

**Remarks by  
Federal Railroad Administration  
Deputy Administrator Mathew Sturges  
North American Rail Shippers (NARS) Annual Conference  
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Thank you, Ed [*Hamberger, AAR president*]—and good morning, everyone.

Thank you for giving me the opportunity to come talk to you all about what we are up to at FRA and what our vision is.

As an endnote, while I'm new to the FRA, I'm not new to government. I've spent the better part of the past 15 years working on Capitol Hill, in the House of Representatives.

The benefit of working on the House T&I Committee, Transportation and Infrastructure Committee, is we have jurisdiction over all modes of transportation: air, land and sea. It's a perspective that gives me the ability to understand how the connection between the different modes is so critical to the economy, and rail being the backbone of the economy.

In those years, I've spent a lot of time working the different modes but none stuck out to me more than the railroad industry. I've just been fortunate enough to work on the legislation—endnote: The first time we did STB pre-authorization in quite some time, we did a pre-authorization bill on passenger rail, the infrastructure bill rolled into what's called the FAST ACT. The railroad industry to me just symbolizes the most American mode of transportation and is truly the backbone of our economy. That's what brought me to FRA and I'm very appreciative to be there and here talking to you today.

So, on behalf of FRA Administrator Ron Batory, I wanted to share some of our thoughts and visions for the future over the next couple of years. You'll notice a similar theme to Ed and Jim: safety, technology and regulatory issues. That's what we are focusing on at FRA. And while we focus on all aspects of safety, I think it's fair to say a lot of our focus and efforts right now on the safety front is going

towards the PTC implementation deadline—Positive Train Control. It's certainly the most high-profile issue. The Administrator testified on the Hill yesterday at the Senate THUD Appropriations Committee, and we got a lot of interest in PTC Implementation and how we are using different funding streams and grant programs to speed this process up.

As everyone is aware, the deadline for PTC implementation is fast approaching. We have 41 railroads—seven Class 1s, 30 commuter and intercity passenger railroads, and four short-line and terminal railroads—who have until December 31<sup>st</sup> to meet the congressional mandate of PTC implementation.

Yesterday, we announced a Notice of Funding Opportunity, or NOFO, for PTC system grants. This opportunity aims to get \$250 million dollars out the door as fast as we possibly can, and into the hands of railroads to make sure we are providing the resources needed to ensure implementation by the end of the year.

It's part of what's called the CRISI grant program, the Consolidated Rail Infrastructure and Safety Improvements Program; something that was created in the FAST ACT. In the omnibus, Congress, in March, gave DOT and FRA roughly \$592 million CRISI dollars to get out the door, of which no less than \$250 million dollars needed to be spent on PTC implementation.

We took the opportunity to focus, from FRA's perspective, the grant program on getting \$250 million dollars out the door as fast as possible. We shrunk, as a lot of you are aware of, a 90-day grant program deadline for applications to 45 days. The thinking here is we need to get the money into your hands as fast as possible, to make sure that the decisions that need to be made by the end of the fourth quarter of this year would provide enough run way for that to happen.

So, these are grants available under CRISI. That leaves about \$342 million dollars still out there that we look forward to working with you on. The second NOFO is coming out this year.

PTC specific money between FY 17 and 18 funds have been split out for applications. So that's about \$383 million dollars for PTC eligibility. So, we're focused like a laser on ensuring that we are doing all that we can from a funding perspective to help you all meet this deadline or some of you all to meet this

deadline.

In addition to providing funding, we are in a critical stage working with you all in this room to get PTC implemented. There are 41 railroads that need to meet the deadline. We hosted meetings of all 41 of you, with Mr. Batory, to get a sense of where things stand, what obstacles are in the way, and what needs to happen to get to an informed location by the end of the year as directed by the statute.

We then shifted our focus, after talking to the 41 railroads, to talking to the technology providers and the companies that are making this technology, to see where they're at, if they are ready to get the product out the door, what hurdles they have. We want to make sure we have a full grasp of the universe, of the issues that might be out there for the end of the year deadline for this mandate.

I have to say those discussions were extremely helpful for us. To sit down across the table and hear directly from the parties involved was a very, very helpful opportunity for us to do at FRA.

We are also reorganizing staff and hiring safety experts to ensure that the PTC mandate is efficiently administered. We're filling close to 100 key vacancies across the U.S., with nearly 20 percent of the positions in the Signal and Train Control discipline. Our PTC team will grow from 28 to 34 people.

All of this will allow specialists to respond, in a timely manner, to railroad submissions and requests for technical assistance. We want to make sure we're being as responsive and efficient as possible, so the folks can make a decision in a very timely manner with our expertise and guidance so there is not a lot of ambiguity. Our end goal is to be safer, we already have a safe railroad industry, but safer with PTC.

