

# AMERICA BUILDS: EXAMINING AMERICA'S FREIGHT AND PASSENGER RAIL NETWORK

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(119-3)

## HEARING BEFORE THE SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS OF THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE HOUSE OF REPRESENTATIVES ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

JANUARY 23, 2025

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Washington, DC 20515

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JANUARY 17, 2025

**SUMMARY OF SUBJECT MATTER**

TO: Members, Subcommittee on Railroads, Pipelines, and Hazardous Materials  
FROM: Staff, Subcommittee on Railroads, Pipelines, and Hazardous Materials  
RE: Subcommittee Hearing on “*America Builds: Examining America’s Freight and Passenger Rail Network*”

**I. PURPOSE**

The Subcommittee on Railroads, Pipelines, and Hazardous Materials will meet on Thursday, January 23, 2025, at 10:00 a.m. ET in 2167 of the Rayburn House Office Building to receive testimony at a hearing entitled, “*America Builds: Examining America’s Freight and Passenger Rail Network*.” The hearing will discuss passenger and freight issues and the state of the railroad industry, including potential legislative considerations for a surface reauthorization bill. At the hearing, Members will receive testimony from Ian Jefferies, President and Chief Executive Officer (CEO), Association of American Railroads; Chuck Baker, President, American Short Line and Regional Railroad Association; Joe Daloisio, Chairman, National Railroad Construction & Maintenance Association, and Jared Cassity, Alternate National Safety and Legislative Director, Sheet Metal, Air, Rail, Transportation–Transportation Division (SMART–TD).

**II. BACKGROUND**

America’s freight and intercity passenger railroad networks are essential for the movement of goods and people across the country. America’s freight rail network consists of almost 140,000 miles of track.<sup>1</sup> Six Class I freight carriers and 603 Class II and III (short line) railroads move roughly 1.6 billion tons of goods each year.<sup>2</sup> Amtrak is the Nation’s primary passenger rail service and operates over roughly 21,000 miles of track in 46 states, serving over 500 destinations.<sup>3</sup> In addition, there are approximately 30 commuter railroads in the United States, many operated by state or regional governmental authorities.<sup>4</sup> The primary agency that oversees railroad safety and rail grant programs is the Federal Railroad Administration (FRA)

<sup>1</sup> ASSOCIATION OF AMERICAN RAILROADS, *State Fact Sheets*, available at <https://www.aar.org/data-center/railroads-states/#:~:text=in%20Your%20State-,Freight%20Rail%20in%20Your%20State,nearly%20140%2C000%20miles%20of%20track>.

<sup>2</sup> *Id.*

<sup>3</sup> AMTRAK, *Amtrak Facts*, available at <https://www.amtrak.com/amtrak-facts#:~:text=With%2021%2C000%20route%20miles%20in,to%20more%20than%20500%20destinations>.

<sup>4</sup> AMERICAN PUBLIC TRANSPORTATION ASSOCIATION, *How many commuter railroads are in the United States?*, (Mar. 16, 2021), available at <https://www.apta.com/faq-items/how-many-commuter-railroads-are-in-the-united-states/>.

within the Department of Transportation (DOT).<sup>5</sup> Congress authorizes and appropriates funding for Federal discretionary grant programs to support freight and passenger rail service, some of which are described below.

### III. FEDERAL FUNDING FOR RAILROADS

#### *CONSOLIDATED RAIL INFRASTRUCTURE AND SAFETY IMPROVEMENTS (CRISI) GRANT PROGRAM*

The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program was initially authorized in the Fixing America's Surface Transportation (FAST) Act in 2015 (P.L. 114–94) and reauthorized in the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117–58) in 2021.<sup>6</sup> CRISI provides funding for privately and publicly-operated freight and intercity passenger rail projects, including those that “improve railroad safety, efficiency, and reliability; mitigate congestion at both intercity passenger and freight rail chokepoints to support more efficient travel and goods movement . . . and lead to new or substantially improved Intercity Passenger Rail Transportation corridors.”<sup>7</sup> Eligible applicants include individual states (and the District of Columbia), Federally-recognized Indian tribes, public agencies, Amtrak or other rail carriers providing intercity passenger rail transportation, and Class II and Class III freight railroads.<sup>8</sup> The Federal cost share of a CRISI grant award cannot exceed 80 percent of the project cost, with the remaining funding comprising state/local government or private sector funding.<sup>9</sup>

