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REMSA Announces 2018 Advocacy Priorities

Washington, DC – Today the Railway Engineering-Maintenance Suppliers Association (REMSA) announced its three advocacy priorities for 2018. REMSA is focused on working directly with its members and associated railroad and rail supply associations to implement a pro-rail agenda in Congress.

REMSA's priorities are centered on passing an infrastructure package, preventing misguided regulations, and supporting first-and-last-mile rail service.

“We were pleased to see Congress successfully pass a tax reform package, but we all know there is much more work to be done to ensure a healthy rail network” says Bruce Wise, President, REMSA. “We must commit to the sustainable funding of our nation’s infrastructure and prevent misguided regulations that jeopardize the health of the rail supply community.”

“We look forward to strongly representing our membership before Congress and participating in Railroad Day on Capitol Hill,” says David Tennent, Executive Director, REMSA. “We are ready to stand with the entire rail industry to ensure our Congress effectively deals with these pressing issues.”

1. Infrastructure Package: Federal Direct Investment, Rail Financing Fixes, and Highway Trust Fund Solution

Since taking office in January 2017, the Trump Administration has continually pledged that it will devise a legislative package to fix our crumbling infrastructure with “new roads, bridges, tunnels, airports and railways.” We strongly support this holistic approach to fixing our nation’s infrastructure and think it is long overdue that Congress take action on this issue. We believe an infrastructure package should feature direct, federal infrastructure investments, fixes to a rail financing program, and a long-term solution to the Highway Trust Fund.

While permitting reforms are an important infrastructure package component, they do not replace the need to end the chronic underfunding of our nation’s transit systems and passenger railroads. Direct federal spending is the best tool available to enhance our nation’s passenger rail infrastructure. The Railroad Rehabilitation and Improvement Financing (RRIF) program is a well-intentioned railroad financing program, but slow application processing and costly administrative fees prevent the program from reaching its potential. Congress should consider reforms to the program that reduce the burden the credit risk premium places on railroads and speed up the application process.

Since 2008, policymakers have transferred \$143 billion in general funds to the Highway Trust Fund. Our bridges and roads cannot continue to survive on short-term bailouts. Congress should consider enacting a weight-distance tax to fix the Highway Trust Fund. A weight distance tax would fairly modernize our highway user-fee model, follow the principle of modal equity, and help to end the underfunding of our highway system.

2. Preventing Regulations That Discourage Railroad Investments

In the summer of 2016, the Surface Transportation Board (STB) released a series of proposed regulations that risk disrupting steady investments in America's rail network. Over the last 35 years, America's freight railroads have spent more than \$635 billion to maintain and grow the rail network. These investments promote an efficient, modern, and safe rail system, while supporting hard working railway suppliers throughout the United States.

While REMSA believes the STB is misguided in its attempt to re-regulate commodities and limit shipping rates, we are particularly concerned about the STB's Notice of Proposed Rulemaking (NPRM) on forced access. Under the STB's *Competitive Access* NPRM, railroads would be required to give their competitors access to their rail lines. This introduces an unproven, radical approach which forces railroads to surrender their privately-owned property for use by competing operators. Alarming, this forced access proposal would disrupt network efficiencies, which would limit revenues and discourage sustained investments and maintenance of the rail system. These investments are critical to supporting high-wage rail and supplier manufacturing jobs throughout America's heartland. This proposed rule jeopardizes the capacity growth and the continued efficiency of the 140,000-mile U.S. rail network.

3. Policies that Enable and Support First and Last Mile Rail Service

Reliable first-and-last-mile rail services are crucial in supporting economic development initiatives and rural communities across our country. Short line and regional railroads face unique financial and logistical challenges in meeting the demand for first-and-last-mile service. Given the numerous public benefits spurring from rail access, the federal government has enacted policies that support the expansion and maintenance of short line rail networks. We strongly advocate for this federal approach to continue.

The Short Line Tax Credit (45G) has supported safety improvements and a state-of-good repair across the short line rail network, while spurring manufacturing activity around the country. Unfortunately, the credit lapsed in 2016 without an intervention from Congress, despite its vast popularity in both chambers of Congress. We urge Congress to speedily re-enact this common-sense policy.



THE RAILWAY ENGINEERING-MAINTENANCE SUPPLIERS ASSOCIATION

REMSA is a non-profit trade group representing over 330 railway engineers, contractors, and consultants and maintenance-of-way suppliers across the country. The \$5 billion railroad maintenance-of-way industry supports over 35,000 jobs nationwide.

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