

**WRITTEN STATEMENT OF  
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**BEFORE THE  
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS  
MATERIALS,  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,  
U.S. HOUSE OF REPRESENTATIVES**

June 27, 2013

Chairman Denham, Ranking Member Brown, and Members of the Subcommittee, thank you for the opportunity to appear before you today on behalf of Secretary LaHood to discuss the Administration's ideas for the next phase of rail policy and investment programs. The Federal Railroad Administration's (FRA) mission is to enable the safe, reliable, and efficient movement of people and goods for a strong America, now and in the future. In this testimony, I will provide an overview of FRA's priorities for fulfilling that mission moving forward, summarize our recent accomplishments, and describe the details behind our preliminary reauthorization proposals.

**BUILDING ON PRIIA AND RSIA**

The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) and the Rail Safety Improvement Act of 2008 (RSIA) were bipartisan, game-changing pieces of legislation. This Committee did important work in a collaborative and forward-thinking way that has had far-reaching effects in the rail industry. The rail industry has changed dramatically since these two landmark acts were passed with broad bipartisan support in 2008. Calendar year 2012 was the safest for the rail industry on record. It also saw record ridership, reliability, and financial performance for Amtrak all across its network. The freight rail industry has never been stronger. Historic levels of public and private investment have been made in passenger rail equipment, corridor upgrades, freight capacity, and safety improvements. Dozens of planning studies, environmental reviews, and engineering analyses are underway, creating a strong pipeline for future projects.

To date, FRA has obligated more than \$10 billion in grant funding provided by Congress for the High-Speed Intercity Passenger Rail (HSIPR) Program through the American Recovery and Reinvestment Act of 2009 and annual appropriations for FY 2009 and 2010. Interest in this program is strong: 39 States, the District of Columbia, and Amtrak have submitted more than \$75 billion worth of applications—well in excess of the available funding.

This portfolio of investments is having a substantial impact on the Nation's rail system: six thousand corridor miles are being improved, 30 stations are being upgraded, and hundreds of new passenger cars and locomotives are being procured. These projects will improve the

customer experience by reducing trip times, improving reliability, adding additional frequencies, and making stations and equipment more comfortable and accessible.

Good Federal policymaking contributed greatly to these accomplishments, and FRA is proud of the job we have done implementing the policies laid out by Congress. These achievements do not mean we can declare victory—much more needs to be done to rebalance the Nation’s transportation system after decades of serious Federal underinvestment in rail. With those two authorizations from 2008 expiring, it is time to make forward-thinking, bipartisan rail policy again.

The Administration’s FY 2014 budget lays out a comprehensive multi-year reauthorization blueprint for moving forward. The fundamental goal of this proposal is to take a more coordinated approach to enhancing the Nation’s rail system—an integrated strategy that addresses safety and passenger and freight service improvements. This new approach better reflects the complex reality of how rail works in the United States—most track is privately-owned and carries a mix of passenger and freight trains; safety is improved through regulations and inspections, but also through capital investments; rail congestion chokepoints often hinder the efficient movement of intercity, commuter, and freight trains.

This budget proposal, while in many ways transformational, is rooted in ideas and solutions that have received extensive discussion and debate in recent years. It builds on the core principles of PRIIA and RSIA, while reflecting “on-the-ground” experiences of recent years. It is based on the evolving needs of rail stakeholders, and acknowledges that demographic, economic, and environmental changes will continue boosting the market demand for rail for decades to come.