IIJA funded CRISI at \$5 billion over five years and subsequent annual appropriations bills have also included funding for this program.<sup>10</sup> In September 2023, the FRA announced fiscal year (FY) 2022 CRISI awards totaling over \$1.4 billion for 70 projects, 10 of which fund intercity passenger rail projects.<sup>11</sup> In October 2024, FRA announced FY 2023–2024 awards totaling more than \$2.4 billion for 122 projects.<sup>12</sup>

#### *AMTRAK GRANTS*

Amtrak receives annual grants from the Federal government. The FAST Act changed the authorization structure of Amtrak to provide appropriations based on service—Amtrak Northeast Corridor and Amtrak National Network grants—instead of two separate programs for operations and capital/debt service activities.<sup>13</sup> In addition to annual appropriations grants, IIJA provides \$22 billion in funding specifically to Amtrak in the form of advanced appropriations.<sup>14</sup> The bill authorizes and appropriates over five years \$102 billion for the FRA, and at least another \$30 billion in discretionary multimodal grants for which freight rail, Amtrak, and other intercity passenger rail projects are eligible.<sup>15</sup>

<sup>5</sup> FED. RAILROAD ADMIN, *About Us*, available at <https://railroads.dot.gov/about-fra/about-fra>.

<sup>6</sup> 49 U.S.C. § 22907.

<sup>7</sup> Notice of Funding Opportunity for the Consolidated Rail Infrastructure and Safety Improvements Program, 87 Fed. Reg. 54278 (Sept. 2, 2022), available at <https://www.federalregister.gov/documents/2022/09/02/2022-19004/notice-of-funding-opportunity-for-the-consolidated-rail-infrastructure-and-safety-improvements>.

<sup>8</sup> *Id.*

<sup>9</sup> UNITED STATES DEP'T OF TRANSP., *Consolidated Rail Infrastructure & Safety Improvements (CRISI) Grant Program*, available at <https://www.transportation.gov/rural/grant-toolkit/consolidated-rail-infrastructure-safety-improvements-crisi-grant-program>.

<sup>10</sup> 49 U.S.C. § 24911; see also BEN GOLDMAN, CONG. RSCH. SERV. (IF11920), PASSENGER RAIL EXPANSION IN THE INFRASTRUCTURE INVESTMENT AND JOBS ACT (IIJA), (last updated Feb. 10, 2022), available at <https://crsreports.congress.gov/product/pdf/IF/IF11920>.

<sup>11</sup> UNITED STATES DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Consolidated Rail Infrastructure Safety Improvements (CRISI) Program*, (last updated Oct. 2, 2023), available at <https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/consolidated-rail-infrastructure-and-safety-2>.

<sup>12</sup> Press Release, UNITED STATES DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Investing in America: Biden-Harris Administration Announces \$2.4 Billion in New Rail Projects*, (Oct. 29, 2024) available at <https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/investing-america-biden-harris-administration-1>.

<sup>13</sup> Pub. L. 114–94, 129 Stat. 1662 at Sec. 11101.

<sup>14</sup> UNITED STATES DEP'T OF TRANSP., FED. RAILROAD ADMIN, *2022 Bipartisan Infrastructure Law Funding Table*, available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2022-02/Bipartisan%20Infrastructure%20Law%20Funding%20Table%20Jan2022.pdf>.

