

Kansas Department of Transportation

Rail Service Improvement Program Guidelines

Starting July 2023, all state rail projects will be administered through the Rail Service Improvement Program. This is a consolidation of the State Rail Service Improvement Fund (RSIF) and the Short Line Rail Improvement Fund (SLRIF). The following guidelines will detail the consolidated program eligibility and requirements.

The Rail Service Improvement Program is for the purpose of facilitating the financing, acquisition, *qualified track maintenance* or rehabilitation of railroads and rolling stock in the state of Kansas. Program funding is \$10 million annually. Qualified entities include any surface transportation board-certificated class II or Class III railroad as defined in 49 C.F.R § 1201.1-(a); a port authority established in accordance with Kansas laws; any owner or lessee industry track located on or adjacent to a class II or class III railroad in the state of Kansas.

70% of total project costs will be applied to approved projects in the form of a reimbursable grant. 30% of total project cost is required in the form of matching funds from the qualified entity.

Qualified entities will submit a Rail Service Improvement project application to KDOT's Freight and Rail Unit.

Approved projects must be completed within 12 calendar months from the Notice to Proceed unless an extension is approved by the program manager. Failure to comply may result in project funds being forfeited and returned to the Rail Service Improvement Program for future project call for applications.

The qualified entity shall demonstrate that it is financially sound and capable of fulfilling all obligations associated with the Rail Service Improvement Program, and all requirements created by the agreement to complete the project.

The qualified entity shall demonstrate the commitment of capital, or the guarantee of a set amount of rail traffic by local shippers, government entities or other interested parties, to the qualified entity for the continued operation of rail service for which funding is sought.

If the qualified entity is a Kansas shipper, a Letter of Support from the serving railroad acknowledging project coordination is required.

Following project completion, the qualified entity shall maintain at minimum FRA track Class I standards on any siding or industrial tracks. Any and all portions designated as Main Track must maintain FRA track class II standards or greater. **All awarded projects must support 286,000 lb. railcar capacity.**

Project shall meet all Federal Railroad Administration (FRA) and American Railway Engineering and Maintenance-of-Way Association (AREMA) guidelines. A final project inspection must be conducted by a third-party FRA qualified track inspector.

The qualified entity agrees not to abandon any portion of the project limits for 10 years following Notice of Acceptance date.

Recipients who are awarded funds through this program agree to comply with all deadlines set forth by the Program Manager. Failure to comply may result in project funds being forfeited and returned to the Rail Service Improvement Program for future project call for applications.

Project Selection Criteria

In addition to overall factors such as eligibility, geographic distribution, and local support, the following criteria will be used to determine project selection.

How will this project enhance the safety of rail operations?

How does this maintenance project support the long-term operation of this segment of rail?

How will this project aid in more efficient goods movement or aid in improving logistics?

What are the immediate short-term impacts or benefits of the project?

How was this project prioritized over other needs?

Describe the economic benefit of this project related to new or existing companies that will benefit from the project. Does this project bring new business, or does it enhance the competitiveness of existing business?

Have any other investments been made in relation to this project that would support or tie into additional investments requested through this program?

Identify any statements of local support and any project partners that will be investing in this project.

Identify any job creation associated with this project, and the markets that this project will serve.

Identify how this project will reduce truck traffic on the highway network.

Identify the impact of the project as it relates to more efficient operations and increased reliability to customers.

Identify how this project will support the long-term viability of the railroad.

The benefit-cost analysis tool may be used to further assist the project selection committee.