

**Remarks for Joseph Szabo, Administrator
Federal Railroad Administration
Before the *Railway Age*
Passenger Trains on Freight Railroads
Sixteenth Annual Conference
Washington, DC
October 19, 2009**

Opening

- . Thank you for your kind introduction, Bill. I appreciate the opportunity to address this gathering today.
- . With all the additional public interest and media scrutiny high-speed intercity passenger rail has been getting, little attention has been paid to the interaction between freight and passenger rail. I commend *Railway Age* for sponsoring an annual conference devoted to this critically important subject.
- . This is a great time to be in the rail industry and to be Federal Railroad Administrator.

- We have a President, Vice President, and Secretary of Transportation who understand and appreciate what railroads can – and do – mean to America.
- They come from States that never lost their dependence on the rail industry to move freight and passengers. They all have seen how the rail industry can serve as the foundation of our economy and our economic competitiveness.
- They have seen how passenger rail investments can be an affective investment in meeting our passenger mobility needs in terms of land use, environmental costs, and energy use.
- And they are here now as we are beginning to reinvest in America

- And as we will be developing the Federal transportation programs for the next generation.
- Over the past few years, we have witnessed nothing short of a rail revolution in this country – be it the expansion of commuter service; increasing Amtrak ridership; and the ever more central role of freight rail in our economy and way of life.
- My hope, as FRA Administrator, is to capitalize on this momentum to bring focus and attention to rail as never before.

- Today, I want to provide you a brief update on several important issues, including our just released Preliminary National Rail Plan, challenges facing the rail system, the High-Speed Intercity Passenger Rail Program, and safety as it relates to high-speed rail.

The Present

- While current economic conditions have reduced highway and air travel, future projections show that intercity travel will increase, and mobility will be severely constrained, by existing transportation capacity limitations.
- The cost of congestion has already increased more than 50% from the previous decade.

- . In 2007 alone, congestion cost this country \$87.2 billion, including 4.2 billion hours of delay and 2.8 billion gallons of wasted fuel.
- . Congestion is a by-product of these capacity limitations. America simply cannot build enough highway lanes or runways to escape this reality. It is literally impossible to accommodate future growth, without improving and expanding the nation's rail network.
- . Rail offers an opportunity to address these needs. Highways and aviation are not going away, but they cannot meet our transportation needs alone. Rail offers significant opportunities to enhance, both freight and passenger mobility, in a cost-effective and environmentally sound manner.

National Rail Plan

- . To realize the opportunities that rail offers this Nation will be a very tall order. To begin to articulate our strategy FRA is working, in concert with the wide range of stakeholders, to develop the first-ever National Rail Plan.
- . This will not just be an inward looking document for the rail industry. If it is to be effective, it also must be an outward looking document that articulates the role of rail in our larger national transportation system, our nation's economic competitiveness, and our quality of life.
- . Last Friday, we delivered a Preliminary National Rail Plan to Congress, and posted this initial draft document online.

- The plan was mandated by the Passenger Rail Investment and Improvement Act and lays the groundwork for developing policies to improve the U.S. transportation system. It mirrors the priorities contained in the Department of Transportation's strategic plan:
 - to improve safety
 - to foster livable communities
 - to increase economic competitiveness
 - and to promote sustainable transportation

- The Preliminary Plan is FRA's proposed approach for the development of a long-range National Rail Plan.

- . We recognize that passenger and freight transportation are inextricably linked and the Plan seeks to address the transportation needs and demands of travelers and freight, emphasizing inter-modality.

- . Fully realized, a truly intermodal system will systemically assure that a passenger or freight shipment is transported using the most suitable mode for each segment of a particular journey.

- . The plan discusses several other important themes—among them:
 - Demand for rail transportation depends heavily on the performance of the system, and by improving rail’s performance we can enhance the overall performance of the national transportation system.

- Freight shippers cannot afford slow or undependable transportation services, and when such conditions result in lost market share, arguments about the superior safety and fuel efficiency of rail fall on deaf ears.
- If freight rail is to play a larger role in the national transportation system, its performance must improve. This requires expanding capacity, improving connections, reducing chokepoints, and providing new and expanded services.
- Workforce development is crucial to the railroad industry as we seek to replace the institutional knowledge and skills that are being lost as workers retire, and the industry seeks to recruit a new generation of railroaders.

- In developing the full National Rail Plan, we will be doing outreach to stakeholders including state DOT officials, industry groups including AAR and the short lines, labor, manufacturers and suppliers, transportation experts and other US DOT modes.
- And a key element will be working with states, and help them develop their own rail plans to ensure Federal long-range planning is consistent with approved state rail plans.
- And note that this is a work in progress. It will not be a success if it is viewed as “FRA’s plan”. It must be the rail industry’s plan. It must be the state DOT’s plan. It must belong to all the stakeholders.