The proposal sets five key priorities:

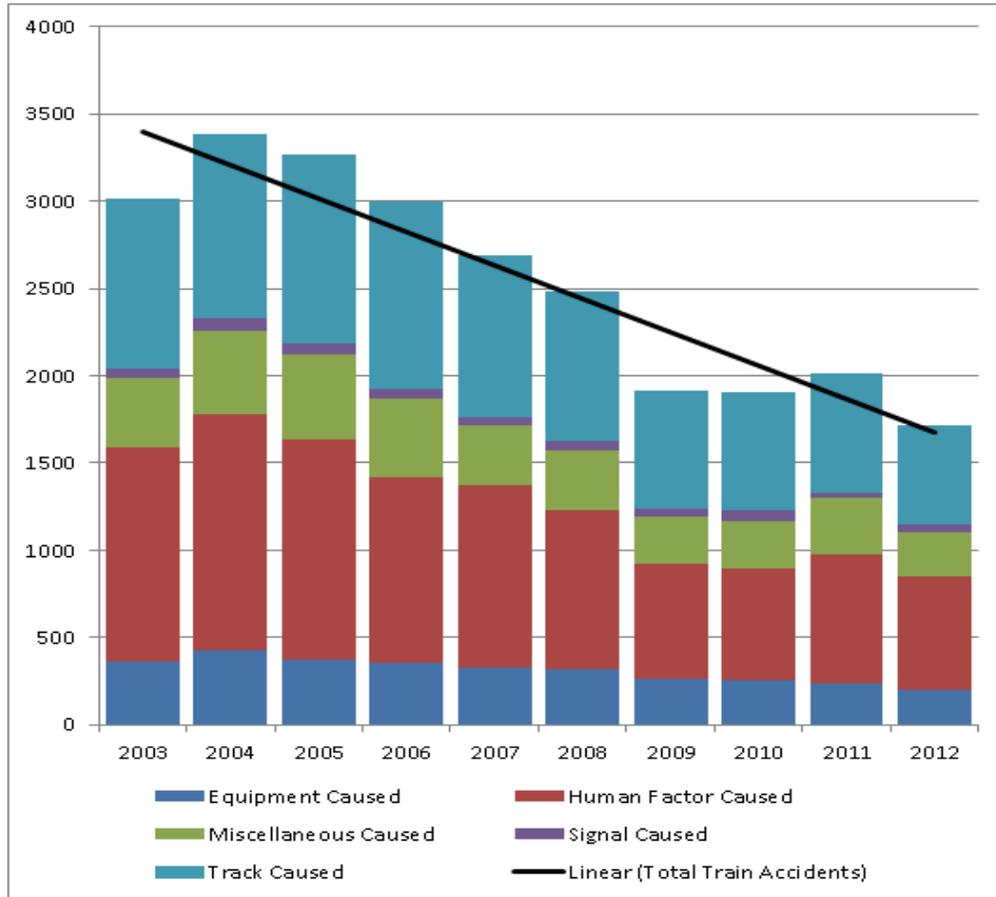
1. Enhancing America’s world-class rail safety.
2. Modernizing our rail infrastructure.
3. Meeting the growing market demand.
4. Promoting innovation.
5. Ensuring transparency and accountability.

## **PRIORITY #1: ENHANCING AMERICA’S WORLD-CLASS RAIL SAFETY**

2012 was the safest year on record, but FRA is committed to continuously improving rail safety. That commitment produces results, which is why, since 2003:

- Total train accidents have declined by 43 percent.
- Total derailments have declined by 41 percent.
- Total highway-rail grade crossing accidents have declined by 34 percent.

### Statistical Accident Reductions since 2003:



FRA approaches rail safety comprehensively. We are building on research and development, continuing to establish minimum safety requirements, conducting outreach and collaborating with stakeholders, performing compliance inspections and audits, and implementing and administering enforcement policies in an effort to drive railroad accident/incident rates to further record lows.

FRA’s multidimensional safety strategy is intended to foster a railroad safety culture. Innovative tools such as hazard analysis and close call programs can lead to a continual process of safety improvement. Positive Train Control (PTC) systems will be the technology backbone that promotes safety improvement through the reduction of certain human-factor-related incidents and should complement FRA’s implementation of safety Risk Reduction Programs (RRP) and other safety efforts. Nevertheless, better safety performance is imperative, and with innovative safety practices and new technologies, the railroad industry can achieve this goal.

