

**WRITTEN STATEMENT OF
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**BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
U.S. HOUSE OF REPRESENTATIVES**

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Mr. Chairman, Ranking Member Price and Subcommittee Members, thank you for the opportunity to appear before you today to discuss the Fiscal Year (FY) 2016 President's Budget request for the Federal Railroad Administration (FRA). The \$5 billion requested will enable FRA to continue to make strategic investments advancing the safety, reliability, and efficiency of our rail system. The request is nearly \$3.4 billion more than the FY 2015 enacted appropriation for FRA, and would support new staff.

BUDGET HIGHLIGHTS

The President's FY 2016 Budget request for FRA represents the first year of a proposed six-year \$29 billion rail reauthorization and is a critical part of the Administration's \$478 billion surface transportation legislative package, GROW AMERICA. This investment will improve rail safety, increase opportunities for American workers and companies, and provide strong support for our 21st century economy. It will also ensure that rail remains a cost-effective, environmentally friendly, and safe way to move people and freight.

FRA's FY 2016 budget request includes \$4.8 billion for the **National High-Performance Rail System (NHPRS)**. The NHPRS includes two major new programs, Current Passenger Rail Service and the Rail Service Improvement Program, which together form the centerpiece of FRA's reauthorization proposal.

- **Current Passenger Rail Service:** The President's budget requests \$2.5 billion to return existing rail services and infrastructure to a state of good repair so they continue producing public benefits. For the first time, FRA will provide grant support for passenger service by lines of business: (1) Northeast Corridor, (2) State Corridors, (3) Long-Distance Routes, and (4) National Assets. All funds in this account will be directed to Amtrak, except the State Corridors program.
- **Rail Service Improvement Program:** The budget requests \$2.3 billion to expand and improve the existing rail network to accommodate our growing transportation needs. These funds will be used to: (1) Build and upgrade regional networks of passenger rail

corridors, invest in infrastructure, stations, and equipment for new high-performance passenger rail corridors, and substantially improved existing corridors; (2) support implementation of positive train control (PTC) systems on commuter railroads; (3) invest in local rail facilities and safety projects to mitigate any negative impacts of rail operations in local communities; (4) develop comprehensive plans that will guide future investments in the Nation's rail system and develop the workforce and technology necessary to advance the Nation's rail industry.

- **Predictable and Dedicated Funding:** Congress has for decades funded highway, transit, and aviation programs through multi-year authorizations that provide guaranteed funding. This enables states, local governments, and other stakeholders to plan for and to make large-scale infrastructure investments. Internationally, other major rail systems rely on predictable multi-year funding to plan and develop projects. The Administration proposes this approach for rail, including authorizing mandatory contract authority through FY 2021 for FRA's new rail programs. The programs would be paid for with resources in a new Rail Account of the Transportation Trust Fund, which will be funded with revenue from pro-growth business tax reform.

FRA'S SAFETY INITIATIVES FOR FY 2016

FRA's top priority is safety and FY 2014 was one of the safest years on record. Since FY 2005, total train accidents have declined by 46 percent, total derailments have declined by 47 percent, and total highway-rail grade crossing incidents have declined by 24 percent. However, progress has slowed in recent years. The regulations and tools FRA has put in place since the *Railroad Safety Improvement Act of 2008* are reaching the limits of their effectiveness. To make further gains, FRA is driving continuous safety improvement through a comprehensive strategy that consists of three pillars:

- Continuing a rigorous, data-driven regulatory and inspection program;
- Advancing proactive approaches to identify and mitigate risk;
- Strategic capital investments, including robust research and development program.

Recent major rail accidents in New York, California, West Virginia, North Carolina, Iowa, and Illinois underscore the need for FRA to press to make further improvements in rail safety. For FY 2016, FRA requests \$7.5 million in new resources to address today's most pressing rail safety issues, which include:

- Increasing movement of crude oil and other energy products, including ethanol and liquefied natural gas;
- Passenger railroad safety issues; and
- Highway-rail grade crossing and pedestrian safety performance.

SAFE TRANSPORTATION OF ENERGY PRODUCTS

Transportation of crude oil by rail has increased significantly in a short time, driven by new production from the Bakken oil fields in North Dakota and imports from Canada. Bakken crude oil accounted for nearly 300,000 carloads in 2013. Estimated carloads of Bakken crude oil in 2014 has increased to around 408,000.

