project planning, program stability, and efficiency.

Ms. BEVIL. Sure. As small businesses, it is so helpful for short lines to know that this amount of grant funding is going to be available in years to come so that we can plan our capital expenditures accordingly.

Mr. NEHLS. Yes, I think it is critical that these—we—obviously, we distribute these funds in a timely manner. I think we have the right guy in the White House to help us with that, and we will support the new administration.

And at the same time, it is critical that rail safety grant programs like CRISI do not go towards mismanaged projects. The California high-speed rail—I think Mr. Fong, from his State of California, said it very clearly. It is a—just a money pit. Nothing good happening there in California. And instead, I think it should go to the Class II's, regionals, Class III's, the short lines, the switching railroads which connect and serve our rural communities and have smaller scale, shovel-ready projects that deliver more immediate and widespread benefits. So thank you, Ms. Bevil.

Mr. Dietrich, I am a strong advocate for rail safety, I am. Last Congress, I introduced with my friend, Seth Moulton, who is a brilliant—he is brilliant, a Democrat that knows a lot about rail safety—so we introduced the Railroad Safety Enhancement Act of 2024, authorized $1.5 billion for each of the fiscal years 2025 through 2028 for the Railroad Crossing Elimination program—very, very important—2,000 such collisions, 200 fatalities every year. And we need to provide and allow for more construction of overpasses and underpasses, obviously effectively separating road and rail traffic and reducing the likelihood of these accidents.

I understand the FRA awarded a Railroad Crossing Elimination grant to Ohio, to the Ohio Rail Development Commission, for the Hines Hill Road separation in Hudson. Explain to me how that impacts your industry and how critical it is to eliminate these dangerous crossings.

Mr. DIETRICH. Congressman, the RCE program has really been a game-changer.

Mr. NEHLS. Yes.

Mr. DIETRICH. Hines Hill is a perfect example of what wouldn't have happened. This project has been around for a decade or more——

Mr. NEHLS [interposing]. Yes.

Mr. DIETRICH [continuing]. Of the community not being able to just have the resources to address it.

We were able to and—again, we—thankfully, the Governor put together a safety program, so we had the money to leverage with the local community.

Mr. NEHLS. Beautiful.

Mr. DIETRICH. They applied one time. They didn't get it. So we went back, we worked with them, upgraded the application. I can say one of the State senators—we embedded a video the State senator had of a schoolbus trying to do a 12-point turn at a blocked crossing. Talk about a picture saying a thousand words about safety.

Mr. NEHLS. Yes, so——

Mr. DIETRICH [interrupting]. But—so that—the RCE program is transformative. We have received four additional—we have four total projects under the RCE award. Each one of them is for long-term projects that the communities have always wanted.

And, to Congressman Taylor, we talked about rural communities, but these are long-term issues for urban communities, as well. So it really—the program is—like I said, I can't speak enough about how transformative the program is.

Mr. NEHLS. Fantastic, thank you.

I yield.

Mr. WEBSTER OF FLORIDA. Mr. Ryan, you are recognized for 5 minutes.

Mr. RYAN. Thank you, Mr. Chairman. Thank you to all of you for being here. I am probably going to hit on some of the common themes that, in a good way, are bipartisan and important in our districts, and I really appreciate each of you taking your time today and the work that you do.

I represent the Hudson Valley of New York. It is about 2 hours north of New York City, very significant rail infrastructure and presence, thousands of miles of both commuter and freight, mostly CSX on the freight side and Amtrak and Metro-North in terms of passenger rail. I have over 100 rail crossings in my district. All of them have been challenged at varying degrees in terms of safety and rail safety. But there are five specific areas that I just want to quickly talk about in leading up to a question about the RCE program that we just heard questions from my colleague on.

So in the city of Kingston, my hometown, actually, 35 very fast-moving, heavily weighted trains per day going through a densely populated urban area carrying waste, petroleum, industrial chemicals, all critical things, but a longstanding pattern of safety issues there.

Same in the city of Newburgh, where we have had near-catastrophic derailments collocated next to the major water supply for another one of the major urban areas in my district.

In the town of Ulster, along the CSX freight line, multiple tragic fatalities. In one case, due to the literal lack of any pedestrian signage at a known crossing site, including most recently in 2023.

In the town of Saugerties, an entirely ungated rail crossing on a major road without any warning signs that in 2017 a constituent riding in a taxi was actually killed as the taxi driver was lost and unaware of where they stopped right in the path of an oncoming train.

And finally, in the city of Port Jervis at the western edge of my district, where just a few years ago—again, this tragic story repeated of a fatality due to a lack of proper signage and safety crossings.

The good news? The good news is that, thanks to the Railroad Crossing Elimination program, part of the Bipartisan Infrastructure Law that we have heard so much support from, we got a grant in the latest round for the city of Port Jervis to develop pedestrian accessibility improvements for an existing at-grade crossing.

And so I just want to continue to foot-stomp this in a bipartisan way, the importance of this program, and to say, I don't think this should be partisan, but I am worried it might become that. As we look towards this next surface reauth, I think it would be a grave mistake to cut funding. And I think we, obviously, need to add funding, given the American lives at stake.

So with that very long windup—and I appreciate you all listening to that—I have got to bring this home for constituents in my district—Mr. Dietrich, you talked about rail crossing elimination—you were just talking about it—in your State, and I think in my colleague's district, actually, ironically. So as we look towards the surface bill reauth, this, as I said, has to be a top priority.

I know you have probably not been to Port Jervis in the fine State of New York, but can you talk about what the impact would be if we were to lose the funding, or if it were combined, as we have heard rumors of, to have RCE combined into some larger pool which could then get diffused for these needs?

Mr. DIETRICH. Thank you for the question, Congressman.

Grade separations are difficult for communities. They are difficult for—even to rank them separately. Because if you do—the RCE program, one of the good things, is it doesn't have a benefit-cost analysis associated with it—all the other programs do—because it just doesn't cost out that well compared to other projects. So I think having the separate program for the grade separations is very, very important.

I also think allowing some of that flexibility—and as I said in my testimony—if part of it could be allocated somehow so that we could do development so we don't have to apply just for the planning funds, I think that would help everybody get more of these crossings done.