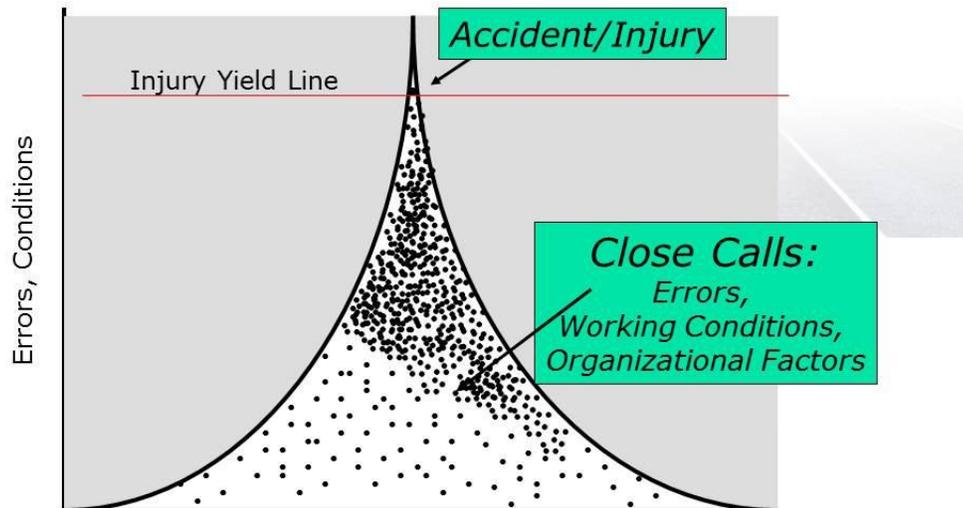
*Policies contributing to this priority include:*

- **Successfully implementing PTC**—RSIA mandates that PTC be implemented across a significant portion of the Nation’s rail network by December 31, 2015. With limited exceptions and exclusions, PTC is required to be installed and implemented on Class I railroad main lines (i.e., lines with over 5 million gross tons annually) over which any poisonous- or toxic-inhalation hazard commodities are transported; and, on any railroad’s main lines over which regularly scheduled intercity passenger or commuter operations are operated.
  - In all, approximately 70,000 miles of track and 20,000 locomotives will have to be equipped with interoperable PTC technology. While some railroads will meet the deadline, many are likely to be challenged by technological and programmatic barriers.
  - In a report to Congress last year, FRA detailed obstacles faced by the industry, and FRA outlined mitigation strategies for Congressional consideration, including the extension of the PTC implementation deadline and alternative methods of mitigating the risks prevented by PTC systems.
  - FRA’s report also highlighted radio frequency spectrum challenges that could impact timely PTC system implementation. In addition, the railroads must secure licensing approval from the Federal Communications Commission to install the approximately 22,000 antennas necessary to implement PTC.
- **Establishing science-based regulations for hours of service**—In 2011, FRA issued fatigue-science-based hours of service regulations for passenger train employees under new authority granted by RSIA. FRA and railroad safety would benefit from the same enhanced authority to regulate the hours of service of other employees including train employees, signal employees, and dispatching service employees. FRA would like to evaluate the benefits and costs of applying fatigue-science-based hours of service regulations to these additional employee classes.
- **Analyzing highway-rail grade crossing issues and opportunities**—FRA would welcome the opportunity to work with Congress to establish an appropriate framework for addressing grade crossing issues related to blocked crossings and commercial motor vehicle accidents and incidents at crossings.
- **Harmonizing railroad operating rules**—FRA plans to evaluate the benefits and costs of harmonizing certain railroad operating rules. Each railroad has its own set of operating rules that may differ significantly from one division to another and from one railroad to another. Many operating crew employees are required to learn multiple different operating rules in order to operate safely in a single tour of duty. Harmonizing these rules will likely reduce unnecessary confusion and create a safer working environment.
- **Improving protection of Risk Reduction Program and System Safety Program analyses with respect to property damage claims**—For a risk reduction program to be effective, FRA must have confidence that railroads are conducting robust analyses to accurately identify risks present. FRA will continue to work to balance the interests of

safety and the public interest with respect to the litigation protection afforded the railroads in conducting these analyses.