The safety and environmental risks posed by the increased shipment of energy products are correspondingly growing. This is a nationwide transportation phenomenon as energy products are shipped from production areas to refineries on the East, West, and Gulf Coasts. On average a carload of crude oil from North Dakota travels over 1,600 miles and ethanol travels an average of 990 miles. Moreover, the consequences of an accident involving containers of crude oil can be catastrophic. In 2013, a single accident in Lac Mégantic, Quebec, killed 47 people.

No single approach will alone make transporting crude oil and other energy products safer. Improved tank car design will be one part of the solution. Other parts will require maintaining and improving track conditions, improving the infrastructure on crude oil routes, and better enabling trains to brake effectively.

To address this growing challenge, FRA requests 45 new staff positions dedicated to the Safe Transportation of Energy Products (STEP). This includes creation of five new Crude Oil Route Manager positions to focus on the nation's five main energy corridors. For the field, FRA requests 40 dedicated crude oil safety inspectors and rail safety specialists to oversee railroads' safety performance, and to ensure that next generation tank cars are built to applicable standards. In addition, FRA seeks additional funds to expand the coverage of its Automated Track Inspection Program vehicle on routes with heavy traffic of energy products and to fully implement the Crude Oil Route Track Examination (CORTEX) program.

Oversight and enforcement are important strategies for making crude oil transportation by rail safer, and so is improving infrastructure and investing in capital. This is especially true with short line railroads and local governments that require assistance making such investments. FRA's proposed \$250 million Local Rail Facilities and Safety grant program, part of the Rail Service Improvement Program, would fund safety projects, including those involving crude oil and energy products. For example, FRA would encourage small railroads to install electronically controlled pneumatic brakes, which can greatly improve stopping performance and train dynamics.

PASSENGER RAILROAD SAFETY

Americans currently take approximately 500,000,000 railroad passenger trips annually, and that number will increase as intercity passenger rail services expand and new commuter rail operations come on line. Protecting their safety and minimizing risks for these passengers as well as railroad crews is a top priority of FRA.

The importance of passenger safety was brought into focus in 2013 when four high-profile accidents on the Metro-North railroad killed four people and injured more than 100 others. Following the four accidents, FRA undertook an unprecedented examination of the railroad, called Operation Deep Dive, which revealed that Metro-North's emphasis was on on-time performance at the expense of safety. This lack of an internal safety culture was the underlying cause of the accidents.

Prior to 2013, the railroad's safety record offered no indication that it was headed towards a calamitous year. This is an example of why FRA is working to advance proactive system safety programs that identify hazards, analyze risks, and put in place customized plans to eliminate those risks. This approach is especially critical for improving the safety of passenger railroads, which carry millions of passengers daily.

For FY 2016, FRA requests 15 new staff positions to develop and implement risk reduction and system safety programs and provide direct oversight and technical assistance to commuter, shared use, and passenger operations. Some of these staff will conduct examinations across the Nation similar to Operation Deep Dive. FRA also plans to develop tools to change the culture within some railroads that can lead to accidents, including creating the Clear Signal for Action program. This program will support peer coaching as a non-punitive way to identify and stop unsafe practices.

Positive train control implementation will improve the safety of passenger operations. For example, positive train control would have prevented the Metro-North derailment that occurred when an employee apparently operated a train too quickly around a curve. FRA's NHPRS request includes \$825 million for commuter railroad positive train control compliance plus funding for Amtrak's implementation of positive train control. Additionally, FRA requests funds to study passenger rail electrification standards to enable train sets from multiple manufacturers to operate successfully in different places.

GRADE CROSSING AND PEDESTRIAN SAFETY

The number of highway-rail grade crossing collisions and related fatalities has decreased over the last 10 years by 24 percent and 27 percent, respectively. However, between the fiscal years 2009 and 2013 the number of collisions plateaued at around 2,033 collisions per year which mirror the trend in highway traffic fatalities. In fiscal year 2014 the number of collisions increased by 8 percent. Moreover, highway-rail grade crossing collisions are the second leading cause of rail-related deaths and the top cause of all railroad accidents.

