

10/20/2004 Assistance for Kansas Short Line Railroads Becomes Law

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Moran-Introduced Legislation to Encourage Investment in Local Railroads

Washington, D.C. - Congressman Jerry Moran today announced that Congress has passed legislation he introduced to provide tax incentives to improve short line rail service. This legislation encourages railroads, railroad customers and suppliers-who depend most on short line railroads-to invest directly in maintaining the over 2,000 miles of short line rails in Kansas.

"The short line railroad network is a significant component of our transportation system and provides a critical role in helping Kansans to transport their goods-both manufactured and agricultural-to market," Moran said. "This year, while some areas of the state dealt with drought conditions, others could not get their grain from the elevators to the market fast enough and were stalled due to capacity limitations. The passage of this legislation means that rail operators will be able to increase their capacity and service to transport goods."

The legislation will provide a 50 cent on the dollar tax credit, when investment in railroad infrastructure is made, for a period of three years. Short line rails are today being threatened due to the use of new, heavier 286,000 pound railcars that have become the industry standard. The use of these cars has strained existing tracks, making the upgrades necessary.

"Upgrading these rail lines is very important, particularly as fuel costs continue to rise," said Charlie Swayze, General Manager of Farmers Cooperative Equity in Isabel, Kansas. "We can get these grains to market more efficiently and at a cheaper rate. This efficiency is a benefit to producers and allows them to get more money for their crops, which, in turn, puts more money into the local economy."

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