- **Modernizing statutory requirements**—FRA would also like to modernize certain existing statutory requirements to better reflect current and future innovations and technologies. For instance, statutory requirements related to the movement of defective equipment could be updated to provide greater flexibility to FRA in handling such issues. Similarly, existing statutory language related to locomotives could be revised to account for modern locomotive and locomotive tender design and allow FRA to more readily tackle the safety issues related to the industry’s recently expressed desire to achieve fuel efficiencies through use of liquefied natural gas-powered locomotives.
- **Encouraging use of noise mitigation technologies**—Current Environmental Protection Agency rules for railroad noise emissions do not consider the use of noise mitigation technologies when applying the requirement. Alternative rules may allow higher train speeds while encouraging railroads to reduce the impact of noise emissions on communities surrounding rail operations.
- **Expanding FRA-sponsored research, development, and technology**—To date, FRA’s research has centered on core rail safety issues such as hours of service and train control systems. The President’s vision for rail includes expanding passenger service across the Nation and increasing train speed. While developing a modern rail system, FRA must continue to ensure that rail remains an extremely safe mode of transportation. Consequently, FRA must undertake a new line of research that solves the technical and associated issues necessary for implementing a comprehensive high-performance rail system. FRA proposes a new Research Development and Technology Program, funded at \$55 million in FY 2014. Through this program, FRA will make upgrades to the Transportation Technology Center in Pueblo, Colorado that will allow new rail equipment to be tested. This will result in stronger safety standards and early identification of reliability issues, saving maintenance costs over the long run, developing a domestic workforce for rail initiatives, and ensuring better passenger service.
- **Nationwide rollout of C<sup>3</sup>RS** FRA is implementing a voluntary, Confidential Close Call Reporting System program (C<sup>3</sup>RS) for railroads and their employees to report close calls without receiving disciplinary action. The FY 2014 Budget proposes expanding the C<sup>3</sup>RS from a limited pilot project to a nation-wide rollout. Experience at C<sup>3</sup>RS pilot sites has contributed, we believe, to a nearly 70-percent reduction in certain accidents at one of the most mature pilot sites. Reductions in accidents come from a proactive culture of safety that uses real data far beyond that which can be pulled from accident investigations on a reactive basis. Effective safety oversight is helped by having accurate data. The magnitude of the information provided from proactive programs like C<sup>3</sup>RS in comparison to traditional data from accidents and injuries is illustrated below:

## C<sup>3</sup>RS Identifies Precursors to Accidents



### **PRIORITY #2: MODERNIZING OUR RAIL INFRASTRUCTURE**

Past generations of Americans invested heavily in building the infrastructure we rely on today. Most segments of the Northeast Corridor (NEC or Corridor) were built more than a century ago, for example. Maintaining and modernizing these assets will lower long-term costs and result in a safer, more reliable rail system.

*Policies contributing to this priority include:*

- **Fully funding Amtrak**— This is not the time to cut back on our responsibilities to invest in America’s rail infrastructure. Demand for passenger rail across the United States continues to rise, as evidenced by Amtrak carrying a record 31.2 million passengers in FY2012. These record ridership levels are in spite of decades of underinvestment in the Nation’s rail system, which has resulted in a backlog of needed maintenance and repairs on the Northeast Corridor that is approaching \$6 billion. Addressing this backlog is critical to maintaining and improving current passenger rail services. Similarly, Amtrak’s long-distance routes continue to play a vital role in our Nation’s broader transportation network, providing a needed transportation alternative to both urban and rural communities.
- **Improving access to the Railroad Rehabilitation and Improvement Financing (RRIF) program**—The FY 2014 Budget does not propose changes to the RRIF program. However, as FRA looks forward to reauthorization, the agency is exploring program ways to improve project and program administration, as well as to better integrate the program with the goals and objectives of the National High-Performance Rail System

(NHPRS) program. FRA is working to ensure that all financial assistance programs (both grants and loans) work together in a cohesive and comprehensive manner to improve the Nation's passenger and freight rail networks through an integrated investment portfolio. FRA is ensuring a wider range of borrowers can more readily take advantage of the RRIF program by reviewing eligibility requirements, application processes, administrative provisions, technical assistance, or other program elements.