We're committed to finding guidance, resources and implementations so there are no disruptions and uncertainty. While PTC clearly is our big focus for the moment, we are not overlooking other opportunities to work to foster safety innovation in a more productive manner. Each and every day is an opportunity to embrace technology, as you've heard today, and to reduce risks to have the railroad industry become a safer mode of transportation.

As it pertains to highway-rail crossings, a huge area of concern for us, we have been testing intrusion detection technology to provide advanced warning to trains of a vehicles on the tracks. We're also exploring with tech companies the feasibility of partnering to add alerts of upcoming crossings to map applications.

In February, we began focusing national attention on risky behavior at highway-rail crossings and around tracks that take lives, cause injuries, and disrupt the efficient movement of cargo and passengers throughout the nation's rail network.

In conjunction with the National Highway Traffic Safety Administration, we rolled out a \$4.3 million safety campaign to educate the public about the dangers of crossings. I think that's incumbent of all of us in this room to continually educate folks about the dangers of crossing illegally on grade crossings.

We hope this effort will help save lives and resources. Because, taken together, railroad crossing and trespasser fatalities have accounted for about 95 percent of all rail-related deaths over the past decade. That's a statistic we just can't ignore. And the sad truth is that a lot of this could be preventable if work in a collaborative way in instituting technologies and education campaigns today.

In fact, trespassing on railroad property is the leading cause of rail-related deaths. While progress has been made in the past 10 years, we have a lot of work left to do. Congress has directed FRA to come up with a plan in the last Appropriations Bill, and work with you to find a path forward to develop a national strategy for trespasser incidents. We are hard at work on this report and are working to incorporate multiple perspectives: local, state, and federal governments, mental health professionals, nonprofit organizations. Many of you in this room. Because it will take a collaborative effort for us to work together and I look forward to working with all of you on this effort as it progresses.

Since FRA authorized wayside horns, "The Train Horn Rule and Quiet Zones," more communities over the past decade have begun using these warning devices at crossings. The horns are installed at crossings with lights and gates to replace or supplement the locomotive's horn as the train approaches the crossing.

This automated feature uses constant warning time circuitry, and the wayside horn delivers the audible warning directly to motorists and pedestrians at crossings. This

approach has shown to reduce the footprint of the horn sound by 95 percent in neighborhoods for more than a half-mile along the rail corridor.

This is an important step in working together and using technology to help make the railroad industry better.

What we do know is that applying new technologies can be beneficial and some, such as drones, are already demonstrating their value. Drone technology is revolutionizing many industries as companies are increasingly interested in adapting them for all kinds of commercial and humanitarian applications.

In the rail industry, drones have a role to play in safeguarding infrastructure and investigating accidents or preventing them. There are many additional ways for drones to play a role in all operations. We look forward to working with you as we address the technology as it develops.

This is the case up Brunswick, Maine. We have a partnership with the police up there; I think they are the first in the country to use drones to spot trespassers on rails. This is a good step forward and we hope this partnership yields great benefits to reducing trespasser incidents.

Some railroads already use drones for safety checks on equipment and tracks. In the *2016 State of the Industry Reports*, AAR noted that BNSF sent drones to flood zones in Texas and Oklahoma in 2015 to inspect parts of the railroad network that were difficult to access from the ground. This is using the technology to get somewhere a car can't, or a truck can't, in order to do surveillance and figure out how to get the resources we need to remove debris on the track, or ensure that we can get to a community as fast as possible to help return service in that area. During a crisis, every minute is critical, so if technology helps to return service faster, FRA wants to do whatever we can to help be a part of it.

No doubt, these are exciting times. The possibilities are endless. The more we can keep the rails safe by using data and innovative technologies, the better off we can be at reducing or eliminating delays, accidents, and economic hardships.

This is why FRA will continue with renewed urgency to seek ways to foster and encourage the railroad industry to use technology to bring about continued safety

improvements, and increase efficiency in railroad operations and maintenance. As you heard before me, both Ed and Jim touched on this pretty extensively.

At FRA, under Administrator Batory's leadership, we are committed to finding a regulatory framework that makes sense and fits a safe and efficient system to provide the leadership that folks in this room are looking for. It's a new dawn and new day for us.

Back in March, we published what we call the Broad Agency Announcement, or BAA, to solicit ideas for innovative rail Research & Development projects. I don't know how many of you know what that is, but it's a pretty cool thing. I suggest you look into, it's worth your time to explore. Ultimately, the research we get from the proposals can have a transformative effect on the industry, promoting safety and the efficiency of both freight and passenger rail operations as well as infrastructure.

