

**Prepared Remarks of FRA Deputy Administrator Heath Hall
Before the Association American of Railroads'
2017 State Relations Policy Committee Annual Conference
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- Good morning and thank you, Quintin Kendall, for that kind introduction.
- I want to preface my remarks by saying that you have a friend in Transportation Secretary Elaine Chao.
- On behalf of the Secretary, I'd like to acknowledge all of you for the hard work you do to preserve and enhance our freight rail system.
- I also want to extend our appreciation to CSX Transportation for hosting this gathering.
- This meeting is valuable precisely because it brings together railroad professionals who work directly with state and local governments, under one roof.
- Today, I will touch upon a range of subjects to give you a sense of what we're currently focused on.

Importance of Rail Transportation

- Let me begin by saying I'm honored to have been appointed as Deputy Administrator by Secretary Chao, and I truly believe in the importance of rail to America and our economy.
- When I was a kid growing up in Southwest Mississippi, my friends and I would watch the trains daily as they ran on the track and delivered goods to our manufacturing plants.
- Trains meant jobs where I grew up. It was our lifeblood.
- However, one day the trains stopped coming. Manufacturing plants closed and thousands of people were without jobs.
- My small town, which had more millionaires per capita than anywhere in the country, became one of the poorest counties in America.
- That town, like many other rural towns across this great country, is still working on rebounding.
- Rail is an important part of that restoration.

1. 45 percent of our freight is delivered by rail.

2. We have more than 144,000 miles of track and more than 800 railroads that call America home.
- You may not know this, but this isn't my first time with FRA. A little more than two decades ago, I walked through the doors of FRA as a young intern, eager to change the world.
 - What I learned during that summer internship hasn't changed more than 20 years later – FRA is committed to safety, innovation, and good sound policy.
 - The Department of Transportation is committed to those principles and facilitating the investment needed to grow rail. Secretary Chao has been very clear about that since she was sworn in.
 - Our mission at FRA is simple; to improve our economy through our robust rail system.
 - As most of you know, safety continues to be the DOT's—and FRA's-- highest priority.
 - There is nothing more important than keeping our industry safe, and safety should always be first and foremost in our minds. I know it is for everyone in this room.

Innovation

- This brings me to the second theme I want to emphasize. I'm told by our hosts that one of the key subjects you are interested in is innovation.
- Encouraging and embracing innovation is central to what the Administration is seeking to accomplish. It is reflected in priorities such as tax reform and environmental streamlining.
- And we are working hard to develop a plan to revitalize our country's infrastructure.
- As Secretary Chao recently explained, "the principles have been announced, and the details are currently being worked out."
- In the interim, the Department unveiled the Infrastructure for Rebuilding America or INFRA grants program, that will make \$1.5 billion in discretionary funds available.
- In contrast to the FAST LANE grants, INFRA will use updated evaluation criteria and encourage leveraging of more non-federal funding—AND it will set aside *at least one-quarter* of its funding for rural projects.
- A key feature of this program is allowing the private sector to participate in financing public infrastructure.

- While public-private partnerships are not the solution for every infrastructure challenge, they can be an important tool.
- I should mention the latest TIGER grant program solicitation, announced on September 7, 2017, will result in \$500 million being awarded on a competitive basis, to projects that have significant impact on the nation, a metropolitan area or region.
- Among other project selection criteria, special consideration will be given to projects that improve access to transportation in rural communities, and facilitate economic growth and competitiveness.

Improving Effectiveness and Efficiency

- We've also been busy implementing some important new regulatory and policy changes to help deliver infrastructure faster, and in a more responsible cost effective manner.
- Secretary Chao appointed a Task Force within the Department to identify and implement needed changes in the permitting and approval process.
- DOT has issued new guidance on categorical exclusions for multi-modal projects. We expect this change to expedite the environmental review process so infrastructure projects can be delivered more quickly and effectively.
- With respect to reforming the regulatory process, President Donald Trump signed several highly significant Executive Orders. They include:
 - EO 13771 (1/30/17) on **Reducing Regulation and Controlling Regulatory Costs** requires agencies to identify and issue two deregulatory actions for each significant regulatory action issued, and deregulatory actions must offset costs.
 - EO 13777 (2/24/17) on **Enforcing the Regulatory Reform Agenda** requires each agency to designate a Regulatory Reform Officer (RRO) and a regulatory reform task force (RRTF) to review existing regulations that could be eliminated. U.S. DOT Deputy Secretary Jeff Rosen is our designated RRO and leading those efforts.
 - EO 13783 (3/28/17) on **Promoting Energy Independence and Economic Growth** requires a review of all agency actions to determine if they burden the safe and efficient development of domestic energy resources.
 - EO 13788 (4/17/17) titled **Buy American and Hire American** requires each agency to assess compliance with Buy America laws; assess use of waivers; and develop policies to maximize use of materials produced in the U.S.
- Historically, FRA frequently has been required to undertake rulemakings explicitly mandated by legislation, and we have sought to be nimble in balancing competing needs.