- **Replacing the nation's obsolete equipment**—Many of the rail cars and locomotives in service across the country are operating at or past their useful lives, leading to higher maintenance costs and reduced performance levels. FRA and Amtrak have started to replace this aging equipment through HSIPR grants and RRIF loans, however, a significant need still remains. New rolling stock will not only lower operating and maintenance costs, but also result in better reliability, improved passenger comfort and amenities, and ultimately better position rail services for long-term economic success.
- **Ensuring all Americans can access rail stations and trains**—FRA would like to study the feasibility, including the benefits and costs, of standardizing passenger station platform heights to better enable level-boarding platforms. Access to transportation is a civil right, and FRA is committed to seeing that fulfilled on the nation's railways.
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### **PRIORITY #3: MEETING THE GROWING MARKET DEMAND**

With 100 million more Americans expected by 2050, the national transportation system must be prepared to handle substantial increases in the movement of people and goods. Given the existing capacity constraints on other modes, rail will play an increasingly vital role in balancing America's transportation system, resulting in public benefits such as reduced reliance on foreign oil, reduced air pollution, increased safety, and additional travel options.

*Policies contributing to this priority include:*

- **Establishing a dedicated funding source for Federal rail investments**—An overarching issue that runs across all of these priorities is the need for sustained and long-term funding, similar to enacted legislation currently in place for highways, transit, and aviation. It is difficult and inefficient to make large-scale infrastructure investments on a year-to-year basis. Every other rail system in the world has been planned and developed through a predictable multi-year funding program. The Administration is proposing to offset the cost of the program described below from the savings generated by capping the Overseas Contingency Operations activities; however, beyond the five-year reauthorization window, we look forward to working with Congress to identify other solutions to this important challenge.
- **Taking an integrated approach to passenger and freight rail improvements**—Rail is a unique mode that operates on unique infrastructure, and rail investments and policies must be considered holistically. FRA is constantly looking for ways to improve the safety, reliability, and efficiency of both passenger and freight rail through

good data and science, including innovative R&D and planning to accommodate all forms of rail development. FRA seeks to address major chokepoints and congestion issues that reduce freight and passenger train reliability on shared-use infrastructure through its Congestion Mitigation program. The Freight Capacity program would improve the competitiveness of the Nation's intermodal freight rail by upgrading facilities and adding capacity. The program would also address the needs of local communities, through funding for mitigation of the local safety, environmental, and noise impacts generated by the presence of rail, and for rail line relocation and grade crossing improvement activities.

- **Creating a governance framework for the NEC that can efficiently meet current and future market needs for intercity, commuter, and freight transportation**— The NEC is one of the most important transportation assets in the nation, carrying more than 250 million people per year and an average of 50 freight trains per day. As the backbone to the highest concentration of population and economic activity in the country, there is naturally a large number of stakeholders with a vested interest in the future of the corridor, including the States, Amtrak, local commuter authorities, freight railroads, local governments, business, and others. Through the NEC Infrastructure and Operations Advisory Commission established under PRIIA, FRA has worked with these varied stakeholders to develop an inclusive planning process to establish the framework for future investment in the Corridor. Moving forward, FRA will continue working with all stakeholders to develop policy ideas for addressing NEC governance issues.
- **Creating a governance framework for efficiently managing the Nation's rail equipment**—With FRA's participation, the Next Generation Equipment Committee has developed and approved specifications for single- and bi-level passenger cars, diesel locomotives, train sets, and diesel multiple units. In turn, these specifications have been or will be used in several procurements by States and Amtrak that will result in increased interoperability and lower unit costs. FRA is committed to continuing to explore options to pool equipment in order to improve flexibility and performance of passenger rail services, further lower costs, and ultimately stimulate domestic manufacturing and supply industries.
- **Creating a governance framework for development of multi-State rail networks**— The Administration's goal for a modern rail system that connects communities within America's "megaregions" will inevitably require corridors to cross several State boundaries. Development and implementation of these corridors can be a challenge due to the number of State and local jurisdictions involved in the process. FRA, in consultation with key stakeholders, is exploring various institutional options for efficiently planning and coordinating the implementation of multi-State corridors. Additionally, FRA will encourage groups of States to develop unified plans for rail networks that connect and integrate their regions.