And finally, I think it is also to note that while RCE is very, very important, we also layer those other projects. So like—I mentioned something in the last testimony of Circleville in Congressman Taylor's district. We actually started that project with FHWA formula funding. So, blending these things, it becomes more of a kind of an economic development funding stack, as opposed to a traditional local-Federal partnership. It is made up of a lot of different money——

Mr. RYAN [interposing]. Yes.

Mr. DIETRICH [continuing]. Including private railroads.

So I think that is all really important there.

Mr. RYAN. And I know I have 5 seconds. Do you think, if it were not separated out, that we would, in effect, lose these critical projects, though?

I mean, is that a fair assumption, given your expertise?

Mr. DIETRICH. I think getting it to a BCA——

Mr. RYAN [interposing]. Yes.

Mr. DIETRICH [continuing]. Application would be very hard.

Mr. RYAN. Yes. Thank you.

Thank you, Mr. Chair. I yield back.

Mr. WEBSTER OF FLORIDA. Mrs. Sykes, you are recognized for 5 minutes.

Mrs. SYKES. Thank you, Mr. Chair, and thank you for all of the witnesses here to testify.

I am really excited also to hear about so much Ohio love. I have been saying on this committee we are the heart of it all, and hearing my colleagues from not only California and Texas commend us for all the work that we do just lets me know that I am on the right track. Pun intended. And so I do want to talk, obviously, about the topic at hand, and specifically about passenger rail in Ohio. And this is something that has become very near and dear to me for a lot of different reasons, considering what is happening in Ohio.

And so with the passage of the Bipartisan Infrastructure Law, there has been a renewed interest in capacity for infrastructure from coast to coast. And one in Ohio was Amtrak's 3C+D Corridor expansion. This 3C+D is a proposed passenger rail line to reconnect Ohio's largest cities—Cleveland, Columbus, Cincinnati, and Dayton—through reliable modern rail service.

However, none of the C's in the 3C+D stand for Canton, and there is no A for Akron, which is in Ohio's 13th District. The plan would put together the Cleveland, Columbus, Cincinnati, Toledo, Detroit Corridor, and there is no stop in the Akron-Canton area. There really isn't a whole lot to offer for the eastern part of the State, which, as you know, Mr. Dietrich, is fledgling, with lack of economic opportunity and very rural. And it would be a boon to have some type of mobility there.

In fact, back in 2011, former Governor Kasich returned and sent back $400 million of Federal rail money back to the Federal Government that went to States like California. Although we did just get a boon for how our State operated, the money that would have come to Ohio over a decade ago went to the State of California.

And Mr. Dietrich, I know that you were the Federal [sic] Rail Commission chair at that time, when the decision was being made. And so, this conversation is about rail plans and projects and why they take so long, but I know that most of the argument is about NEPA, but it takes a whole lot longer to raise $400 million and turn it away. And that, I would say, is probably a more damning problem as to why we don't have rail.

So if you could, talk to us about that decision that you were a part of so many years ago and how it has held back passenger rail in Ohio.

Mr. DIETRICH. Thank you for the question.

While I was Rail Commission director, we were the agency that developed the project, and so, that decision was made at the executive level and not involving the staff in terms of returning the funding.

I will say that that brings to a point that with, for whatever reason, as we develop passenger rail, there is a policy component or a policymaker component. And I think that is one of the great things about the Corridor ID project is that that is one thing that allows for us to do the planning.

And so, as in the State of Ohio, as you mentioned, we are advancing two corridors right now. And what that program allows us to do is, it allows us, as a department of transportation, as subject matter experts, to advance the project to a point where then we can provide that information to the policymakers in the State, which is—for us it would be the executive branch and the legislative branch and the General Assembly—present those projects to them, and then they can then determine appropriately whether they want to move on to the next step or not.

Mrs. SYKES. I thank you so much. But it still seems to amaze me that sending back $400 million—and I have seen estimates of upwards of 16,000 jobs—out of the State of Ohio, a State where we are losing population and need as much job support and economic development as possible—obviously, I was not in the legislature, I was not in Congress when those things happened.

But now that I am, and I have a community who is asking for rail, I looked at the State rail plan from 2019. There was a request from folks in the community for a stop in the Akron-Canton Airport into the community. I have a letter from the Akron-Canton Advocacy Alliance, which is the Canton Regional Chamber and the Greater Akron Chamber, requesting that Akron-Canton be a part of this. And consistently, we have just been told no.

And so, Mr. Dietrich, we haven't had a chance to talk about this publicly, but please tell me and share with this committee why Ohio's 13th Congressional District and my community is not eligible and should not get passenger rail as in your purview.

Mr. DIETRICH. Well, again, it is not ineligible. The applications that we submitted, especially the 3C+D, were based on historical studies.

I can say that back—we are—we have revived some of that work that was canceled back in 2011. That work did look at a routing through Akron, but it was ruled out as not fitting the purpose and need of the project. And when I say "purpose and need," that is a very technical term, not that it is not needed in the community. We are going to be reviewing that process through step 2 as we move for that corridor. So all those will be reevaluated.

I would suggest for the Akron community something that other communities have done. There is a great deal of—I don't want to say misunderstanding, but education needed with passenger rail, the differences between commuter rail and intercity passenger rail. And I think some of the comments there, we have—I have talked to some of the local transportation officials there and asked if they could work together to provide some kind of clarity there in terms of we can't have good times between major cities—like, one request was to connect to Pittsburgh, another request was to include in the 3C+D, another request was to connect the airport, and another request was to look at commuter lines to Cleveland. From a technical standpoint, those are all different projects to us, and they fall under even different funding sources and grant sources.

So I am happy to, again, continue to have that conversation, but I think that is something where we can help the community by providing guidance and, as we talked about, which is the right program to apply for for these things.

Mrs. SYKES. Thank you, Mr. Chair, I yield back.

Mr. WEBSTER OF FLORIDA. Mr. García, you are recognized for 5 minutes.

Mr. GARCÍA OF ILLINOIS. Thank you, Chairman, Ranking Member, and, of course, our four witnesses.

Freight movement and the related infrastructure have a tremendous impact on Chicago. With over 7,400 miles of railroad tracks and thousands of rail crossings, we are very familiar with rail and the benefits and challenges that come with it. We have got kids in my district who have to choose between crawling under idling trains blocking the crossing and being late to school. We have got drivers and bicyclists who wait half an hour for a train to go by, or attempts at dangerous at-grade crossings. And we have got entire communities affected by idling trains, which contribute to bad air quality.