We did two Broad Agency Announcements this year. One is a standard announcement for multiple research topics that fit one of our four research criteria areas—Track, Rolling Stock and Equipment, Train Control, and Human Factors. The second BAA is focused on Intelligent Railroad System Research, and it is restricted to universities and university-led teams. We are really excited what this opportunity might bring to continue to further technology developments in a collaborative fashion.

We have heard about automation today, and that's clearly the direction the industry is going and it's going to be critical to have a good partnership with industry and FRA.

In addition to the two BAAs, we also did a Request for Information, or RFI, seeking information and comment on the future of automation in the railroad industry as you heard about earlier from Jim.

The RFI is part of a focused effort by the U.S. DOT across all modes to advance the safe development, testing, and deployment of automated vehicle technology in transportation.

That's where it comes to us as the regulators and safety agency—to be at the table and be helpful in providing the framework needed to move that ball forward, because that's clearly where the industry is going.

We sought input from industry stakeholders, the public, local and state governments, and any other interested parties, about which railroad operations can and should be automated, or may be automated—all the while keeping in mind the potential benefits, costs, risks, and challenges.

The notice sought comment on how FRA could best support the railroad industry in developing and implementing new and emerging technologies in automation, that could lead to safety improvements or increased efficiencies in railroad operations.

While the deadline to receive comments and information was last week on May 7<sup>th</sup>, we received more than 3,000 responses. If you haven't commented, get it in soon because we will consider any late comments to the extent that we can. I think it is absolutely critical for the folks in this room.

We're committed to working with you all in a collaborative fashion. You'll hear me say that a lot but it's true, and it's through the leadership of Mr. Batory that we find ourselves headed down this path.

To reduce costs and unnecessary burdens that delay infrastructure projects, we're cutting red tape and delivering infrastructure and safety improvements more rapidly to spur economic growth.

DOT and FRA have also been active in the area of regulatory reform, and have pursued numerous projects to reduce regulatory burdens and costs of compliance consistent with our safety mission.

The President's Executive Orders, 13771 and 13777, are instrumental in helping achieve these regulatory reduction goals.

Under EO 13771: For each new significant regulation we finalize, we must finalize at least two deregulatory actions. In addition, each agency within DOT must meet

its regulatory cost allowance by sufficiently offsetting the incremental costs of new significant regulations with cost savings from deregulatory actions.

I think this is a very important step forward in shifting the paradigm on how we as the regulators work with the industry moving forward, at least different from the years past under my experience from the Hill perspective.

To carry out regulatory reform in accordance with principles of good governance, we emphasize transparency, stakeholder engagement, and regulatory restraint.

We want the public to understand how we make decisions, which necessarily includes being transparent in the way we measure the risks, costs, and benefits of engaging in—or deciding not to engage in—a particular regulatory or advisory action. It is our policy to provide an opportunity for public comment on such actions to all interested stakeholders. It is with that openness, we hope to form the best way forward.

DOT and FRA have sought stakeholder input to assist in evaluating regulatory burdens. In addition to the RFI and PTC meetings I talked about, we also published a Federal Register notice asking for public input to identify additional deregulatory actions.

This notice asked for public input to identify actions that the Department may take to alleviate or eliminate regulatory burdens on domestically produced energy resources, in accordance with Executive Order 13783: *Promoting Energy Independence and Economic Growth*.

The ideas provided by the public in response to these notices have been extremely helpful to FRA in implementing the Administration's regulatory reform agenda. We sincerely appreciate your input on items for regulatory reform, and we are moving forward with as many of your suggestions as possible.

Due to FRA's commitment to regulatory reform, we expect to finalize seven deregulatory actions in Fiscal Year 2018 with a cost savings of an estimated \$59 million dollars per year.

For example, FRA expects to issue a final rule to provide an automated



recordkeeping option tailored to small operations. While supporting compliance with federal hours-of-service laws and regulations, this rule will decrease the amount of time necessary for hours-of-service recordkeeping being less of a burden for small operations.

FRA's emphasis on transparency and stakeholder engagement has also extended to our advisory documents. In the most recent Safety Advisories we issued, which addressed rail pitting and temporary signal suspensions, we published them as "draft" advisories and sought public comment to see how the best move forward. I think this was a step in the right direction for us to have an open and collaborative approach before we get to far down the line.

In closing, I want to emphasize that we look forward to continuing to work with you for an efficient and safe rail network. We encourage the entire rail industry to embrace technology, and work collaboratively to tap into some of the tremendous opportunities that are before us.

Thank you, again, for this opportunity. This is my first one as the Deputy Administrator, and I am very excited to be here so thank you all so much.

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