<sup>15</sup> 49 U.S.C. § 6701 (noting the National Infrastructure Project Assistance, authorized at \$5 billion and appropriated at \$10 billion over five years); see also 49 U.S.C. § 6702 (noting the Local and Regional Project Assistance, authorized at \$7.5 billion and appropriated at \$7.5 billion over five years); see also 23 U.S.C. § 149; see also 49 U.S.C. § 224, et seq.; see also 23 U.S.C. § 601, et seq. (describing two Federal loan programs that include this eligibility, Railroad Reha-



*FEDERAL-STATE PARTNERSHIP FOR INTERCITY PASSENGER RAIL GRANT PROGRAM*

Sections 22106 and 22307 of IIJA authorize the Federal-State Partnership for Intercity Passenger Rail (FSP) Grant Program.<sup>16</sup> Formerly the Federal State Partnership for States of Good Repair Grant program, this grant program was modified in the IIJA to not only provide funding for capital projects that reduce the state of good repair backlog, but that may also improve service performance and improve existing or establish new intercity passenger rail service, including privately operated passenger rail service.<sup>17</sup> Eligible projects include projects to replace, rehabilitate, or repair infrastructure, equipment, or facilities used for providing intercity passenger rail service to bring assets into a state of good repair or to improve intercity passenger rail service performance; expand or establish new intercity passenger rail service; or for the planning, environmental review, and final design of an eligible project or group of projects.<sup>18</sup> Eligible recipients include: an individual or group of states, including the District of Columbia, an Interstate Compact, a public agency or publicly chartered authority established by one or more states, a political subdivision of a state, Amtrak, a Federally recognized Indian Tribe or any combination of these entities.<sup>19</sup>

Because IIJA designated the majority of the advance appropriated funds for FSP for the Northeast Corridor and set out specific requirements for funding projects in this region, FRA issued two separate notices of funding opportunity (NOFO) to break out the Northeast Corridor funding from National Network funding.<sup>20</sup> On November 6, 2023, FRA announced awards of \$16.4 billion for 25 projects on the Northeast Corridor.<sup>21</sup> This amount, includes \$7.4 billion in phased funding agreements authorized in the IIJA.<sup>22</sup> On November 15, 2024, FRA announced an additional nearly \$1.5 billion to 19 projects on the Northeast Corridor.<sup>23</sup> On December 8, 2023, FRA announced \$8.2 billion for 10 projects on the National Network.<sup>24</sup> On October 1, 2024, FRA announced a NOFO for the National Network funding totaling over \$1 billion.<sup>25</sup> Applications were due in mid-December and are currently under review.

*RAILROAD CROSSING ELIMINATION (RCE) PROGRAM*

The IIJA authorized \$600 million in annual advanced appropriations over five years (totaling \$3 billion) to create a new RCE grant program to address safety concerns at highway-rail or pathway-rail grade crossings nationwide.<sup>26</sup> The grant program applies to projects that would separate or close grade crossings; would relocate tracks, install or improve protective or preventive measures at crossings such as signs or signals; and fund planning and designs for eligible projects.<sup>27</sup> Eligible recipients include individual states, the District of Columbia, Puerto Rico, and other United States territories and possessions, Federally recognized Indian Tribes, local

bilitation and Improvement Financing and Transportation Infrastructure Finance and Innovation Act).

<sup>16</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *Federal-State Partnership for Intercity Passenger Rail Grant Program*, (last updated Nov. 6, 2023), available at <https://railroads.dot.gov/federal-state-partnership-intercity-passenger>.

<sup>17</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *Federal-State Partnership for State of Good Repair Grant Program (FY 2017–2021)*, available at <https://railroads.dot.gov/grants-loans/federal-state-partnership-state-good-repair-grant-program-fy-2017-2021>.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Id.*

<sup>21</sup> Press Release, U.S. DEPT OF TRANSP., FED. RAILROAD ASSOCIATION, *President Biden Advances Vision for World Class Passenger Rail with \$16 Billion Investment in America's Busiest Corridor*, (Nov. 6, 2023), available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2023-11/FRA%2011-23.pdf>.