So in 2021, I introduced a bill to establish a grade separation program to increase and reduce the collisions at rail-highway crossings, and I am proud that the IIJA created a grant program that did exactly that called the Railroad Crossing Elimination grant program. These grants have already been coming to projects in my district and across the country to make crossings safer, but we have still have a lot of work to do.

Commissioner Eucalitto, why are programs like Railroad Crossing Elimination grant programs critical for States to advance rail safety improvements?

And—two-part question—what types of safety projects can be advanced, thanks to the IIJA's increased eligibility?

Mr. EUCALITTO. Thank you for the question.

As you rightfully pointed out, a lot of times if someone—if drivers are waiting, or bikers or pedestrians are waiting for extended periods of time, they often will be more likely to take risks. It is true on the railroad side, it is true on the roadway side where, if people are waiting a long time to cross, they may take a risk and cross when it is unsafe.

And that is what the Rail Crossing Elimination program allows for the grade separation. It allows us to take the steps to improve safety in the communities in which this railroad infrastructure exists. That is something that I think every State wants to see continue.

In my State of Connecticut, we are using State funds right now, and we are hopeful to apply for RCE funds in the future to try and create a sealed corridor so that our heavily passaged travel to Hartford line can have modern safety equipment with quad gates, lights, camera detection. And then in some of our communities with freight rail, we are doing pedestrian crossings and better lighting there for the pedestrians, and signals so they know when it is safe to cross and when it is not safe to cross.

Mr. GARCÍA OF ILLINOIS. And what projects do you think could be advanced under the IIJA?

Mr. EUCALITTO. So, many of those grade separation projects I don't think would be possible without the IIJA's Rail Crossing Elimination program. We have a project in Connecticut where we did receive some planning funds to look at how we can design a grade-separated crossing on Toelles Road in Wallingford, Connecticut. It is heavily traversed by freight on the roadway side, crossing with a passenger rail system for Amtrak and our State-run passenger rail system. So, without the IIJA funding opportunity for us to apply for in the future, I don't think we would ever get that program off the ground.

Mr. GARCÍA OF ILLINOIS. Thank you. In Chicago, the railroads, the State of Illinois, and Cook County in the metro region have all worked together to identify needed projects to improve passenger and freight rail flows through the city of Chicago. This series of projects is called CREATE. And without Federal investment, there would be no incentive for competitor railroads to work together on the capacity constraints of Chicago.

The Nationally Significant Multimodal Freight and Highway Projects Program, or INFRA, has funded several CREATE rail projects with IIJA funding. Commissioner Eucalitto, what benefits do you see in having INFRA funds go to freight rail projects?

Mr. EUCALITTO. So, INFRA, it serves for many of our States to advance freight projects. It does fund very large-cost projects, and previously, without the existence of rail crossing elimination or dedicated rail funding, INFRA was really the only place we could go for these types of projects.

And I think it is critical to continue to allow that eligibility because it is truly a multimodal system, with our roadways intersecting with our railroads and our transit systems. And a program like INFRA allows us to do those large projects.

Mr. GARCÍA OF ILLINOIS. Thank you.

My time has expired. I yield back, Mr. Chair.

Mr. WEBSTER OF FLORIDA. Ms. Friedman, you are recognized for 5 minutes.

Ms. FRIEDMAN. Thank you, Chair Webster and Ranking Member Titus, and to our witnesses for coming to join us today.

California, which I represent parts of, has very heavily used rail lines. I know that everyone thinks that everybody just rides their car in Los Angeles, but people take the train, too. In fact, my mother lives near Laguna Beach, and I take the Surfliner down from Los Angeles very frequently, and there have been many times where I have been on that train when it has been standing room only. In fact, I have had to go to San Diego at times, where they run out of seats and people are standing in the aisles. And it is great that people want to be riding these trains, but we also need to do more to give people a pleasant ride at the same time, and to accommodate all the riders that we have.

That line between—that goes up and down the California coast has about 3 million riders annually, and it is the second busiest intercity rail corridor in the United States. And it has got a lot of challenges, as you know; there are tracks that are falling into the ocean, kind of over and over again, and we can do a lot better.

Now, we are seeing private investment in some of our lines with Brightline now working on what I think will be one of the most popular train lines in the entire country between Las Vegas and Los Angeles. It is going to be quite the party train. But one thing that we don't have is rail line that is—anybody knows about or takes between Los Angeles and Palm Springs or Coachella, which are other huge destinations.

Just a week ago, I had to go to Palm Springs for a meeting, and it is not fun. Let me just tell you, to drive—I mean, Palm Springs is fun, but driving there is not fun. But we have tracks, but we don't have Amtrak service that goes reliably between L.A. and Palm Springs. I think there is one train that takes, for some reason, 2-plus hours, leaves at about 10:30 at night and arrives around 12:31 a.m. in Palm Springs, and I am not even sure if it is daily.

So, we have a lot of opportunities in Los Angeles to increase ridership, deal with congestion, get cars off the road, and have a more pleasant experience. So, I wanted to ask, Mr. Eucalitto, what we can do to improve existing high ridership lines in the United States. It is not a NEPA issue, but we have places like L.A. to Palm Springs that makes so much sense, but we don't have any service at all. We have got L.A.-San Diego, where people are taking it. We have maybe eight trains a day, but they are overcrowded. So what can we do to target fixing and improving these lines?

Mr. EUCALITTO. Thank you for the question.

So, Connecticut is a heavily rail-dense State. And what we encountered is, we inherited a lot of old rail infrastructure. Some of our movable rail bridges are 130 years old, and we inherited it from the private sector when they went out of business. And so, it has been a continuous try and make the investments we need to bring it back up to where it needs to be in 21st-century standards.

And so, what IIJA has allowed us to do is make the investments we need into our existing infrastructure to do better signaling technology, better crossover and change points, upgrade the tracks, and improve the overhead power, the catenary system, and that will allow us to increase capacity on the rail lines and get more trains moving. On the Northeast Corridor, we have over 600,000 trips per day, and we can increase that by continuing to make the investments in the system to bring it up to modern standards.

