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TIA's Fourth-in-Series Analysis Features Tennessee Rail Infrastructure
Economic Stabilization Act will aid in filling Significant Gap
Between Anticipated Needs, Public Funding

Nashville – According to the most recent infrastructure analysis released by the Tennessee Infrastructure Alliance, Tennessee's rail system yields significant benefits in the form of efficiency, safety and economic competitiveness. The system must be maintained and improved for future needs, according to *Tennessee Railroad Infrastructure Analysis*; but only 25 percent of funds needed to address those needs have been identified. The Economic Stabilization Act of 2008 assists in meeting funding needs by extending tax credits for short line rail infrastructure.

"Tennessee's rail system brings \$375 million into the state's economy annually," said TIA Chairman Pete DeLay. "Rail is an incredibly safe and efficient mode by which we deliver our state's goods to the world, and by which the commodities we need come to us."

Fourth in a recently released series of analyses of various components of the state's infrastructure systems, *Railroad Infrastructure* draws on multiple information sources to describe the aspects and benefits of – and challenges facing – Tennessee's railroad systems. The report features details on plans to enhance, modernize and expand the existing system and funding needs necessary to realize TDOT's 25-year plan for rail.

One option is The Emergency Economic Stabilization Act of 2008 that extends tax credits to Tennessee's short line rail system. Short lines typically link two industries requiring rail freight together; interchange revenue traffic with other, usually larger, railroads; or operate a tourist passenger train system. Tennessee

has 824 miles of short line rail that connect the state's individual communities to the nationwide arteries.

The legislation gives short line railroad companies a tax break equal to 50 percent of gross expenditures on track maintenance, roadbeds, bridges and other structures. That assistance could aid in filling the 75 percent of TDOT's 25-year plan for rail that is unfunded.

The report also details plans to expand the system to accommodate new demands like passenger service in Memphis, Nashville, Chattanooga, Bristol and Knoxville.

"Rising fuel prices and overcrowded highways are causing more Tennesseans to consider rail travel as an alternative mode of transportation," said DeLay. "We must determine how we will fund the expansion of rail system so that our fellow citizens can utilize this cleaner, more efficient way to travel."

Because Tennessee is on the "NAFTA Corridor", millions of tons of goods traverse the state's 2,335 miles of Class 1 rail every day. Maintaining Tennessee's railroad infrastructure is crucial to sustaining the flow of freight between the North Eastern United State and Mexico.

The report notes that Tennessee railroads spend more than 17 percent of their revenues on capital improvements, 13 percent more than manufacturers. If the rail industry was to continue to rely solely on market demands, the freight system will be stable and competitive but would have few funds available to maintain and improve infrastructure.

Rail Infrastructure Analysis is one part of a series of reports on various components of the state's extensive infrastructure system. Previous issues have detailed the benefits and funding status of water and wastewater infrastructure, navigable waterways infrastructure and airport infrastructure. Copies of *Tennessee Railroad Infrastructure Analysis* and the other reports are available for sale at TIA's website: www.TNinfrastructure.org. Press can view the full report online at <http://www.tninfrastructure.org/newsroom.html>

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The Tennessee Infrastructure Alliance is a not-for-profit association of Tennessee business and community leaders and organizations dedicated to educating policy makers on infrastructure issues and advocating for adequate and consistent funding for infrastructure maintenance and improvement. For more information, visit TIA's website at <http://www.tninfrastructure.org>.