

**REMARKS FOR  
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ADMINISTRATOR  
FEDERAL RAILROAD  
ADMINISTRATION**

**BEFORE THE  
USA RAIL 2009 CONFERENCE**

**CHICAGO, IL.  
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- Thank you, Michael (Sussman), for your kind introduction.
- I'm really glad about the program you put together here and hope it will create greater coordination between freight and high-speed passenger rail, as this is something we've preached from the very beginning of the high-speed program.
- This conference has a good mix of railroads, suppliers, the investment community, foreign operators, and engineering firms who see that this is a very exciting time to be involved in railroading because of the President's Economic Recovery Act.
- As you may know, I'm a fifth generation railroader who has spent my entire career in the railroad industry -- on the Illinois Central and METRA here in Chicago, and at the United Transportation Union -- and I'm proud to be the first Administrator selected to implement President Obama's vision for high speed rail.
- Not since Abraham Lincoln has a President shown an interest in advancing rail, and it's fallen to me and our talented staff at FRA to work with the states to create high-speed rail networks in the US.
- I'll talk more about the Administration's historic investment in Amtrak and our selection process for high speed rail, but let me first address FRA's main order of business-- safety.

- Our legacy here is twofold: increased safety, and developing a national network of high-speed and intercity passenger rail service..
- However, these two ambitions are not mutually exclusive. We can and will do both.
- I know a lot of people here are actively involved in the industry today, so let me lay down the state of our safety perspective at the outset, as this will be the overriding theme in existing freight operations as well as future high-speed systems. Remember, FRA is a safety agency foremost above all other things.
- As you think about our safety mission, also think about how it dovetails into high-speed rail.
- We will absolutely continue to ramp up our commitment to safe railroad practices to ensure the safety of railroad workers and passengers.
- Reported accidents are down this year, but I wish I could say the same for employee fatalities, which remain far too high at 13 deaths.
- FRA is very concerned about this increase, and we're working with the railroads, labor and the Occupational Safety and Health Administration (OSHA) to bring the number of fatalities down.

- We need to create a safe working environment not only for employees, but for communities and passengers.
- We need management and labor to work together to create a safe and unthreatening workplace. We want to create a culture of safety that permeates freight and passenger railroads alike.
- Since the accident rate has remained relatively flat over the past ten years, we have to adopt new approaches to safety – including that for high-speed rail – that will come closer to reaching our goal of zero accidents, injuries and deaths.
- Much of the low hanging fruit has been picked in terms of safety, so, we have created the Risk Reduction Program to develop innovative methods to address the underlying risk factors that result in train accidents and employee injuries.
- The Risk Reduction Program incorporates “upstream” predictive data management to better identify and correct factors that contribute to accidents. It is proactive – rather than reactive – because it focuses on prevention.
- The Rail Safety Improvement Act requires Class 1 and passenger railroads to implement risk reduction programs with three essential elements.
- They are an overall risk reduction strategy, fatigue management plans, and a technology deployment plan.

- We already off to a good start in the Confidential Close Call Reporting System, which gives employees the ability to voluntarily and anonymously report "close call" incidents that could have resulted in an accident, but did not.
- The airline and mining industries have had similar programs for years, and it's time railroad management and labor get on the same page to figure out the root causes of accidents and injuries in a neutral and anonymous forum.
- Confidentiality is the keystone to this program's success, and it's something we take very seriously.
- The cumulative knowledge gleaned from "close call" reporting is being studied to develop solutions that prevent their occurrence in the future. Any reports that require immediate action are being handled promptly.
- In addition to Close Call, FRA envisions a wide variety of projects that will come under the umbrella of our Risk Reduction Program.
- Some examples include peer-to-peer training programs, management development systems, and the Collision Hazard Analysis which are currently in place on some commuter railroads.
- In addition, use of the Track Quality Index for predictive maintenance or capital investment, and use of wayside equipment monitors and

sensors. In fact, any innovative use of predictive data might be the basis of potential pilot project.