Ms. FRIEDMAN. Thank you, and let me ask you a followup. Do you think that programs like the FRA Restoration and Enhancement Grant program, which I am sure you are utilizing, are they oversubscribed? Is there a bigger desire and need for these grants to upgrade our infrastructure so that we become a first-world country? Or is there plenty of money lying around?

Mr. EUCALITTO. I think my State alone could probably use all of the available funding for those programs.

Ms. FRIEDMAN. Thank you. And what about cuts that we are seeing to the Department of Transportation and others? Is that something that is going to help your efforts to modernize and improve your system and get people rolling on these rail lines? Or do you think that that is just a neutral and okay thing?

Mr. EUCALITTO. So, we have a really great relationship with the staff at FRA, as well as the other modes. We are waiting to see what happens with all the people who have taken the deferred resignations. We do know that administering grants is labor intensive, so it is going to require—maybe we are going to have to look at do we need to change the whole process around if there is going to be a reduced staff capacity. But we want to see the most efficient process as possible, but we also want to get the money in the ground as quickly as possible.

Ms. FRIEDMAN. Thank you. So clearly, people are using rail, they want to use rail more, and they deserve those investments from their Government to help make this transportation function better.

Thank you, and I yield back.

Mr. WEBSTER OF FLORIDA. Mr. Nadler, you are recognized.

Mr. NADLER. Mr. Eucalitto, you have testified to the critical role that the Bipartisan Infrastructure Law's historic rail funding has played in delivering long-deferred projects, particularly in the Northeast Corridor. However, even with this progress, the demand for rail funding still far exceeds available resources. With 69 corridors selected across 44 States under the Corridor ID Program, short-distance, State-supported routes now account for nearly half of all Amtrak riders.

In your view, how important is it for State DOTs and ongoing projects that Congress expand funding levels for rail programs like CRISI and the Federal-State Partnership in the next surface transportation bill?

Mr. EUCALITTO. Thank you for the question.

So, from AASHTO's perspective, the historic funding that was provided in the Infrastructure Investment and Jobs Act really needs to be a base when you also account for inflation. Inflationary costs have driven up project costs for us to do any of the work we need to do on the railroad. And so, without accounting for that and seeing the increase in the next reauthorization to at least account for that inflation, we are going to go backwards of where we need to be, because we have historic investments that need to be made due to the age of the infrastructure that we are trying to repair out there.

Mr. NADLER. Thank you. As part of improving the Northeast Corridor, Amtrak is working on the Gateway Program, a series of projects to improve travel on the most congested section of the track between Newark, New Jersey, and New York Penn Station. Recently, Secretary Duffy reduced the previously awarded grants for the Northeast Corridor, including two in 2 weeks for Penn Station and Dock Bridge, and threatened other Federal grantees.

Mr. Eucalitto, what could reduced or uncertain funding for Northeast Corridor infrastructure projects mean for the reliability and capacity of rail service used daily by residents in the tristate area?

Mr. EUCALITTO. Due to the size of the investments we need to make in our infrastructure on the Northeast Corridor, I think we need predictable and reliable funding. And IIJA did provide us with at least a vision of how we could have that predictable and reliable funding through the efforts of the Northeast Corridor Commission. And working with the FRA developing that list of priority projects allowed us at the State DOTs and the recipients of the funds to actually plan ahead, "here is the work we need to do," because these are not projects that will be done in a year or two. Some of these projects will take a decade to accomplish.

When you look at having to maintain the rail traffic on that railroad, there are no detours around the Northeast Corridor, so, we have to continue passing trains while doing the infrastructure work. And so, it is very complicated compared to the highway side. So, we need that predictability and reliability to continue making the investments.

Mr. NADLER. So, what are the effects of Secretary Duffy's reducing previously awarded grants?

Mr. EUCALITTO. I can't speak specifically to the Gateway Program, because that is outside of Connecticut. But I can say, from Connecticut's perspective, we rely on the Federal grants that we receive to know that we are going to put people to work and keep them working and deliver the program. If there are any delays to that project and getting delivered, it is going to ultimately drive up costs.

And now, we always look to do value engineering, and I think there are always ways we can save costs on our projects, and we look at that every day. But we need to know that the funding is going to be there when we are doing the work.

Mr. NADLER. Thank you. Mr. Eucalitto, as you know, Federal grant programs like CRISI and the Federal-State Partnership depend not only on strong funding levels, but also on stable Federal grant administration, a well-staffed Federal Railroad Administration, and timely project execution. In your experience, what are the potential impacts on State-led rail projects when previously awarded funds are delayed, rescinded, or subject to sudden policy shifts?

And how can Congress help ensure continuity and cost efficiency for the remainder of the Bipartisan Infrastructure Law and in future grant cycles?

You just answered the first half of the question, but how can Congress help ensure continuity and cost efficiency for the remainder of the Bipartisan Infrastructure Law and in future grant cycles?

Mr. EUCALITTO. I think one thing that would be really helpful is it—we talk a lot about within the U.S. DOT, but we also need to worry about the regulators. So, the Army Corps of Engineers, the Coast Guard, we rely heavily on them to process our permit applications. And oftentimes, they close up shop when they run out of funding, or they are reduced staff, and then projects get delayed sometimes up to a year as a result.

So, while we need to work on ensuring that we have the partners at U.S. DOT and FRA, we also need to make sure that we continue to look at our regulators to make sure they are able to actually process the permits that are necessary for us to do the work.

Mr. NADLER. Thank you, Mr. Eucalitto.

I yield back.

Mr. WEBSTER OF FLORIDA. Seeing no other people that want to talk, the meeting is adjourned. I thank the witnesses for presenting themselves and giving us fantastic answers. We really appreciate it. The meeting is adjourned.

[Whereupon, at 12:10 p.m., the subcommittee was adjourned.]

SUBMISSIONS FOR THE RECORD

Statement of Ian Jefferies, President and Chief Executive Officer, Association of American Railroads, Submitted for the Record by Hon. Daniel Webster

On behalf of the members of the Association of American Railroads (AAR), thank you for the opportunity to provide this statement for the record. AAR freight railroad members account for approximately 84 percent of U.S. freight railroad mileage, 93 percent of U.S. freight rail employees, and 97 percent of U.S. freight rail revenue. The major freight railroads in Canada and Mexico are AAR members, as are Amtrak and several commuter rail systems.

