

March 25, 2022

Representative Erin Koegel, Vice Chair
House Committee on Transportation Finance & Policy
445 State Office Building
St. Paul, MN. 55155
Rep.erin.koegel@house.mn

RE: HFXXX – Federal Funding Local Assistance Program

Dear Representative Koegel,

On behalf of the members of the [Minnesota Regional Railroads Association](#) and the hundreds of business, agricultural and manufacturing customers we serve, I am writing to applaud your legislative initiative to help securing federal funding for local transportation projects through the Infrastructure Investment & Jobs Act (IIJA). Your legislation will assist local governments and tribal nations in competing for federal dollars, but we are especially grateful that you will add other entities – including short line railroads – to those who will be eligible for matching funding and technical assistance under the Act.

The IIJA provides significant amounts of new federal funds – some dedicated, some competitive – for projects that will improve our roads, bridges, and waterways. There are significant funds earmarked for transit and passenger rail operations, as well as grade crossing improvements. There is only a limited amount of funding designated for freight rail upgrades, however.

Under the IIJA, \$1 billion per year will be allotted for the federal Comprehensive Railroad Infrastructure & Safety Investment (CRISI) program. While this is a significant increase over past CRISI appropriations, the applicants must compete for funding and there is no assurance that any of it will be directed toward Minnesota railroads.

Your legislation, if enacted, will improve the odds that Minnesota's 14 short lines railroads will be able to secure funds to make much needed improvements to their operations.

According to the latest Minnesota State Rail Plan (2015), our short line railroads need to invest more than \$250 million to bring them up to current operating standards. This is on top of the millions they will spend in annual maintenance. The cost of many of these projects are simply out of the reach of short line railroads. But securing a share of the federal funds, the upgrades made will mean better, more efficient service for the thousands of farmers, businesses and manufacturers across the state who ship by rail. And, it will mean fewer trucks on state roads, less damage to our highways and less pollution to our environment.

Your legislation, along with passage of Rep. Torkelson's bill (HF2941) to add \$20 million to the Minnesota Rail Service Improvement (MRSI) and Rep. David's bill (HF1720) creating a Short Line

Infrastructure Modernization tax credit, will make a significant contribution to the upgrades that need to be done to our state's short line railroad infrastructure.

Thank-you for your initiative and consideration of our state's transportation needs.

With best regards,

John F. Apitz, Executive Director
Minnesota Regional Railroads Association