

**Remarks of William G. M. Goetz, CSX Transportation, Inc.**  
**Panel on 21<sup>st</sup> Century Freight Transportation**  
**New York, NY**  
**July 26, 2013**

Chairman Duncan and members of the committee, thank you for this opportunity to participate in today's proceeding. My name is William G. M. Goetz and I am the Resident Vice President for New York City, New Jersey, and Philadelphia with CSX Transportation. CSX is a common carrier freight railroad providing surface transportation solutions to our customers. Our 21,000-mile railroad network is the largest in the eastern United States.

I'm delighted that you included New York City among your visits. The unique character of this area provides excellent examples of 21<sup>st</sup>-Century railroading, effective public-private partnerships, and success in times of crisis. These projects also surface issues that suggest consideration in future federal transportation legislation.

This is a region whose population is very large and growing. New York City's population grew four percent in the current century and those new people want the same or better standard of living as the people who are already here.

Much of the region's freight transportation activity funnels into specific locations where infrastructure bridges water. These assets are heavily used, operate at capacity for many hours each day, and in some cases need replacement. This region simply cannot overlook any alternative to more trucks on its highways.

You've heard from other cities about freight rail's ability to shoulder more of the burden that would otherwise be on the nation's interstates. You may have seen or heard that one train can carry as many as 280 trucks or a railroad can carry one ton of freight nearly 450 miles on a single gallon of fuel. Those are impressive statistics but here in New York we can animate them with actual solutions. I'd like to now share two with you.

The first involves a very basic municipal activity: trash disposal. As environmental considerations eliminated older methods of waste disposal, such as dumping waste in the ocean or into one big hole on Staten Island, waste found itself in trucks using those limited crossings I spoke of earlier. Frankly, some of it still does, but much less so in recent years. Today, all of the waste collected by New York City Sanitation on Staten Island is loaded into containers that leave the region by train rather than truck. Rather than consume highway capacity on the heavily-used Goethals Bridge, Staten Island's waste leaves the island on a train using an adjacent railroad bridge that had been unused for many years. Similar solutions are serving the Bronx and portions of Brooklyn.

A second example involves the region's seaport and the challenge of densely-developed regions. A growing trade for the port is the movement of containers to and from the North American interior. The challenge is that the port is separated from interior markets by densely-populated Northern New Jersey. Constrained highway capacity prompted examination of alternatives. Freight rail provided an initial alternative and then improved it further.

Today, vessels calling at NY-NJ marine terminals discharge cargo for numerous destinations in North America that are loaded on railcars within the marine terminal complex, and leave the port on a train. They never see a New Jersey public roadway. In April, 2013, the NY-NJ Port Authority's Expressrail terminals processed 37,631 containers in this port-rail system.

Three years ago the system was improved by confronting another barrier--this time a geological one. A railroad route connecting the port to the national rail network had tunnels through the New Jersey palisades too low to accommodate trains that stack one container on top of another. One tunnel, 4,200 feet long, had been dug through solid rock when Abraham Lincoln was president. It was enlarged as part of a federal public-private partnership.

Using freight rail as a transportation solution has another benefit that was tested in 2011 and again in 2012: resiliency. In the aftermath of Hurricane Sandy, containers destined to the NY-NJ seaport were diverted to other ports and became stranded in those ports: over 7,000 containers in Virginia, with smaller numbers in Baltimore and Philadelphia. Moving them back here became a monumental challenge. Evacuation using special CSX trains brought thousands of containers back for distribution in the local market.

These local successes point to some important public policy points.

First, it's important to preserve existing freight corridors for present and future freight use. But this can become complicated when proposed non-freight uses are popular. One example is inadequately funded passenger rail projects. Freight railroads are not opposed to the expansion of passenger rail, provided that the new passenger services are adequately funded, and do not come at the expense of good freight service, compromise future freight capacity, or impose new risk without adequate economic consideration.

CSX has advanced several initiatives where passenger rail and freight rail both benefit, instead of one at the other's expense. Master planning in Massachusetts, for example, expanded commuter rail service between Worcester and Boston and brought a modern freight terminal to the state. In Florida, new passenger service is planned in the Orlando market while a modern freight terminal will be developed on a different line in Winter Haven.

The second transportation public policy point deals with reducing the time and cost of bringing a project to a state of shovel-readiness. Public transportation investment scrutiny should do two things: (1) stop poor projects from advancing, and (2) promote good projects to completion. These two forces should operate in tandem in an atmosphere of shared urgency. Current processes simply take too long to weed out bad ideas and too long to approve good ones. An approval delayed is an approval denied.

One of the specific challenges railroads encounter in our public-private partnerships is securing approvals from state historic preservation offices. Disconnects can occur when regulators begin to regard railroads as museums. While many railroad assets were well-designed, are noteworthy, and worthy of preservation focus, care must be taken to avoid freezing every railroad asset into a nineteenth century image.

Positive Train Control provides a current example: as railroads begin the process of permitting antennae and cell towers necessary for our PTC communication, certainly we hope that the FCC approval process, which includes consultation with state historic preservation offices amongst other requirements, can be handled expeditiously.

Thank you for this opportunity to participate today. I am happy to answer any of your questions.