RAILROADS ARE INDISPENSABLE TO OUR ECONOMY

For nearly 200 years, freight railroads have been central to America's economic development, linking businesses across the country and around the globe. Today, railroads serve nearly every industrial, wholesale, retail, and resource-based sector of our economy. Each year, America's freight railroads transport more than 1.5 billion tons of freight and 28 million carloads and intermodal units—including huge volumes of agricultural products, chemicals, construction materials, food, manufactured goods, energy supplies, industrial equipment, and more—across a network spanning more than 135,000 miles.

Unlike trucks, barges, and airlines, America's privately-owned freight railroads operate overwhelmingly on infrastructure they own, build, maintain, and pay for themselves. In 2023 alone, railroads invested $26.8 billion of their own money back into the network. These investments included track, terminal, and bridge upgrades; locomotive and railcar procurement; and expanded intermodal infrastructure. Railroad reinvestment modernizes infrastructure, ensures long-term resilience, and improves safety across the network to support customers, employees, and the communities in which railroads operate. While railroads don't receive direct federal funding, the grant programs authorized and funded by Congress have been instrumental in ensuring our public partners have the necessary resources to address the needs of their communities.

SUPPORT FUNDING PUBLIC ENTITIES PARTNERING WITH HOST FREIGHT RAILROADS

Freight railroads support funding for grant programs that enable the public sector, including state and local governments and passenger railroads, to partner with freight railroads to advance projects of mutual interest. These include projects to help reduce road and port congestion, enhance safety at highway-rail grade crossings, improve port connectivity, facilitate intercity passenger and commuter rail service, and improve the quality of life for communities.

To that end, the following U.S. DOT programs should continue to be authorized at existing or increased levels:

- *The Infrastructure for Rebuilding America (INFRA) grant program*. INFRA funds projects that address significant challenges in U.S. transportation infrastructure, particularly highways, bridges, railroads, and ports. INFRA encourages the use of private investments, state and local funding, and innovative financing to maximize the impact of federal dollars. INFRA prioritizes projects that demonstrate a significant regional or national impact, alignment with national and economic priorities, and readiness for implementation.
- *The National Infrastructure Project Assistance grant program*. Often referred to as the "Mega" grant program, this federal initiative is designed to support transformational infrastructure projects that have significant national or regional impact and are too large or complex to be funded by other federal programs alone. Examples include large highway expansions, major bridge replacements, and multimodal freight and passenger transportation projects. Mega

grants prioritize projects that combine federal support with state, local, and private sector funding, ensuring a shared commitment.

- *The Rebuilding American Infrastructure with Sustainability and Equity program*. Formerly known as TIGER (Transportation Investment Generating Economic Recovery) and later BUILD (Better Utilizing Investments to Leverage Development), RAISE is a discretionary funding initiative that provides competitive grants to support infrastructure projects. By prioritizing projects that align with national and local priorities, RAISE contributes to the development of modern transportation infrastructure across the country.
- *The Consolidated Rail Infrastructure and Safety Improvements (CRISI) program*. CRISI grants are designed to enhance the safety, efficiency, and reliability of U.S. freight and passenger rail systems. Program goals include improving safety through projects that improve rail infrastructure and reduce accidents and fatalities; modernizing aging rail infrastructure to enhance reliability and capacity; supporting efficient goods movement; and bolstering local and regional economies. Emphasis is placed on projects that provide public benefits, particularly in rural areas and for smaller railroads.
- *Federal-State Partnership for Intercity Passenger Rail grant program*. This program focuses on ensuring the safety, reliability, and efficiency of passenger rail by funding projects that bring rail assets to a state of good repair. Eligible projects include replacing or rehabilitating deteriorating infrastructure, such as tracks, bridges, tunnels, or signal systems; modernizing rail equipment or facilities to improve safety and efficiency; and addressing deferred maintenance. The program typically requires state or local governments or other non-federal entities to contribute matching funds.

These essential programs are partnerships that solve critical transportation challenges by combining federal and non-federal resources for specific projects. Without these partnerships, many projects that promise substantial public benefits (such as reduced highway congestion or increased rail capacity for use by passenger trains) in addition to private benefits (such as enabling faster freight trains) are likely to be delayed or never started. Cooperation makes these projects feasible.

SUPPORT AND STREAMLINE SAFETY ENHANCING GRANT PROGRAMS

The intersection of rail tracks and roadways is an important element of rail infrastructure, and collisions at highway-rail crossings are a serious safety concern. According to the Federal Railroad Administration, in 2023 nearly 2,200 grade crossing collisions were associated with more than 240 fatalities and 770 injuries. These accidents can also involve significant property damage, clean-up costs, and costs associated with motorist and train delays while the accident is investigated and cleared. Train crews, who are usually helpless—and blameless—in preventing an accident also bear a heavy burden in the aftermath. Grade crossing incidents typically arise from factors outside railroad control, and highway-rail crossing warning devices are there for the benefit of motorists, not trains. Railroads are committed to reducing the frequency of crossing incidents.

Section 130 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 provides Highway Trust Fund money to states and local governments to eliminate or reduce hazards at highway-rail crossings. Most recently, the Infrastructure Investment and Jobs Act (IIJA) allocated $245 million in Section 130 funds each year through 2026 for installing new and upgraded warning devices and for improving grade crossing surfaces. The program has helped prevent tens of thousands of fatalities and injuries associated with crossing accidents. Section 130 funding should continue at current or higher levels.

The safest grade crossing is no crossing at all. When appropriate, the elimination of grade crossings yields the biggest safety benefit, which is why railroads strongly support the Railroad Crossing Elimination Grant Program (RCE). This competitive grant program, run by the FRA and created under the IIJA, provides more than $500 million per year through 2026 to local and state governments and other public entities for grade separation or closure, track relocation, and the improvement or installation of grade crossing warning devices. Earlier this year, the FRA announced the most recent RCE grants, which total more than $1.1 billion and will fund 123 projects associated with more than 1,000 grade crossings nationwide. Railroads commend policymakers for creating and funding this important program and respectfully suggest the program should be expanded to further improve grade crossing safety.

Streamline the Federal Permitting Process

Policymakers should also look at ways to ensure the projects funded by these grants, as well as other routine infrastructure projects, move from planning and review to construction more quickly. While efforts to cut red tape associated with project approval and construction have borne some fruit in recent years, more can still be done to fast-track routine rail construction projects without ignoring environmental or historical preservation concerns.