- . Therefore, before the final document is produced, we will continue to engage the railroad industry to assure that this plan is both meaningful now, and a living document that will support public policy decisions that affect the future of the rail industry.

High-Speed Rail

- . One area that the President has already determined rail needs to expand is in the area of high-speed and improved intercity passenger rail. The \$8 billion in Recovery Act funds and \$1.3 billion for Amtrak capital investments demonstrate this Administration's keen interest in rail, creating a historic opportunity to revolutionize the way we travel in America.

- . Over the course of six and a half months, FRA has issued a High-Speed Rail Strategic Plan; held outreach sessions nationwide attended by over 1200 people, issued an interim guidance to states telling them how the high-speed program will work, and solicited applications for the funding currently available.
- . To date, we have received 45 applications from 24 states totaling approximately \$50 billion to advance high-speed rail corridor programs. We've also received 214 applications from 34 states totaling \$7 billion for corridor planning and smaller projects.
- . It became clear that with such an extraordinary response, we needed to step back and look at the big picture.

- . We want to be certain that these initial pieces fit together well to lay the groundwork for a truly national passenger rail program.
- . That is why we have chosen to postpone announcing smaller “project grants” until this winter, allowing us to evaluate the totality of this enterprise.
- . It is the prudent thing to do. The success of this program will depend on us getting the first projects right, achieving tangible results that show America that high-quality rail travel can make our lives better.
- . To be sure, our selections will be merit-based and will reflect President Obama’s vision to remake America’s transportation landscape.

- . We are currently evaluating these proposals, which we believe will spur economic development and provide new green, energy-efficient transportation choices for the decades to come.
- . What I expect to see is states introducing new passenger rail services, upgrading the quality, reliability, and frequency of existing intercity service, and laying the cornerstones for truly high-speed rail service along corridors of 100 to 600 miles.
- . Over time intercity passenger trains and facilities will become better integrated with the rest of our transportation network, creating seamless access to airports and transit stations, while fostering livable communities and smart growth.

- One critical challenge is making sure we do this without harming America's first-rate freight rail system. And another is ensuring the safety of passenger rail both on and off shared use corridors.

Safety

- In most corridors across the country, the success of high-speed rail will depend upon solid working relationships with freight railroads. As I said last Wednesday before the House Transportation and Infrastructure Railroad Subcommittee, we will not create a world-class high-speed rail system at the expense of our world-class freight rail system.
- Which brings us back to FRA's primary mission, and the central idea of this conference – safety.

- . Specifically how to safely design, build, and operate improved intercity and emerging high-speed rail passenger services on, or adjacent, to our mainline freight rail corridors.
- . In the most general sense, we know that safety is the result of intelligent design, precision manufacturing of high quality products, strict adherence to proven operating practices, vigilant maintenance practices, state of the art training, and above all a commitment to excellence in all of these things. These are embodied in a strong safety culture.
- . The need for such a strong safety culture is great, because in most instances, high-speed rail will not begin operations on dedicated right-of-way.

- Instead, most proposed systems will operate over shared use rights-of-way, owned and controlled by freight carriers.
- Even under ideal conditions, the co-location of high-speed passenger and freight rail operations presents significant safety concerns. Even more daunting is determining at what point high-speed passenger rail operations need to be separated from freight rail, and the nature of that separation.
- Some have argued that FRA's 'traditional' approach to passenger system safety will be an impediment to making high-speed rail a reality. FRA is aware of those concerns and recently solicited comments on a draft high-speed rail safety strategy.

- I recommend that those who believe FRA safety standards will deter development of high-speed rail to read and provide input on this proposal.

- It seeks to afford significant flexibility to operators, where appropriate, so long as they can assure the high degree of safety American's have a right to expect.

- The goal of this strategy is to lay out how FRA will:
 - Establish safety standards and program guidance for high-speed rail;
 - Apply a system safety approach to address safety concerns on specific rail lines;

- And, ensure that railroads involved in passenger train operations can effectively and efficiently manage train emergencies.

- . This strategy endeavors to achieve uniformly safe rail passenger service, regardless of speed and will address key elements of rail safety where special care is needed, including equipment, right-of-way, and grade crossings.

- . Through a combination of well-constructed, inspected and maintained track-- designed to host high-speed rail operations; structurally robust rolling stock; and advanced signal and train control technology, an acceptably high level of safety can be achieved.

- . Toward that end, we believe there are many opportunities for mutually beneficial investment and cooperation between freight and passenger interests, including engineering improvements to highway-rail grade crossings, installation of positive train control, remote wayside monitoring and detection equipment, and other opportunities.
- . The financial, technological and logistical challenges posed by legislative requirements to deploy PTC are well known by those here today. We are very pleased that the major freight railroads are working to adopt interoperability standards for PTC. As I told a gathering of the Railroad Safety Advisory Committee on September 10, that effort needs to be accelerated.
- .