Similarly, trespass deaths followed the same pattern as highway-rail grade crossings collisions between FY 2009 and 2014. There was an average of 420 fatalities per year between 2009 and 2013 and then an increase of 18 percent in 2014. They are the leading cause of rail-related deaths and accounted for 63 percent of all rail-related fatalities in 2014.

The FRA uses the “3 Es” approach to improve grade crossing safety and to prevent trespassing: education, engineering and enforcement. Starting with education, FRA requests 16 grade crossing safety manager and eight trespass prevention manager positions. These employees would conduct nationwide safety outreach with the trucking industry, communities, local planners, schools, and others to improve the safety of the nearly 130,000 public highway- rail grade crossings. FRA also seeks funds to bring together trespass prevention experts from freight, commuter, and transit railroads to share and develop new prevention initiatives. Moreover, FRA requests new funds to implement a pilot program to provide targeted and sustained community outreach.

The safest crossing is a closed crossing; therefore, increased funding for capital investment is critical. The proposed \$250 million Local Rail Facilities and Safety grant program will enable local communities to build safer highway-rail grade crossings, among other critical improvements.

FRA’s REAUTHORIZATION PRIORITIES

FRA’s two core authorizations – RSIA and the *Passenger Rail Investment and Improvement Act of 2008* – expired at the end of FY 2013. The rail industry has changed dramatically since 2008. After decades of decline due to underinvestment, rail transportation has become safer and more reliable, efficient, and responsive to the traveling public. However, significant work remains to improve the national rail network. To summarize, the FY 2016 Budget presents an integrated strategy for rail safety and service, reflecting the following priorities:

- **Build and strengthen our record of safety.** Rail is already among the safest modes of transportation. Nevertheless, continuous safety improvement is imperative, and with innovative practices and new technologies, the industry can achieve this goal. FRA is leading several related initiatives, such as the system safety and risk reduction programs that influence safety outcomes proactively and preemptively; expanding the successful Confidential Close Call Reporting System program; and supporting implementation of PTC system technology. *The budget makes investments in advancing FRA’s safety mission by supporting PTC system implementation on Amtrak and commuter rail routes.*
- **Grow our economy.** Rail plays a critical role in supporting the stability and growth of the U.S. economy. To maintain our economic competitiveness, the U.S. must have an interconnected and balanced transportation system that benefits both passenger and freight needs. Freight rail is a \$70 billion industry that is relied upon by various sectors across the economy. Recent Federal investments in passenger rail is contributing to a revival of the domestic rail equipment, manufacturing, and supply industries.

- **Close the infrastructure deficit while modernizing our rail infrastructure.** Past generations of Americans invested heavily to build the infrastructure we rely on today. Most segments of the Northeast Corridor were initially built over a century ago. Maintaining and modernizing these assets will reduce long-term costs and result in safer, more reliable, and more efficient rail transportation. *The budget makes investments to reduce the backlog of rail maintenance needs, replace obsolete equipment, and modernize stations to comply with Americans with Disabilities Act requirements.*
- **Meeting growing market demand.** With the United States expected to gain 100 million people by 2050, the national transportation system must prepare for substantial increases in the movement of people and goods. Rail transportation will be critical to meeting this growing demand. FRA's budget makes strategic investments that reflect the needs of multiple stakeholders – passenger and freight rail operators, the traveling public and shippers, governments and private interests. *The budget will fund projects based on specific market needs and rigorous analysis of costs and benefits. The budget makes investments in both new and improved passenger rail services with varying frequencies and speeds, offering ladders of opportunity and necessary mobility to a variety of communities.*
- **Ensuring transparency and accountability.** Accomplishing the priorities described above can occur only if these programs are managed through a process that makes expected public benefits and service improvements transparent to the American people. The roles and responsibilities of the Federal government, States, Amtrak, freight railroads, and other stakeholders must be clear and based on sound public policy. *The budget provides a transparent structure that will ensure delivery of public benefits and a high level of accountability for public resources.*

CONCLUSION

FRA is focused on strengthening and enhancing safety, while strategically maintaining current rail services and infrastructure and expanding and improving the rail network to accommodate growing travel and freight demand. The President's FY 2016 budget proposal is the first step in a six-year commitment to make that possible.