For example, policymakers could codify that, for rail projects whose purpose is to replace existing infrastructure on existing operating railroad right-of-way, a categorical exclusion and a finding of no significant impact are the only NEPA documentations necessary.[1] In addition, policymakers could convert to statute select executive orders on streamlining the permitting process, such as timeclocks, intermediate deadlines, and One Decision.[2] Policymakers could also continue to streamline the "Section 106" historic preservation process for projects needed to enhance or maintain rail infrastructure.[3]

These approaches to environmental review would expedite projects that would enhance supply chain fluidity while ensuring comprehensive and effective environmental reviews are maintained. The environment would still be protected, while supply chains would benefit from greater efficiency and more environmentally friendly performance.

Conclusion

The Bureau of Transportation Statistics forecasts that U.S. freight volume (measured by ton-miles) will rise 29 percent from 2023 to 2040. For railroads, meeting this demand requires having adequate capacity and using it well. Thanks to massive investments over the years, freight rail infrastructure today is in excellent overall condition. The challenge for railroads, for members of this committee, and for other policymakers is to ensure that the current high quality of rail infrastructure is maintained, that adequate freight rail capacity exists to meet our nation's future transportation needs, and that the many public benefits of freight rail continue to accrue.

Policymakers can help by enacting policies that encourage railroads to make investments in their networks, by engaging in partnerships with railroads and other transportation modes to ensure our nation has the freight transportation capacity needed to remain a first-rate global economic power, and by ensuring that the public partners who rely on a resilient, efficient transportation network have the funding they need. Freight railroads stand ready to work with you to ensure that our nation's transportation needs are met in a responsible, environmentally sound, and safe manner.

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[1] The National Environmental Policy Act (NEPA) requires federal agencies to assess the environmental impacts of their proposed actions before making decisions. A categorical exclusion is a category of actions determined not to have significant environmental impacts, allowing them to bypass detailed reviews like Environmental Assessments (EA) or Environmental Impact Statements (EIS). A finding of no significant impact (FONSI) is a determination that a proposed project, based on an EA, will not significantly impact the environment, eliminating the need for a more detailed EIS. A FONSI ensures environmental oversight while allowing projects with minimal impacts to proceed efficiently.

[2] "One Decision" in the context of permitting for large projects refers to a streamlined approach where a designated lead agency coordinates all necessary reviews and approvals from multiple entities to deliver a single, consolidated decision within a clear timeframe. This method reduces duplication, ensures regulatory certainty, and accelerates project timelines by aligning agency efforts and eliminating conflicting requirements.

[3] Section 106 of the National Historic Preservation Act requires federal agencies to assess the impact of their projects on historic properties. Streamlining this process means making the review and consultation more efficient, potentially speeding up decisions without sacrificing protections for historic sites. Section 11504 of the FAST Act directed the Advisory Council on Historic Preservation (ACHP) to issue a final exemption from Section 106 requirements for railroad rights-of-way consistent with the exemption issued for interstate highways, but railroads continue to face conflicting rulings and guidance from state historic preservation offices.

Statement of David Shannon, General Manager, RailPulse, Submitted for the Record by Hon. Daniel Webster

Mr. Chairman and Members of the Subcommittee, I am the General Manager of the RailPulse, LLC, a technology coalition formed by forward-thinking railcar owners who have joined together to create a neutral, open-architecture, industry-wide railcar telematics platform. The RailPulse platform will transform rail shipping by leveraging the latest technologies to gather and share real-time railcar location, health and condition information. Our technology platform will enable data from GPS and railcar-mounted sensors to drive improved service levels, visibility, safety, sustainability, and productivity into North American rail-based supply chains.

We welcome the opportunity to submit this statement for the record of the Subcommittee's hearing entitled "America Builds: Improving the Efficiency and Effectiveness of Federal Rail Assistance."

First, a few words about RailPulse. There are four discrete segments that own the more than 1.6 million North American freight railcar fleet. Shippers—who own approximately 18% of the fleet, the seven Class I railroads and their wholly owned subsidiary TTX—who own approximately 24% of the fleet, Short Lines—who own about 2% of the fleet, and Freight Car Lessors—who own approximately 56% of the fleet. Collectively, these four segments have come together to enhance the sustainability, efficiency, and safety advantages of rail through a standardized technology infrastructure that will accelerate adoption of telematics across the entire North American railcar fleet.

As a result of our experience with the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program, we believe certain changes in the program will facilitate and accelerate the innovative work being undertaken by RailPulse as well as other potential rail carrier and rail equipment manufacturer grantees.

49 U.S.C. § 22907 (b), requires a rail carrier or rail equipment manufacturer (other than a short line), to partner with certain public entities to be eligible for a CRISI grant. Specifically, the public entities with which a rail carrier or rail equipment manufacturer (other than a short line) must partner include:

(1) A State (including the District of Columbia),
(2) A group of States,
(3) An Interstate Compact,
(4) A public agency or publicly chartered authority established by 1 or more States, or
(5) A political subdivision of a State.

We believe that the RailPulse coalition, or any similarly situated entity, should be permitted to apply for a CRISI grant, or other similar federal grant, without the necessity to partner with one of the statutorily prescribed public entities.

Specifically, as coalition formed with equal representation from all classes of freight railcar ownership (including short lines already permitted to receive grants directly).

The stake holders that RailPulse represents have come together with a shared goal of increasing in the use of rail transport in North America through fostering the accelerated adoption of railcar telematics technology for improved service and safety. This objective, independent of those of any individual public sponsor, serves the national public interest by driving increased use of the most cost efficient, safest, and sustainable mode of freight transport while simultaneously shifting the transport burden from the publicly funded and maintained highway/road network to the private rail industry funded and maintained rail network.

RailPulse appreciates the support of individual public sponsors but requiring that grant application and execution be carried out through a public entity as sponsor increases the complexity and cost of both the application process and subsequent administration and management, i.e. reporting, invoicing, etc. of any grant awarded. Essentially, the funds available for a project pursuant to the public sponsor requirements duplicate work and reduce the funds invested in the project. Ultimately the public sponsor requirement either increases the overall grant requirement or siphons off grant funds to carry out the duplicative work.