<sup>22</sup> *Id.*

<sup>23</sup> Press Release, U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *Investing in America: Biden-Harris Administration Announces Nearly \$1.5 Billion in Additional Upgrades to America's Busiest Rail Corridor*, (Nov. 15, 2024) available at <https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/investing-america-biden-harris-administration-4>.

<sup>24</sup> Press Release, U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *President Biden Announces \$8.2 Billion in New Grants*, (Dec. 8, 2023), available at <https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/president-biden-announces-82-billion-new-grants>.

<sup>25</sup> Press Release, U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *Investing In America: Biden-Harris Administration Makes More Than \$1 Billion in Additional Funding Available to Support America's Passenger Rail Future*, (Oct. 1, 2024), available at <https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/investing-america-biden-harris-administration-0>.

<sup>26</sup> IIJA, Pub. L. No. 117–58, Sec. 22305, 135 Stat. 695.

<sup>27</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *Railroad Crossing Elimination Program*, (last updated Oct. 2, 2023), available at <https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/railroad-crossing-elimination-grant-program>.

governments, public port authorities, metropolitan planning organizations, and a group of the entities listed.<sup>28</sup>

In December 2023, FRA awarded over \$570 million in FY 2022 funds to eligible projects under the RCE program.<sup>29</sup> IIJA stipulates that at least 20 percent of available grant funds (\$114.6 million) are made available for rural and tribal land projects.<sup>30</sup> Of this 20 percent set aside, five percent of the total funding is made available for projects in counties with 20 or fewer residents per square mile.<sup>31</sup> The Federal cost share for these grants is no more than 80 percent of total project costs.<sup>32</sup> On January 10, 2025, FRA announced over \$1.1 billion for 123 rail projects to improve or study more than 1,000 highway-rail crossings Nationwide.<sup>33</sup>

#### RESTORATION AND ENHANCEMENT GRANTS

The Restoration and Enhancement Grant program was authorized in Sections 11104 and 11303 of the FAST Act at \$20 million a year.<sup>34</sup> IIJA authorized and advance appropriated \$50 million each year over five years for the program, which provides operating assistance grants to initiate, restore, or enhance intercity rail passenger transportation for up to six corridors.<sup>35</sup> Eligible applicants include states or their political subdivisions, groups of states, interstate compacts, public agencies or publicly chartered authorities established by one or more states, Amtrak or other intercity passenger rail carriers, rail carriers in partnership with any eligible government entities, or a combination.<sup>36</sup> For FY 2018 through FY 2020, the Restoration and Enhancement grant program awarded over \$22.4 million.<sup>37</sup> On January 10, 2025, FRA announced over \$146.3 million in grants for FY 2021 through FY 2024.<sup>38</sup>

#### CORRIDOR IDENTIFICATION AND DEVELOPMENT (CORRIDOR ID) PROGRAM

IIJA created the Corridor ID Program for FRA to identify and assist in the planning of intercity passenger rail projects.<sup>39</sup> The goal of the program is to help create and facilitate a pipeline of intercity passenger rail projects ready for implementation.<sup>40</sup> Eligible applicants include Amtrak, states, groups of states, entities implementing interstate compacts, regional passenger rail authorities, regional planning organizations and other public entities.<sup>41</sup> The maximum award is \$500,000 per project to facilitate planning and development.<sup>42</sup> On December 8, 2023, the FRA announced the selection of 69 corridors across 44 states to drive future passenger rail expansion.<sup>43</sup> The selections include 15 existing rail routes, add or extend service on 47 new routes, and advance seven new high-speed rail projects.<sup>44</sup>

#### THE REBUILDING AMERICAN INFRASTRUCTURE WITH SUSTAINABILITY AND EQUITY (RAISE) GRANT PROGRAM

RAISE is a DOT discretionary grant program for surface transportation projects whose objectives include investing in projects that will have a significant regional

<sup>28</sup> *Id.*

<sup>29</sup> U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Railroad Crossing Elimination (RCE) Grant Program*, (last updated Dec. 4, 2023), available at <https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/railroad-crossing-elimination-grant-program>.

