



MODERNIZE YOUR FLEET THROUGH FEDERAL GRANT FUNDING: A CONVERSATION WITH VIKING NAVIGATION PRINCIPAL ADAM NORDSTROM

Wi-Tronix is exciting to begin assisting our customers in securing federal grant funding due to the numerous benefits it offers. Grants enable railroads to modernize their fleets, upgrade safety systems, and implement eco-friendly practices. We believe that supporting our customers in accessing grant funding demonstrates our commitment to fostering long-term partnerships, driving innovation, and ensuring the sustainable future of the rail transportation sector.

We've partnered with Adam Nordstrom, Principal at Viking Navigation, who has 24 years of Capitol Hill, lobbying, election campaign, and state government experience. See what he and Wi-Tronix VP of Sales and Customer Experience Chad Jasmin have to say when it comes to securing federal funding.

What is grant funding, where does it come from, and who's eligible for these grants?

There are billions of dollars available through the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program. In the coming months we're expecting there'll be over \$1.5 billion in infrastructure investments directed towards freight railroad projects and passenger railroad projects out of the CRISI program.

Why is Wi-Tronix getting into the federal grant funding race?

It's the right time to digitize your locomotives and take them from being a siloed piece of equipment to a modern type of platform. Wi-Tronix looks to improve highway-grade crossing interactions, reduce fatalities, and improve the public perception of the railroads. We also can look at things like emissions and monitor and measure new regulations that are coming out of California and other states that will require this digitization for the railroads to continue to survive into the next decade.

Is a Violet IoT platform like Wi-Tronix offers eligible for a grant?

I believe it is. There's state level grants and other federal transportation grants, but within the CRISI grant, which is kind of the sweet spot for my clients, to pursue this kind of funding you have to remember it is the Consolidated Rail Infrastructure and Safety Improvements program, and the safety benefits - let alone the operational benefits that a Wi-Tronix Violet Edge system can bring to particularly a small freight railroad - I think really checks a lot of boxes that evaluators are looking for.

Do most grants and railroad grants include these elements or similar terminology, or is it specific to CRISI?

At the Federal Railroad Administration (FRA), one of the things that they're always looking for is the ability to innovate and deploy technology. Especially in the smaller freight railroad space, a lot of the projects are great projects, they're safety critical projects, they're focused on track upgrades and bridge upgrades and things that are essential to keeping rolling stock on the rails. Therefore, it is safety critical, but there's not a whole lot of technology or innovation in that space. What I would really like to see is



the opportunity to pair technology with hard physical asset improvements to generate a better project which I think would be better evaluated.

Has the FRA funded safety technology applications in the past? What's the history with these grants?

We are early in the program's existence, so we've had a fairly short period to evaluate these grants over. But, early on at the same time CRISI was really starting to take off as a program, railroads faced a deadline to deploy Positive Train Control (PTC) technology and safety critical technology on locomotives. It wasn't originally intended to apply to small railroads and so Congress and the USDOT used the CRISI program to fill a lot of the high cost needs to deploy this technology on small railroads.

So, yes it has happened before, the program has been used to deploy onboard technology and it was very successful. Now, you don't have the same pressures that were at work under the PTC environment, but I mean that was hundreds of millions of dollars that went towards deploying technology on small railroads and other railroads as well.

Why have people been resistant to pursuing technology like the Violet Edge when pursuing a grant, rather why have they stuck with the traditional track upgrades and doing the bridges? Why have they been so hesitant or resistant?

As a smaller freight railroad, the first best dollar to improve safety and operations is always going to be to go into track. That's kind of always the mindset that people have come at these projects with. So, if you have a critical need a technological need is probably in second place behind that need. This mindset has dominated the program for a few years. However, when you talk about the grant space it takes some time to understand that you don't have to just be one or the other, you can do both.

Have you witnessed this whole competition for resources in the grant development process?

Oh absolutely. Almost all these grant programs, whether they be federal or state, require some commitment of local non-federal or non-state resources. So, it's not free money, there's still a cost to it. Try to pull people together to make sure we've got that whole C-Suite represented because this is your one shot in this round to ask for something and a lot of times if people are excluded, you're not fully capturing the benefits of what you can ask for.

Why do we not see more applications that include safety and emission technology such as including the Violet Edge in it?

I mean these are enormous undertakings to prepare a grant document that's going to be competitive and then be ultimately funded. If you're going to put all that effort into trying to put together a proposal you're going to focus on the biggest needs of your property. At the end of the day when you're choosing



and prioritizing between replacing a \$10 million bridge and \$8 million worth of steel rail replacement or a far smaller technology deployment, you're going to focus on the bigger ticket items.

What I'm trying to say here is those two things can be put together into one application. It can be done effectively and can be funded at the same time as part of the same ask. Safety and performance-measuring technology like this is complementary to those big undertakings.

So, you're saying they complement each other?

Decision makers want to see the numbers, they want to see the facts, they want to see the outputs from the project. If I have a data recording device that's plugged into every sensor on my locomotive as it goes down the tracks and I got the cameras and I've got everything that the Wi-Tronix device can do, then that information can be fed back to a policy maker and show they made the right choice, the taxpayers got value for their investment from this. It also generates its own successes as well like if I can decrease my fuel consumption, make sure my crews are in the right notch, make sure we're obeying our speed restrictions. All these things are beneficial to the project as it's deployed.

Are you suggesting a grant application can be “half track” and “half safety technology?”

Yeah, I don't think it even needs to be half and half, right. Most of the small railroads who are going to be grant applicants are talking about big bridge and track work projects so most of the story should really focus on that part of the application. What we can do with an applicant who has a big track project, but they also want safety technology or an innovation component to add to that application. We can help them do that and we can do it in an efficient way working with their team that's already preparing their grant documents.

If a railroad is interested in this process, what are the first steps and who do they contact?

At Wi-Tronix we're here to help. Our team just recently presented the ASLRRA conference and talked about how we can help aid in the grant process. We're passionate about this. We believe it's the right time for us to focus on this and as part of focusing on that we're here to support you. We have done all the leg work. We have a lot of best practices from our existing customers that can help as we fill in the grant applications and we show the cost benefit analysis. So, we're excited, we're here, just reach out to us.