- And as we move forward toward a plan for revitalizing our infrastructure, it's important to emphasize there is no *one-size-fits-all* revenue model for infrastructure projects.
- But one thing is certain; freight railroads are an essential element of our nation's critical infrastructure.
- In addition, freight railroads are major contributors for job creation and economic development. This year alone, railroads are spending \$22 billion on maintaining and expanding the network with a staggering 40 cents of every dollar in revenue reinvested in infrastructure and operations.

Positive Train Control

- I would be remiss not to briefly mention the looming challenge of implementing positive train control (PTC). While not fully operational on all railroads subject to the Congressional deadline some 16 months away, real progress is being made!
- In fact, most railroads have successfully completed implementation planning and system development, and FRA continues to support system deployment and testing efforts ultimately leading to certification and full deployment.
- Back in July, the Department announced that 17 projects in 13 states are receiving a total of \$197 million in Federal Transit Administration (FTA) grant funding that Congress authorized in the Fixing America's Surface Transportation or FAST Act.
- As PTC becomes fully operable, we are encouraging all stakeholders to start looking ahead to the future.

Electronically Controlled Pneumatic Brakes

- Another subject garnering public attention recently is electronically controlled pneumatic or ECP brakes.
- The FAST Act directed DOT to conduct additional ECP brake testing and update the rule accordingly.
- A few weeks ago, the National Academy of Sciences released a report concerning FRA and PHMSA's evaluation of the technology. They found it to be inconclusive.
- The FAST Act further directed the Secretary to determine by December 4, 2017, whether the ECP brake requirements are justified.

Expanding Alcohol & Drug Testing to Include Opioids

- We're also working to increase safety in other areas.

- At present, FRA's alcohol and drug control regulations rely upon a five-panel test for pre-employment and random screening of train crews and other covered groups of employees.
- To ensure that the public is not needlessly endangered we are in the process of finalizing a proposed rule that will require opioid testing of safety-sensitive transportation workers, not just screening for marijuana and cocaine.
- Amending DOT's requirements to conform with the Department of Health & Human Services guidelines for Federal Workplace Drug Testing Programs is needed to test workers for four commonly-prescribed prescription drugs- hydrocodone, hydromorphone, oxycodone, and oxymorphone.

Highway-Rail Grade Crossing Safety

- Finally, I want to talk about grade crossings. Many of you know that roughly 96% of rail-related deaths in the U.S. are due to train-vehicle collisions and illegal trespassing.
- Highway-rail crossings are an issue that highlight the importance of safety, innovation, and investment.
- Without question, ensuring safety at more than 200,000 highway-rail crossings is a daunting challenge.
- The data speaks for itself:
 1. At least two people will be killed by a train today. It will occur again tomorrow and the next day if we do not place greater emphasis on it grade crossing safety.
 2. Combined, railroad crossing and trespasser deaths have accounted for more than 95 percent of all rail-related deaths over the past ten years.
- I have looked at the data for the last ten years, and it is stagnant, so we must get in front of this issue now.
- We know who these victims are- and this is an important tool in our tool box:
 1. 75% of the victims are male.
 2. 59% of the drivers are between the ages of 20-49.
 3. And, collisions fluctuate by season, with the highest accident rates occurring in December, January and February.
- Many factors have kept the number of collisions stagnant: whether it's because people are in hurry, they are driving under the influence of drugs or alcohol, or handheld devices are distracting them from their surroundings, it is a serious problem.

- The point is, we know these people. They are our neighbors. Perhaps their children go to school with ours. It is critical that we tackle this issue. Let's market to these people.
- But I'm not telling you something you don't already know.
- We, as Americans have been challenged before:
 1. In the 1980s, we were challenged to "just say no" as it related to drugs.
 2. In the 1990s, we were challenged to bring attention to drunk driving; and an organization that started with one mother whose son lost his life to a drunk driver brought about huge increases in public awareness.
- Let's challenge ourselves once more to make the next decade the safest in rail history.
- This issue affected me in May of last year – my former crisis public relations firm was called out to a grade crossing train accident where a father and his two young kids were killed.
- It was an emotional moment for me, law enforcement, and first responders who were there on the scene. Because the driver wasn't paying attention, a woman is without her husband, her son, and her daughter.
- This is when my profession changed into a passion – a crusade if you will.
- We must, and can, do more.
- In mid-August, Secretary Chao awarded more than \$78 million dollars in competitive grants that will enhance safety at more than 100 rail crossings, repair nearly 250 miles of track, and improve more than 70 rail bridges- helping communities in Maine, Mississippi, Florida, Georgia, and Texas improve access to the national freight rail network.
- In total, that \$78.88 million will lead to approximately \$217 million in total investment in infrastructure. In this first round of grants, more than 50 percent went to rail.

Closing

- As the case studies shared earlier show, innovative thinking is necessary. It's often how we find workable solutions, especially where railroads interact with states and localities.
- We are committed to rebuilding our critical infrastructure and the Administration is looking forward to rolling out comprehensive principles on infrastructure investment very soon.
- I also want to reiterate how much we value your views and partnership.

- It has truly been an honor to speak here today and I look forward to meeting with you all in the weeks and months ahead to advance safety and strategic investments in our rail infrastructure.
- Thank you for your time and attention.

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