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> IIJA, *supra* note 26, at 135 Stat. 696.

<sup>33</sup> Press Release, U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Investing in America: Biden-Harris Administration Announces Over \$1.1 Billion in New Rail Grants to Reduce Train-Vehicle Collisions and Blocked Crossings*, (July 9, 2024), available at <https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/biden-harris-administration-makes-more-11-0>.

<sup>34</sup> Fixing America's Surface Transportation Act, Pub. L. No. 114–94, 129 Stat. 1651.

<sup>35</sup> IIJA, *supra* note 26, at § 22105.

<sup>36</sup> U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Restoration and Enhancement Grant Program*, (last updated Oct. 2, 2023), available at <https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/restoration-and-enhancement-grant-program>.

<sup>37</sup> *Id.*

<sup>38</sup> U.S. DEP'T OF TRANSP., *INVESTING IN AMERICA: Biden-Harris Administration Announces Over \$1.1 Billion in New Rail Grants to Reduce Train-Vehicle Collisions and Blocked Railroad Crossings*, (Jan. 10, 2025) available at <https://www.transportation.gov/briefing-room/investing-america-biden-harris-administration-announces-over-11-billion-new-rail>.

<sup>39</sup> IIJA, *supra* note 26, at § 22308 (Codified at 49 U.S.C. § 25101).

<sup>40</sup> U.S. DEP'T OF TRANSP., FED. RAILROAD ADMIN, *Corridor Identification and Development Program* [hereinafter Corridor ID], available at <https://railroads.dot.gov/corridor-ID-program>.

<sup>41</sup> 49 U.S.C. § 25101(b).

<sup>42</sup> Corridor ID, *supra* note 40.

<sup>43</sup> Press Release, DOT, *President Biden Announces \$8.2 Billion in New Grants for High-Speed Rail and Pipeline of Projects Nationwide*, (Dec. 8, 2023), available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2023-12/FRA%2013-23.pdf>.

<sup>44</sup> *Id.*

or local impact, and support DOT strategic goals to improve safety, economic efficiency and global competitiveness, reduce disparities, and achieve environmental objectives.<sup>45</sup> Eligible applicants include states, local governments, port authorities, and metropolitan planning organizations, among others.<sup>46</sup> IIJA authorized advanced appropriations for RAISE grants of \$1.5 billion annually for FY 2022 to FY 2026.<sup>47</sup>

In 2023, the RAISE program issued over \$2.2 billion in awards for eligible projects, including at least eighteen grants for highway-railway grade separation projects and other rail projects.<sup>48</sup> In June 2024, DOT announced roughly \$1.8 billion in RAISE grant awards, including over 15 freight and intercity passenger rail projects.<sup>49</sup> On January 10, 2025, DOT announced awards of \$1.32 billion, including over 10 freight and intercity rail projects.<sup>50</sup>

*THE NATIONALLY SIGNIFICANT MULTIMODAL FREIGHT & HIGHWAY PROJECTS PROGRAM (INFRA)*

The INFRA program was established by the FAST Act and awards competitive grants for multimodal freight and highway projects of National or regional significance to improve the safety, efficiency, and reliability of the movement of freight and people.<sup>51</sup> Eligible applicants include states, local governments, tribal governments, and special purpose districts, among others.<sup>52</sup> Among the eligible activities for INFRA grants are highway-railroad crossings or grade separation projects.<sup>53</sup>

IIJA authorized up to \$10.8 billion for INFRA over the period of FY 2022 through FY 2026.<sup>54</sup> In FY 2022, DOT awarded approximately \$1.5 billion to freight and highway infrastructure projects.<sup>55</sup> DOT consolidated the INFRA grant program into a single notice of funding opportunity with the National Infrastructure Project Assistance grants program (Mega) and the Rural Surface Transportation Grant program (Rural), described below.<sup>56</sup> This combined NOFO is known as the Multimodal Project Discretionary Grant Opportunity (MPDG) and allows applicants to apply through one application and a common set of criteria.<sup>57</sup> DOT issued a NOFO for the MPDG in June 2023, anticipating the MPDG will award between \$5.45 billion and \$5.75 billion from FY 2023 and FY 2024 funding, including between \$3 billion

