

**Federal Railroad Administrator Joseph C. Szabo
Prepared Remarks
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Good afternoon.

It's great to be here with FTA Deputy Administrator Therese McMillan, and always an honor to meet with the members of APTA.

I'd like to talk to you today about the President's budget proposal and how it will enhance safety and service for the rail industry – including commuter rail.

Investing in a high-performing rail system is an integral part of the U.S. Department of Transportation's efforts to build a safer, more reliable, and more efficient multimodal transportation network.

The President's 2015 budget request for the Federal Railroad Administration (FRA) is a blueprint for a four-year, \$19 billion rail reauthorization that builds upon current rail policy and a \$23 billion portfolio of investments made since 2009.

And for the first time, rail will be put on par with other transportation modes with its own source of dedicated funding as part of a Rail Account within the Transportation Trust Fund.

It is a comprehensive strategy for building a high-performing rail network by investing in rail safety; rectifying decades of historic underinvestment; and by providing competitive grants for market-based enhancements of the Nation's rail network.

In addition to empowering us to continue investing in rail enhancements, the budget includes \$825 million in 2015 to support installation of Positive Train Control on the nation's commuter railroads.

Positive Train Control technology is the backbone of our efforts to reduce accidents caused by human factors – our most vulnerable safety area – which contributes to nearly 40 percent of rail accidents.

And PTC is a critical piece of our comprehensive vision to lead the next generation of rail safety.

Over the past decade, train accidents have declined 47 percent, highway-rail grade crossing accidents are down 35 percent, and employee fatalities have been reduced by 59 percent.

New records in safety have been achieved four of the past five years and Fiscal Year 2013 was even safer than Fiscal Year 2012 – previously our safest year on record.

This has occurred while Amtrak's ridership has grown faster than any major travel mode's, while intermodal freight traffic surged toward to all-time highs, and rail remains a fast-growing mode of public transportation.

But we owe it to the public to always do better. We expect it from ourselves, and we expect it from the industry we regulate.

So let me share with you my vision for driving the next generation of safety. It consists of three pillars:

First, continuing strong oversight and enforcement that is data-driven.

Second, advancing more pro-active safety based programs that identify and mitigate risk well in advance of an accident.

And third, ensure predictable and sustainable federal funding for rail, in order to improve infrastructure through capital investments and develop new safety technologies through robust research and development.

The first pillar of safety, our oversight and enforcement program, is based on the strategic use of data.

Through statistical modeling, we allocate our resources and execute our National Inspection Plan.

This is a disciplined approach that has been the foundation of the dramatic drop in accidents over the past decade.

We learn from every accident, and identify root causation in order to mitigate risk or identify the need for additional regulation.

Last month, we completed Operation Deep Dive, a 60-day safety assessment of Metro-North – a comprehensive look at the railroad's entire operations – and plan to release our report by next week, after all the information has been analyzed.

And I look forward to discussing Operation Deep Dive with members of APTA – as we all must learn from this – and plan to meet with the commuter rail CEOs to discuss our findings, lessons learned, and to share best practices.

While our data-based enforcement program has been instrumental in driving new levels of safety, the recent series of commuter accidents on Metro-North, and the tragedy with a crude oil train in Lac Megantic, Quebec, expose the weakness of relying solely on this approach.

In neither case did the data indicate an imminent accident.

So this takes me to our second pillar: advancing proactive safety programs that identify and mitigate risk well in advance of an accident.

The next level of safety will come from advancing proactive programs like System Safety for passenger railroads and Risk Reduction for freight railroads – including programs like Confidential Close Calls Reporting.

While our data-based oversight and enforcement program has historically produced tremendous results, that data is generated from accidents that have already occurred.

Close Calls Reporting provides data before an accident occurs – not after – and allows for the development of risk mitigation strategies well in advance.

We are in the process of completing a final rule requiring commuter and intercity passenger rail operations to develop System Safety programs. And this will be followed by a regulation to require freight carriers to develop Risk Reduction programs.

System Safety is based on a voluntary program APTA has administered for commuter railroads since the 1990s – but the time has come to require all rail carriers to do thorough risk analysis, to identify hazards, put in place customized programs to mitigate risk, and document progress.

This, in combination with technology like PTC, is the future of rail safety: overlaying proactive safety-based programs above our transitional oversight and enforcement framework.

My third pillar is about achieving a dedicated and predictable source of federal funding for rail – just like the President’s budget proposes – to enhance safety through strong capital investment and technological innovation.

As I stated earlier, our four-year surface transportation reauthorization proposal will provide rail programs with robust funding – \$19 billion over 4 years – and advance the growing role that rail must play to balance the Nation’s transportation needs.

It sets a course to reverse the Federal government’s historic underinvestment in Amtrak: achieving a state of good repair, providing adequate capital for track improvements and replacing obsolete equipment, and leading the way to full ADA compliance.