In the case of RailPulse, the applications that we make on behalf of industry are not aligned with any single public locality or organization but instead serve the national interest. This makes it challenging for any public entity, whether an individual locality (state, local government) or group of public entities, to prioritize supporting a RailPulse application.

RailPulse, through its role as a centralized, shared infrastructure provider for the entire freight rail car industry, is uniquely positioned to facilitate the distribution and monitoring of grant funds to the 100s (if not 1000s) of railcar owners that seek the grant to incentivize and to accelerate equipping railcars with telematics.

Moreover, by charter, RailPulse is not a profit-making entity.

Mr. Chairman, RailPulse stands ready to work with any telematics vendor and encourages their engagement provided they meet the minimum technical requirements to ensure that their products and services can be relied upon by the industry.

We also stand ready to work with the Subcommittee to fashion a result that meets both the government's concerns and the industry's needs.

Thank you.

Appendix

Questions from Hon. Daniel Webster to Matthew Dietrich, Executive Director, Ohio Rail Development Commission

Question 1. The Committee frequently hears from railroads, particularly smaller operations, regarding the challenges they face when trying to comply with the Section 106 Historic Preservation Act requirements. The highway system is broadly exempted from these requirements, and Congress authorized the Federal Railroad Administration (FRA) and the Advisory Council on Historic Preservation to issue a similar exemption for rail rights of way and properties as well.

Question 1.a. In 2018 the Advisory Council on Historic Preservation instead issued a Program Comment to create an exemption based on an activities-based method and property-based method. Have you noticed any significant improvements to the 106 process since these changes? Do you believe the Program Comment fulfilled the intent of Congress?

Answer. Yes, the Ohio Rail Development Commission has utilized the Program Comment on FRA projects and its use resulted in improvement to the Section 106 process for those projects. However, for the reasons listed in 1b below, it is my opinion that using the Program Comment as a template to create more customized Programmatic Agreements in each state will more fully realize Congress' intent to achieve parity with FHWA projects.

Question 1.b. What are some improvements to Section 106 that Congress could consider in order to alleviate the unnecessary delays, costs, and burdens of the program on rail operations infrastructure projects?

Answer. Encourage states to develop programmatic agreements for FRA projects. Because of the variety of activities that could occur with the Railroad ROW, the activities-based method (tie-replacement, rail-replacement, new sidings, etc.) most likely offers the best path forward. However, because the Program Comment was developed to address projects nationally, there is an opportunity for states to use the Program Comment as a template, but refine it for its particular use cases. State DOTs can develop programmatic agreements with State Historic Preservation Offices that include FRA projects. In that process, states can determine if or how to include the FRA program comment to streamline project delivery. The programmatic agreements with the resource agencies are not full NEPA assignment but would greatly benefit the project delivery process.

Questions from Hon. Seth Moulton to Hon. Garrett Eucalitto, Commissioner, Connecticut Department of Transportation, on behalf of the American Association of State Highway and Transportation Officials

Question 1. On the busiest rail corridor in the country, where the Northeast Corridor diverges—one line going to Penn Station and the other to Grand Central—there's no interchange. That means when there are two trains, one is forced to stop and wait. What are the blockers to building this specific rail interchange, to enable two trains to seamlessly pass to Penn Station and Grand Central, instead of one having to wait for the other?

Answer. Thank you for this question. The interchange between the Hell Gate Rail Line and Metro-North's New Haven Line at CP–216/New Rochelle is located in New York state, and not Connecticut. With that said, I have contacted officials at Metro-North Railroad to help respond to this question about this critical location on the Northeast Corridor (NEC). Rail traffic today is able to cross tracks seamlessly to head to either Penn Station or Grand Central Terminal, though there are times, as you have noted, a train may need to wait for an approaching train to pass before it can cross over. Proposals such as a flyover from New Haven Line Track 3 to the Hell Gate or expanding tracks through New Rochelle from four tracks to six tracks have been considered by New York officials in the past. However, these projects encountered significant community opposition in the past, and they also carry costs that far exceed the financial capacity of Metro-North and the Connecticut Department of Transportation. In addition, the complexity of constructing such improvements without closing this vital artery further escalates expenses as train traffic cannot be easily diverted and there are no detours. This situation encapsulates the utmost importance of federal funding and support in advancing needed and transformative upgrades on the NEC, allowing the corridor operates at its full potential.

Question 2. How many highway interchanges has Connecticut built in the past 100 years?

ANSWER. There are 1053 interchanges in Connecticut all built over the past 100 years.

Question 3. Why does Metro-North Railroad conduct maintenance only during the day?

ANSWER. While the state of Connecticut cannot directly answer this question due to jurisdictional limitations, according to Metro-North, we understand the primary drivers of this approach are cost and collective bargaining agreements (CBAs), which only allow 10 percent of the workforce to work overnight. Unfortunately, the Connecticut Department of Transportation and Metro-North lack the operational funds to cover the costs associated with additional nighttime work.

It should be noted that the distribution of track maintenance requiring track time is evenly distributed across either off-peak outages during the day (1000–1430 hours) and overnight (2300–0430). We understand that Metro-North's service design team aims for minimal customer disruptions due to track maintenance, and Metro-North in 2024 recorded its highest on-time performance in its history at 98.3 percent.

QUESTIONS FROM HON. DANIEL WEBSTER TO KEVIN D. HICKS, P.E., SENIOR VICE PRESIDENT AND RAIL & FREIGHT MARKET SECTOR LEADER, GANNETT FLEMING TRANSYSTEMS, ON BEHALF OF THE NATIONAL RAILROAD CONSTRUCTION AND MAINTENANCE ASSOCIATION

Question 1. The Committee frequently hears from railroads, particularly smaller operations, regarding the challenges they face when trying to comply with the Section 106 Historic Preservation Act requirements. The highway system is broadly exempted from these requirements, and Congress authorized the Federal Railroad Administration (FRA) and the Advisory Council on Historic Preservation to issue a similar exemption for rail rights of way and properties as well.

Question 1.a. In 2018 the Advisory Council on Historic Preservation instead issued a Program Comment to create an exemption based on an activities-based method and property-based method. Have you noticed any significant improvements to the 106 process since these changes? Do you believe the Program Comment fulfilled the intent of Congress?