- In the meantime, railroads and employees must work together to develop and strengthen their safety cultures, so that risk reduction becomes second nature.
- But not all safety improvements will come from Risk Reduction. Congress has tasked FRA with a very large number of projects and initiatives.
- Foremost among them is reforming the hours of service regulations, the first steps of which took effect this summer. This milestone marks the first time FRA has regulatory authority to apply science-based, fatigue management processes to the railroad industry.
  - And, other provisions of the Safety Act will increase safety for workers, passengers and the public.
- In addition, efforts to implement Positive Train Control technology continue. We just issued a proposed rule for PTC implementation, and we are holding to the 2010 deadline for railroads to submit their plans, regardless of the waivers that have been submitted. Congress has mandated this deadline.
- It's important to note that PTC is an eligible expense in the Recovery Act, which will certainly help in its implementation as states and

regions develop high-speed rail lines that share track with freight railroads.

- And in terms for safety for high-speed rail and highway-rail grade crossings in this network, we are circulating proposed standards that will address these issues.
- While safety will continue to be my highest priority, job creation and economic development are vitally important now more than ever.
- Under the American Recovery and Reinvestment Act, FRA has already given \$1.3 billion to Amtrak for capital investments.
- And coming soon is an \$8 billion down payment to advance development of high-speed rail networks, for which the President has proposed an additional \$1 billion per year, the Senate \$1.4 billion per year, and the House of Representatives \$4 billion per year. It won't be until the fall when the final funding level will be decided.
- We are currently reviewing the applications for the first wave of applications, and will announce those recipients in the near future.
- Let's be honest about this. Not all states or regions are ready to start projects right away. That's the spirit and law of the Recovery Act, and we wanted to focus on the projects that are really ready to go, plus those that need more planning in order to get their high-speed rail corridor ready to go.

- In the pre application process, we received 278 pre-applications from 40 states and the District of Columbia totaling \$102 billion...more than ten times the amount provided for under the Recovery Act.
- We worked cooperatively and closely with the states in fine-tuning their applications. The goal was to have them really identify projects that were ready to go, and those which needed more planning.
- In this process, we wanted to impress upon the states the key principles for success, including: strong and sustainable partnerships, backed by sound financial management capabilities, and can be realistically ready to ramp up quickly. In other words, we only want projects that are likely to be successful.
- The overwhelming response we have received demonstrates the pent up demand for high-speed and intercity passenger rail.
- This whole high-speed and intercity passenger rail program puts FRA in the spotlight as never before, and we know the pressure is on to get this done right at the outset by selecting the best projects that yield quick and tangible benefits.
- This new focus on FRA is also bringing much needed attention to the rail transportation sector as a whole, which includes you.
- You will help the states achieve their high-speed rail goals, and it is a job you need to take very seriously.

- The nation's future passenger rail network will connect people across America, signaling a new chapter in our nation's public transportation policy.
- This is a large part of what I call the Rail Renaissance in America, which will more fully integrate our rail network.
- This a historic time for us in the railroad business, and I know I speak for many when I say how fortunate we are to directly participate in transforming our rail system for generations to come.
- 20 years from now you can tell your children and grandchildren how you played a part in developing high-speed rail in America. It's something we will all be proud of.
- This is also a historic time in the sense that President Obama has taken such a keen interest in creating a rail system that will revolutionize the way we travel in America.
- You all know what past Presidents have tried to do...or maybe I should say didn't do...with Amtrak and commuter rail. In President Obama, we have a leader with the foresight and vision to realize the true potential of passenger rail.
- For the first time, we're going to integrate passenger rail corridors of 100 to 600 miles with the rest of our transportation network -- and bring rail into the 21<sup>st</sup> century.

- These corridors will be built on a regional basis, so that one day, millions of Americans will have seamless access to airports and transit stations, creating livable cities and inspiring new development.
- Plus, we will continue to upgrade the reliability, frequency, and service on existing intercity routes.
- And our freight rail system—recognized as the best in the world— has a large part to play in this effort. Through it, we will achieve even greater interconnectivity, reducing fuel consumption, traffic congestion and air pollution.
- We know American workers and businesses have the knowledge, expertise, and wherewithal to successfully realize this grand vision.
- Just look at our interstate highway system, which has long been the envy of the world. But when it comes to modern high-speed rail – we’ve had to look elsewhere for success.
- But as the President and Secretary LaHood has told me many times, it’s time to turn that around and rebalance our entire transportation network
- It’s time to give more Americans more transportation options. And in doing so, reducing highway and airport congestion, saving energy, helping revitalize urban areas and heavy industry.

