



July 26, 2021

The Honorable Pete Buttigieg
Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Sent via email: dotexecsec@dot.gov

CC: Hon. Martin J. Oberman, Chairman, Surface Transportation Board
Hon. Amit Bose, Deputy Administrator, Federal Railroad Administration

Dear Secretary Buttigieg:

The [Rail Electrification Council](#) (REC or Council) was created to develop programs and activities to advance investment in the transportation and energy industries consistent with the ongoing transformation of the North American economies as they respond to the challenges of emissions reduction, decarbonization of modern transportation, job-creation, and lowering the cost of energy for consumers and businesses.

The Council is a non-profit, Member-driven affiliate of the [National Electrical Manufacturers Association](#) (NEMA) dedicated to bridging the policy and planning gaps between two great network industries. Our Members include major manufacturers, public utilities, electric transmission developers, and producers of clean energy and new technologies. The nearly 325 NEMA Member companies provide a range of products used in buildings, industrial facilities and by utilities, transportation departments and hospitals. Collectively our membership provides some 370,000 American manufacturing jobs in more than 6,100 facilities, with worldwide industry sales exceeding \$140 billion.¹ We believe that strengthening and decarbonizing the energy delivery and transportation industries is a matter of both domestic security and international competitiveness.

Our Request

This letter offers our assistance in advancing mutual goals and requests that you and FRA Administrator Bose provide guidance to the railroad industry about use of its rights-of-way (ROW) to co-locate energy delivery facilities in the context of the restructuring of the electric industry and the long-term potential electrification of railroad motive power. As we explain in our white paper on [The Value of Rail Electrification](#), the railroad and energy industries should work together to strengthen North American economies for the twenty-first century. The need for innovation is becoming more apparent as the demand for renewable energy drives interest in development of interregional transmission lines which would link all the nation's power markets together.

¹ For more information, please visit: <https://www.nema.org/>.



We recommend that you take a meaningful strategic step by providing to the railroad industry such guidance as you deem necessary and helpful with respect to the use of railroad ROWs for co-location of energy infrastructure, consistent with railroad needs and purposes. Expanding high-voltage electric transmission facilities within these rail pathways could prove instrumental in bringing greater amounts of remote renewable resources to market. Railroads can thereby contribute to the expansion and integration of the nation’s electric grid and the exploitation of its vast clean energy resources, without negatively affecting safety, operations, or other appropriate uses of the real estate.

Precedent.

The Council cites three precedents for its request.

First, on April 27, 2021, the Acting Administrator of the Federal Highway Administration issued “State DOT’s Leveraging Alternative Uses of the Highway Rights-of-Way Guidance.” That Guidance will advance “pressing public needs relating to emission reduction, equitable communications access, and energy reliability” specifically through use of highway rights-of-way (ROW) for “renewable energy generation, electrical transmission and distributed projects, . . . [and] alternative fueling facilities.”

Despite being significantly regulated, our nation’s railroads and their physical land assets are privately owned and not subject to state and federal law in the same way as the highway system. This difference should not diminish the importance of the opportunity now available to the FRA and the railroads to help fulfill many of the same economic and public policy goals that the Acting Administrator cited as flowing from highway ROWs:

- To leverage and realize the full value and productivity of railroad ROWs
- Reduce emissions from all forms of electric generation and improve access to cleaner generation
- Promote energy security by diversifying energy generation and delivery methods
- Foster creation of local green job market that enhances the viability of the nation in renewable energy industry
- Enable states to meet clean energy goals
- Provide railroad companies with the financial benefits arising from monetizing access to their historical ROWs and a basis for the electrification of rail transportation

In 2020, the Council pursued these very goals by petitioning electric transmission’s principal rate regulator, the Federal Energy Regulatory Commission (FERC), to provide monetary incentives for transmission lines planned for and built on existing ROW or “brownfields.” We stated that “railroad companies can be encouraged to consider monetizing access to their ROWs and to participate in advancing the public’s interest in a strong grid, a role no less important now than when railroads drove the integration of the U.S. economy in the Nineteenth and Twentieth



Centuries.”² DOT and FRA should also help ensure that railroads support both stronger energy infrastructure investment and wise land management.

Second, the Council cites the 2020 Rail Plan published by the State of Nevada Department of Transportation pursuant to the FRA planning regulations. For virtually the first time, a state Department of Transportation (DOT) has highlighted the importance of thinking strategically about the potential electrification of rail and the use of railroad ROW for co-location of electric transmission. In pertinent part, the Rail Plan states that:

Utilization of railroad real estate assets (especially trackside rights-of-way) as sites for longitudinal electric transmission or renewable energy facilities will potentially generate fresh revenues for the railroads that could offset the expense of electrification. In sum, privately-owned rail transportation companies should be supported in pursuing electrification as feasible, strategically smart, and in their long-term economic self-interest. The public’s interest will be served by a more modern, competitive, flexible freight rail system, a reduction in its environmental impact, and a contribution to the delivery of clean energy in the West.

Third, in its 2020 Appropriations Act, Congress directed FERC to report on “the barriers and opportunities for high voltage transmission, including over the nation’s transportation corridors.” The report shall examine the reliability and resilience benefits, permitting barriers, and any barriers in state or federal policy or markets.” Issued in June 2020, the staff *Report On Barriers and Opportunities for High Voltage Transmission* highlighted the importance of finding alternatives to siting electric transmission lines across “greenfield” locations, with the significant delays in transmission development or even abandonment of viable projects that result. Railroad ROWs were discussed as one such important option.

Action Items

The Council asks that DOT, FRA, and the Surface Transportation Board if appropriate, provide clear guidance to state DOTs and regulated railroads like that provided through the Federal Highway Administration (FHWA) regarding the need to explore the utilization of available ROWs in service to a cleaner energy and transportation economy. We recognize the FRA likely has neither a formal “Clean Energy and Connectivity” project program nor a utility accommodation policy like those the FHWA administers. Accordingly, DOT and FRA should pursue the same goals and measures that apply to highway ROWs, while fully acknowledging that worker and system safety or rail operations and controls cannot be compromised. Such guidance could encourage states and rail companies to promote non-transportation uses of their real estate assets, especially where the rail network represents a major network pathway between large amounts of low-cost renewable energy resources and major electricity markets. Moreover, DOT and FRA are encouraged to participate with the Secretary of Energy and FERC in exploring whether railroad ROW may be designated as “national interest electric transmission corridors” under Section 216 of the Federal Power Act, 16 U.S.C. § 824p.

² (Docket No. RM20-10-000)



The Council looks forward to working with you and FRA to advance deployment of connected and electrified transportation infrastructure across the United States. To that end, we request a meeting with you and FRA at the earliest time, so that we may engage in a vigorous discussion of this major opportunity.

If you have questions about the Council or its goals, please contact me or have your staff contact Steve Griffith, NEMA Industry Director, at Steve.Griffith@NEMA.org.

Sincerely,

A handwritten signature in black ink, reading 'Kevin J. Cosgriff', is centered below the 'Sincerely,' text. The signature is written in a cursive style.

Kevin J. Cosgriff
President and CEO
1300 17th Street North, Suite 900
Arlington, VA 22209
kevin.cosgriff@nema.org