ANSWER. Yes. The issuance of Program Comment for an exemption based on an activities-based method and property-based method has enabled a range of "typical" projects to proceed with a more simplified regulatory review. This has streamlined or exempted certain project types, allowing ACHP to consult broadly and once on an issue, rather than on a per-project basis. The Program Comment also outlines pre-approved resolutions, which reduces the need for agencies to resolve project effects on a case-by-case basis.

While the Program Comment process has enabled a set range of "typical" projects to proceed with a more simplified regulatory review, many of the steps in the process are consistent with the Section 106 Process, including identifying historic properties, categorizing or assessing the project undertaking and resolving issues or applying treatment standards. While the steps in the process may execute in less time, it can appear that the process itself does not provide as streamlined an approach as needed.

From a practitioner's perspective, Program Comment has fulfilled the intent of Congress however additional efficiencies should be considered.

Question 1.b. What are some improvements to Section 106 that Congress could consider in order to alleviate the unnecessary delays, costs, and burdens of the program on rail operations infrastructure projects?

ANSWER:

1. Consideration should be given to establishing a broader list of exempted activities. As seen in practice, there are likely additional railroad activities, such as those that occur entirely within existing railroad rights-of-way and yards, that typically have little to no effects on historic properties including minor/limited track and rail additions, sidings, and yard tracks.
   a. In terms of construction and/or installation of new railroad infrastructure, the Program Comment Exempted Activities List includes "minor new construction and installation of railroad or rail transit infrastructure that is compatible with the scale, size, and type of existing rail infrastructure . . . " however it does not clearly include installations of new track segments such as sidings, limited run-around tracks, etc., within mainline rights-of-way and/or existing maintenance yards, upgrades or replacements to small signal bungalows or moveable bridge control houses, etc.
2. Consideration should be given to a self-certified determination by project proponents for a subset of actions that FRA has previously determined do not adversely affect historic properties. At present, the federal agency is responsible for determining if an undertaking is covered by one or more activities in the Exempted Activities List. At its discretion, the federal agency may require the Project Sponsor to provide relevant documentation, such as plans, photographs, or materials specifications, so that the federal agency can determine whether the Exempted Activities List applies.
   a. For routine railroad actions that FRA and ACHP determine do not affect historic properties, a self-certified determination by Project Sponsors could provide efficiency as well as reduce the burden on federal staff for reviewing documentation for routine actions.
   b. This could include routine maintenance and/or operation activities such as state of good repair activities; in-kind replacements of systems and signals; minor ADA improvements at passenger stations; and routine replacement of curbs, gutters, re-pavement, bicycle facilities, etc.

QUESTIONS FROM HON. DANIEL WEBSTER TO KRISTIN BEVIL, GENERAL COUNSEL AND CHIEF LEGAL OFFICER, PINSLY RAILROAD COMPANY, ON BEHALF OF THE AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION

Question 1. The Committee frequently hears from railroads, particularly smaller operations, regarding the challenges they face when trying to comply with the Section 106 Historic Preservation Act requirements. The highway system is broadly exempted from these requirements, and Congress authorized the Federal Railroad Administration (FRA) and the Advisory Council on Historic Preservation to issue a similar exemption for rail rights of way and properties as well.

Question 1.a. In 2018 the Advisory Council on Historic Preservation instead issued a Program Comment to create an exemption based on an activities-based method and property-based method. Have you noticed any significant improvements to the 106 process since these changes? Do you believe the Program Comment fulfilled the intent of Congress?

ANSWER. The 2018 Program Comment issued by the Advisory Council on Historic Preservation introduced improvements to the Section 106 process by allowing for both an activities-based and a property-based approach to compliance. The short line industry has not noticed any significant improvements since the changes were made, the improvements have been incremental at best, rather than transformative. Many short line railroads continue to encounter delays and uncertainty in navigating Section 106, especially when proposed infrastructure projects involve older rights-of-way that trigger review—even when the scope of work poses no actual threat to historic assets.

In our view, the Program Comment has not fulfilled Congress's intent. The goal was to create an efficient, streamlined process like the exemption granted to the highway sector. However, railroads have not been granted comparable relief. The administrative burden remains significant, especially for smaller operators with limited in-house resources or funding for consultants. In practice, the flexibility offered by the Program Comment often gets lost in inconsistent application and interpretation by agency personnel. The program's effectiveness really depends on the project location and context and does not seem to prevent delays and can cause added confusion.

Question 1.b. What are some improvements to Section 106 that Congress could consider in order to alleviate the unnecessary delays, costs, and burdens of the program on rail operations infrastructure projects?

ANSWER. To truly reduce unnecessary delays and costs for rail infrastructure projects, especially those undertaken by small railroads, Congress could consider the following improvements to Section 106:

1. *Provide a categorical exemption for work within existing rail rights-of-way*, like what has long existed for highways. Routine infrastructure maintenance, tie and rail replacement, and minor bridge repairs should not be subject to prolonged historic review if they do not fundamentally alter a structure or corridor. For example, bridge rehab or shoreline stabilization along an active right-of-way, especially when it has been in continuous use for decades, should not trigger the same level of review as new construction in an untouched area. Categorizing low impact work could help reduce unnecessary reviews.
2. *Historical documentation requirements could be reduced* as railroads often inherit infrastructure with incomplete or missing records, and the burden of proving past work can become a major obstacle.
3. *Codify a time-bound review period* to ensure that projects are not delayed indefinitely. For example, a 45- or 60-day deadline for the review process could create predictability and accountability.
4. *Clarify the scope of what constitutes a significant impact on historic resources*, particularly when safety improvements or essential repairs are involved. The presumption should be that maintenance and safety upgrades do not affect historical integrity unless proven otherwise.
5. *Encourage bundling of similar projects* under a single review to streamline approval for multiple minor actions within a region or corridor.
6. *Support technical assistance and capacity building* for short lines navigating compliance, through FRA-administered training or a small grant program to offset compliance costs.
7. *Clarity and consistency should be applied across different states and agencies*. Ambiguity around whether the Program Comment applies can cause delays that could have been avoided with more concrete guidance.

These improvements would maintain necessary preservation goals while ensuring that regulatory processes do not become barriers to improving critical infrastructure, safety, and service reliability—especially in rural and underserved communities that rely on short line railroads.

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