

Welcome to “Railbite” #6 from Solutionary Rail

**Electrify America’s railroads for freight and passengers ~
Open up the rail corridors for green-energy transmission!**



Public-Private Partnerships for an Electrified Railroad

Solutionary Rail proposes public-private partnerships to make this national railroad electrification and energy transmission project a reality: Infrastructure owned, maintained, or improved by the railroad companies would continue to be owned by them. New electrification infrastructure – like the two sets of high voltage power lines and any other part of the project paid for with public dollars -- would be publicly owned. Solutionary Rail proposes the creation of a tax-exempt, not-for-profit entity called the Steel Interstate Development Authority, or SIDA. SIDA would raise funds from private markets and federal loan funds as provided by the Transportation Infrastructure Finance and Innovation Act (TIFIA), issuing tax-exempt bonds to fund the entire project, negotiating rights of way, and overseeing construction and operations.

Public-Private Partnerships lower barriers to electrification:

1. The high cost of using solely private capital makes electrification unattractive to investors and shareholders. Using public dollars is less costly.
2. The prospect of higher property taxes discourages railroad companies from investing in their infrastructure beyond the minimum to stay in operation. If the electrical infrastructure is publicly owned, the railroads don’t pay taxes on it.
3. States could grant property tax exemptions to improvements the railroad companies make on privately owned track.

Many public-private partnerships for railroad infrastructure currently exist:

- On the Crescent Corridor, public-private partnerships between 11 state governments and Norfolk Southern are connecting a 2,500-mile network of existing rail lines with regional freight distribution centers, making shipping by rail more competitive with trucks.
- In Alameda, California, \$2.4 billion of public funds are being dedicated to reduce congestion and pollution with a 22 mile rail spur.
- In the Chicago region, public-private partnerships are financing more than 70 distinct projects to improve passenger rail service, reduce motorist delays, increase safety, improve air quality and create jobs.



The Crescent Corridor

Public-private partnerships are in keeping with the American tradition of harnessing the power of the private sector with the power of government to meet the challenges of the day. We have no greater challenge than environmental justice. This is one way forward. What are we waiting for?

More on these issues at www.solutionaryrail.org/factsnfalsesolutions and www.solutionaryrail.org/video

Legislators and policymakers have a lot of information to sort through -- we hope our “Railbites” will help you gather essential information about modernizing and electrifying our transportation infrastructure. Please use us as a resource! Contact info@solutionaryrail.org or 206-408-8058.