- I accompanied Secretary LaHood on a trip to Europe, where we were impressed while riding the high-speed TGV rail system in France and the AVE system in Spain.
- Spain opened its first high-speed rail line in 1992-- and now they've got 2,300 miles in operation or planned, stretching from the southern coast up to Barcelona in the northeast.
- Simply by virtue of being on the rail line, cities once off the beaten track have become high-profile destinations spawning economic development.
- Plus, we've met extensively with the Japanese, Chinese and other countries who shared their experiences, both operationally and from a safety perspective, so we can learn from their efforts.
- Right now here in the U.S., I know everyone involved with rail wants to know about our selection process, and who will be granted funds.
- What I can tell you is that projects will be selected based on merit. And to be successful, they must help achieve the Administration's strategic transportation goals of:
  - Ensuring safe and efficient transportation choices.
  - Building a foundation for economic competitiveness.

- Promoting energy efficiency and environmental quality.
  - Supporting interconnected, livable communities.
- FRA is committed to ensuring that projects selected yield tangible public benefits, and that project sponsors take the necessary steps in order to minimize and mitigate risks in order to achieve project success.
- I have to tell you how pleased we were that nearly 1,200 people attended our eight stakeholder outreach workshops. Everywhere we went elected officials, representatives of state DOT's, urban planners, environmental advocates and engineering firms shared valuable input on how to make high-speed and intercity rail service a success.
- Judging by the level of enthusiasm we witnessed, there is good cause for hope this unprecedented enterprise will succeed.
- I believe the workshops helped clarify our mutual responsibilities, and as we prepare to review applications for the \$8 billion in Recovery Act funds, we must keep in mind that it is just a down payment in achieving our larger, overarching goals.
- Stating our \$8 billion is a down payment is all part of expectation management.

- Change will happen incrementally. And just like the interstate highway system, it won't be built overnight.
- When President Eisenhower first proposed an interstate highway system no one knew the future routes or how much it would cost. No one even knew how to sell this to the public and landowners.
- But it did slowly develop and grow till 30 years later there was an interstate highway system.
- The same holds true for high-speed rail.
- We are at its infancy, and the \$8 billion is just the beginning on what can be realized in the future. But to make this a reality, we need we will need smart people like you to shape it, sell it, and make it a reality.
- I mentioned that the systems will grow incrementally, and we need to get real on some of the high-speed rail proposals: some systems will progress to 79 mph, then 110, then 150. Some will start at 110. And, some may go right to 200 mph.
- We are dealing mostly with existing infrastructure that can and will be improved.
- What good is it if you can travel from St. Louis to near Chicago at 150 mph, and then go 10 mph into Chicago for the last 30 miles?

- High speed rail isn't a sprint. It's a marathon that you need to adapt your business models to.
- Our focus is on reducing trip times, increasing frequency, reliability and safety. Top speed is moot to us when we have so many logjams in the way that prevent a very fast speed.
- That is our charge. And to make this work – and address our transportation challenges – we have to look beyond our geographic, political, freight vs. passenger biases, and even modal boundaries.
- Breaking this siloed type of thinking is what we are trying to achieve as we write the National Rail Plan.
- Congress mandated that we have a preliminary plan completed October 16, and we will meet this deadline, as we have all others.
- The National Rail Plan includes both freight and passenger rail, but what's more, it will be a multi-modal vision of how we can connect rail with trucks, ports, commuter service, airports, and highways.
- To accomplish this, we have brought in policy wonks from every US Department of Transportation mode, and have reached out to industry groups, state DOT officials, labor, and noted transportation experts. In fact, we just had 75 people at a meeting in Washington on Wednesday to provide valuable input to help make the National Rail

Plan a thoughtful and encompassing blueprint to show a better way to move people and goods in the future.

- The high-speed rail program and the National Rail Plan both require greater collaboration between the FRA, you and other stakeholders.
- I hope you leave here today with a renewed sense of purpose – and an even greater willingness to work cooperatively together with others to make these visions a reality.
- I want to part with something President Obama said when we announced the high-speed rail project in America. It's something I hope can motivate us to our goal:
- President Obama said: "Imagine boarding a train in the center of a city. No racing to an airport and across a terminal, no delays, no sitting on the tarmac, no lost luggage, no taking off your shoes. Imagine whisking through towns at speeds over 100 miles an hour, walking only a few steps to public transportation, and ending up just blocks from your destination. Imagine what a great project that would be to rebuild America."
- I appreciate having had the opportunity to join you here today, and with great anticipation, and I look forward to working with you to rebuild America. Thank you. I'll now take questions

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