- . We hope to issue a final rule in the near future.

And I want to emphasize that we are holding firm to the April 16, 2010 deadline for railroads to submit their implementation plans, as the law requires.

System Safety

- . As important as recognizing the need for PTC is, I would be remiss if I didn't touch upon our broader safety efforts. FRA is first, and foremost a safety assurance and oversight agency. And, the future development of high-speed passenger rail, as well as its integration with freight rail systems will depend heavily upon our ability to achieve multiple goals.

- In recent years, our safety program has undergone profound changes, beginning with the *National Rail Safety Action Plan*, which was effective by helping to reduce the most common causes for rail-related deaths and injuries.
- The *Plan* targeted the most frequent and highest-risk causes of train accidents, and intensified research into new safety technologies.
- The results of these initiatives are promising, but we believe the real key to improving safety is linked to our comprehensive Risk Reduction efforts, which depends on innovative methods to mitigate the underlying risk factors that result in train accidents and employee injuries.

- . FRA’s Risk Reduction Program incorporates “upstream” predictive data management to better identify and correct factors that frequently contribute to accidents. It is proactive – rather than reactive – because it focuses on prevention.
- . The task ahead is clear. We simply must embrace a more nuanced approach, as leading safety indicators have remained relatively flat over the past decade.
- . One notable new pilot project is the Confidential Close Call Reporting program, from which we have seen some very positive initial results.
- . These programs encourage employees to report incidents that could have resulted in an accident, but did not.

- As part of these efforts, railroads work together with their employees and the FRA, in a non-punitive manner, to identify why these events occurred and implement the proper remedies.
- At our first demonstration site at UP's North Platte yard, for calendar year 2009, accidents attributed to human factors declined by more than 70 percent. Similarly, injuries to train, yard, and enginemen declined by more than 30 percent. By comparison, the industry as a whole has seen only modest improvements.
- While the North Platte program is encouraging, nationwide employee fatalities have become far too frequent. So far this year, there have been 14 employee-on-duty fatalities; which is an unacceptably large number of deaths.

- We are asking railroad management to redouble their efforts to ensure that the workplace is safe and the threat of harassment and intimidation is nonexistent. FRA believes that strengthening the culture of safety that permeates freight and passenger railroads will improve safety, productivity, and morale.
- Just as passenger and freight investment activities do not, and cannot occur in a vacuum, responsibility for railroad safety does not reside solely with railroad, FRA, labor, or states. We all have a role to play.

Partnership

- . During the outreach workshops we conducted across the country last spring, we constantly preached to stakeholders that a strong partnership between states, their chosen passenger rail service provider, and host freight railroads is the key to high-speed rail's success.
- . It's like the proverbial three-legged stool. All three legs must be firmly attached, in just to the right way, to support the person sitting on it. So too must states, host railroads, and passenger rail operators be connected to support a new era in transportation. Forging 'win-win' agreements that permit the expansion of passenger rail are the bare minimum necessary to advance this cause.

- Raising awareness and building public support will help us leverage and positively exploit partnerships between railroads, states, the private sector and the federal government-- to make the capacity and infrastructure improvements needed to promote system interconnectivity, and reduce fuel consumption, traffic congestion and air pollution.
- And only by taking these steps can people and goods move faster, more safely, more reliably, and conveniently. We have started this process in earnest through the high-speed and intercity passenger program, in starting to carry out the mandates in the RSIA and PRIIA laws, and most recently through the collaboration provided for in the Preliminary National Rail Plan.

Conclusion

- . Working together will also help bring about solutions in other areas of concern as well.
- . I would like to reiterate that any proposals to change railroad regulatory status should keep in mind that railroads need to make adequate profits to reinvest in their infrastructure. This profitability allows railroads to operate safely and have incentives to expand services to reduce highway congestion, pollution and safety concerns.
- . I heard at several conferences a few weeks ago that the difference between the highway industry and the railroad industry is that the highway industry is united across the board in its advocacy efforts, while the railroad industry is very fragmented.

- Passenger and freight rail interests are beginning to achieve some results through newfound cooperation. The One Rail Coalition, which successfully brings together NARP, AAR, AASHTO, APTA and other groups are making great strides in advancing the profile and needs of our rail industry. And we need partnerships like this to grow and flourish.
- So let me conclude today by emphasizing my – and FRA’s – willingness to work with the rail industry, freight and passenger railroads, labor, States and other stakeholders on all of the issues that lay ahead.

- . Again, I want to express my gratitude to Bill Vantuono and everyone at *Railway Age* for holding this event, and inviting me to speak to you.
- . Repeating what I said at the beginning of these remarks, this is a great time for the rail industry. All of us know how exciting railroading is, and now we have the opportunity to share our passion to make it so for America.
- . Thank you.