<sup>45</sup> DOT, OFF. OF THE SEC'Y, *Notice of Funding Opportunity for Fiscal Year 2024, Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants*, [https://www.transportation.gov/sites/dot.gov/files/2023-11/RAISE%202024%20NOFO%2011.30.23\\_0.pdf](https://www.transportation.gov/sites/dot.gov/files/2023-11/RAISE%202024%20NOFO%2011.30.23_0.pdf) [hereinafter RAISE Grants]; see also IIJA, *supra* note 26, at 135 Stat. 663.

<sup>46</sup> 49 U.S.C. § 25101(b).

<sup>47</sup> IIJA, *supra* note 26, at 135 Stat. 675.

<sup>48</sup> Press Release, DOT, *Biden-Harris Administration Announces Funding for 162 Community-Led Infrastructure Projects as Part of the Investing in America Agenda*, (June 28, 2023), available at <https://www.transportation.gov/briefing-room/biden-harris-administration-announces-funding-162-community-led-infrastructure>; see also DOT, OFF. OF THE SEC'Y, *RAISE 2023 Fact Sheets*, available at [https://www.transportation.gov/sites/dot.gov/files/2023-06/RAISE%202023%20Fact%20Sheets\\_2.pdf](https://www.transportation.gov/sites/dot.gov/files/2023-06/RAISE%202023%20Fact%20Sheets_2.pdf).

<sup>49</sup> DOT, *Raise Fact Sheet*, available at [https://www.transportation.gov/sites/dot.gov/files/2024-07/RAISE%202024%20Fact%20Sheets\\_0.pdf](https://www.transportation.gov/sites/dot.gov/files/2024-07/RAISE%202024%20Fact%20Sheets_0.pdf).

<sup>50</sup> U.S. DEPT OF TRANSP., *Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program*, available at <https://www.transportation.gov/RAISEgrants>.

<sup>51</sup> DOT, *The INFRA Grant Program*, (last updated June 27, 2023), available at <https://www.transportation.gov/grants/infra-grant-program> [hereinafter INFRA Grants]; see also Fixing America's Surface Transportation (FAST) Act of 2015, Pub. L. No. 114-94, 129 Stat. 1332, §1105.

<sup>52</sup> U.S. DEPT OF TRANSP., *The Infra Grant Program*, available at <https://www.transportation.gov/grants/infra-grant-program>.

<sup>53</sup> *Id.*

<sup>54</sup> U.S. DEPT OF TRANSP., *Infrastructure Investment and Jobs Act Authorized Funding*, available at [https://www.transportation.gov/sites/dot.gov/files/2022-01/DOT\\_Inrastructure\\_Investment\\_and\\_Jobs\\_Act\\_Authorization\\_Table\\_%28IIJA%29.pdf](https://www.transportation.gov/sites/dot.gov/files/2022-01/DOT_Inrastructure_Investment_and_Jobs_Act_Authorization_Table_%28IIJA%29.pdf); see Nationally Significant Freight and Highway Projects.

<sup>55</sup> Tom Ichniowski, *US DOT Picks Winners for \$1.5B in INFRA Grants*, ENGINEERING NEWS RECORD, (Sept. 15, 2022), available at <https://www.enr.com/articles/54806-us-dot-picks-winners-for-15b-in-infra-grants>.

<sup>56</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *Competitive Discretionary Grant Programs*, (last updated Dec. 11, 2023), available at <https://railroads.dot.gov/grants-loans/competitive-discretionary-grant-programs/competitive-discretionary-grant-programs>; see multimodal projects discretionary grant program.