It builds on the success of the High-Speed and Intercity Passenger Rail Program, continuing competitive grants to pursue new passenger rail markets and to proceed with market-based enhancements to services throughout the nation.

And, it will drive the next generation of rail safety.

It will support timely PTC installation on commuter operators and Amtrak.

It will upgrade track, stations, and signal systems.

And it will provide grants to communities to make safety upgrades or to mitigate the adverse impacts of rail through rail-line relocation projects or quiet zones.

The safest grade crossing is one that doesn't exist.

And in North Carolina, through our program, 50 crossings between Raleigh and Charlotte are being closed – sealing the corridor – with underpasses and overpasses strategically located to improve traffic flow and enhance safety for vehicles, pedestrians, and rail operations.

We must advance more initiatives like this.

Robust Research and Development must supplement capital investment.

And, through the President's budget request, funding can continue for the Transportation Research Board's work to advance the National Cooperative Rail Research program, including workforce development to ensure the skill sets needed to design, construct and operate the next generation of rail in America.

A higher-performing railroad is also a safer railroad.

And building it – as previous generations realized – is shared a responsibility.

It's about ensuring continuous improvement – in both performance and safety.

FRA is also part of a comprehensive strategy for ensuring the safe transportation of Bakken crude oil.

In partnership with the Pipeline and Hazardous Materials Safety Administration, we are examining the entire system for crude delivery: from making sure crude is properly classified and packaged, to supporting PHMSA's tank car rulemaking, to taking further steps to mitigate risk throughout rail operations.

The Association of American Railroads has committed to a series of immediate voluntary steps that will provide significant benefits to safety.

And the Railroad Safety Advisory Committee, with APTA's input, is currently engaged in three tasks regarding the safe movement of hazardous materials, train securement, and appropriate train crew size – with a firm April 1st deadline to complete their work.

Freight trains, commuter trains, and Amtrak trains do not operate in isolation, and these recommendations from the RSAC will enable us to further reduce risk in our complex, interconnected rail system.

It's about identifying gaps in safety and determining how regulations and practices can be improved to close those gaps.

Much like we have revised our Track Safety Standards, requiring railroads to adopt a more performance-based approach to rail inspections in order to achieve a reduced defect rate.

The new rule ensures that rail flaw equipment operators are properly trained and that railroads adopt current best practices and methods for internal rail flaw detection.

Meanwhile, we continue to work with railroads, manufacturers and suppliers, and stakeholders to install PTC as reliably and timely as possible.

While the deadline is up to Congress, we acknowledge that PTC is arguably the most complex undertaking the American rail industry has ever endeavored.

There is no off-the-shelf product available to drop in place – and implementing it on the scale mandated by the Rail Safety Improvement Act has never been attempted anywhere else in the world.

That's why we continue to call on Congress to provide us with the necessary tools to effectively manage this complex undertaking, including authority for provisional certifications and funding to support PTC implementation on commuter railroads.

It is our greatest defense against human error – and it will save lives.

Before I close, let me talk a minute – not about rail – but about streetcars.

The President's budget and funding for new equipment got me thinking about a streetcar design I know you're all familiar with: the old PCC car or Presidents' Conference Committee car.

Formed in 1929 to create a set of standardized specifications for a complete streetcar – standardizing fleets across the United States – many PCC cars still in use around the world today.

The history is a real testament to the vision of the transit industry some 90 years ago and speaks to the power of standardization.

In a similar vein, four years ago, FRA brought together the Next-Generation Equipment Committee to apply the same principle to the development of standards and specifications for next-generation intercity passenger rail equipment.

They're now finalizing their sixth technical specification, and advancing their *second* multi-state equipment procurement: this time for next-generation locomotives that will run in the Midwest on the West Coast.

And the specifications now being developed for intercity passenger rail, which are publically available, can easily be adapted to commuter rail.

So, it is time for APTA to re-embrace its roots and join us in this effort.

Standardized equipment will:

- cost less to purchase by generating economy of scales and eliminating overhead costs;
- costs less to operate by generating lifecycle maintenance savings;
- create new opportunities throughout our domestic supply chain;

We've already seen the benefits of bundling procurements, with the bid for next-generation coaches for California and the Midwest coming in some 36% below estimate and 100% Buy America compliant.

These are efficiencies that cannot be denied.

Investing in a high-performance rail system is an integral part of the U.S. Department of Transportation's efforts to build a safer, more reliable, and more efficient multimodal transportation network.

So, by providing a predictable and reliable Federal funding stream for rail initiatives as part of the Transportation Trust Fund, by advancing proactive safety initiatives and next-generation technologies like autonomous track inspections and PTC, and by forging partnerships to design and acquire equipment, together, we can make this safer, more reliable and more efficient multimodal transportation network a reality – and better serve our public.

Thank you very much.