## **PRIORITY #4: PROMOTING INNOVATION**

FRA's vision is for the domestic rail industry to be again world-leading. We want U.S. companies to develop patents for state-of-the-art rail technology, to supply rail operators throughout the world, and to employ the best engineers and railway workers. The United States should be exporting intellectual capital and rail products, not importing them.

*Policies contributing to this priority include:*

- **Investing in America's workforce**—The RD&T program in FRA's FY 2014 budget proposal goes beyond the safety benefits delivered by FRA's existing R&D program. It prepares the Nation for high-performance rail by developing new technologies and testing facilities. It also seeks to ensure growth in the railroad industry is supplied through domestic sources and jobs, strengthens collaboration with universities and others working on research projects, and helps address the future demands for an educated and qualified railroad workforce.
- **Investing in America's rail technology**—Research and development of high-speed rail equipment, as well as state-of-the-art inspection and safety techniques can build a knowledge base in America for the rail industry for generations to come. The PRIIA Section 305 Next Generation Equipment Committee has been doing excellent work to grow the manufacturing base in the United States for technologically advanced rolling stock. The California High-Speed Rail Authority and Amtrak announced a joint high-speed rail equipment procurement that will follow the pooled purchasing model to improve interoperability and increase purchasing power to make taxpayer dollars go as far as possible on rolling stock purchases.
- **Strengthening "Buy America" provisions**—FRA seeks to strengthen the "Buy America" requirements in current law by ensuring uniform applicability to all of FRA's financial assistance programs.

## **PRIORITY #5: ENSURING TRANSPARENCY AND ACCOUNTABILITY**

Accomplishing the priorities described above can only occur if these programs are managed through a transparent process that makes it clear what public benefits and service improvements the American people are "buying" with their investments. The roles and responsibilities of the Federal government, States, Amtrak, freight railroads, and other stakeholders must be clear and based on sound public policy.

*Policies contributing to this priority include:*

- **Organizing financial support for existing passenger rail services by "business lines"**—This structure improves transparency and accountability for taxpayer investments in rail. This is a new strategy that aligns costs, revenues, and Federal grants

to business lines to better ensure that our investments are advancing the Nation's goals and objectives for rail services

- FRA does not support changing the current grant structure under the baseline funding levels. This new system only works under the higher funding levels proposed in FRA's FY2014 budget proposal.
- **Clarifying roles and responsibilities**— Accomplishing the priorities envisioned under this proposal can only occur if these programs are managed through a transparent process that clearly illustrates the benefits that the American people are buying with their investments. The Administration's proposal establishes clear and specific roles for the Federal government, states, Amtrak, freight railroads, and other stakeholders to help ensure the long-term success of the National High Performance Rail System.

## CONCLUSION

Thank you for the opportunity to appear before you to begin a dialogue on the future of rail in America. The President's FY 2014 budget and reauthorization proposal chart a bold new course for transportation infrastructure investment in the United States. We look forward to working with Congress to put people back to work building a balanced transportation system that is safe, reliable, efficient, and able to meet the growing demand and changing travel habits of America's population. I will be happy to respond to your questions.

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