<sup>57</sup> U.S. DEPT OF TRANSP., OFF. OF THE SEC'Y, *NOFO for the DOT FY 2023-2024 MPDG*, (last updated June 26, 2023), available at [https://www.transportation.gov/sites/dot.gov/files/2023-06/MPDG%20NOFO%202023-2024%20Final\\_0.pdf](https://www.transportation.gov/sites/dot.gov/files/2023-06/MPDG%20NOFO%202023-2024%20Final_0.pdf) [hereinafter MPDG NOFO].

and \$3.1 billion for INFRA.<sup>58</sup> In October 2024, DOT announced \$4.2 billion in funding from INFRA and the Mega grant program.<sup>59</sup>

#### IV. FREIGHT RAIL

Running almost 140,000 route miles, the nearly \$80-billion National freight railroad industry hauls many types of freight, and provides ancillary benefits, including reduced fuel consumption, and lower greenhouse gas emissions when compared to other modes of transportation.<sup>60</sup> It is also the source of a significant number of domestic jobs.<sup>61</sup> Each year, freight rail companies invest an average of \$23 billion in their networks.<sup>62</sup> Freight rail's shipping tonnage has fallen from 1.16 billion in 2019 to 1.113 billion in 2023, even as total shipping tonnage increased from 19.786 billion to 20.24 billion over the same time period.<sup>63</sup>

The industry is comprised of varying sized railroads measured by their annual operating revenues into three different classes. The largest freight railroads are the six Class I's [pronounced "Ones"], which collectively provide long-haul operations in 44 states and D.C.<sup>64</sup> The Class I freight railroads transport nearly 69 percent of United States freight mileage.<sup>65</sup> The more than 600 short line and regional railroads operate 29 percent of the Nation's rail network and move approximately one-third of all United States rail freight.<sup>66</sup> Short lines are a way rural shippers connect to the rest of the North American freight network—playing an important role in providing first-mile and last-mile service that extends the reach of the rail network to rural communities, manufacturers, farmers, and others.<sup>67</sup>

##### FREIGHT RAIL SAFETY

Freight rail safety received renewed national attention following the February 3, 2023, derailment of a Norfolk Southern train in East Palestine, Ohio. After a thorough investigation, the National Transportation Safety Board (NTSB) determined that the accident occurred due to a wheel bearing on a hopper car overheating, causing a wheel axle to separate, leading to a post-derailment fire due to the release of flammable liquid from a punctured tank car.<sup>68</sup> In its final report, the NTSB made several recommendations to various entities, including DOT, FRA, and the freight rail industry that touched on a variety of issues, including defect detection technology, data collection on bearing failures, hazardous materials transport and guidance, and the use of audio and image recordings in locomotive cabs.<sup>69</sup> These recommendations included seeking statutory changes, as needed from Congress.<sup>70</sup>

##### FREIGHT RAIL TECHNOLOGY

Freight railroads continue to expand the use of technology. For over thirty years, FRA supported the continued growth of automated track inspection technology

<sup>58</sup> *Id.*

<sup>59</sup> U.S. DEPT OF TRANSP., *INVESTING IN AMERICA: Biden-Harris Administration Announces More Than \$4.2 Billion From the Bipartisan Infrastructure Law for Transformational, National Infrastructure Projects*, available at <https://www.transportation.gov/briefing-room/investing-america-biden-harris-administration-announces-more-42-billion-bipartisan>.

<sup>60</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *The Freight Rail Network*, available at <https://railroads.dot.gov/rail-network-development/freight-rail-overview>.

<sup>61</sup> *Id.*; See also SURFACE TRANSPORTATION BOARD, *Employment Data*, available at <https://www.stb.gov/reports-data/economic-data/employment-data/> and AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION, *About*, available at <https://www.aslrra.org/about-us/industry-facts/>.

<sup>62</sup> ASSOCIATION OF AMERICAN RAILROADS, *Investments Fact Sheet*, available at [AAR-Investments-Fact-Sheet.pdf](https://www.aar.org/wp-content/uploads/2018/05/AAR-Overview-Americas-Freight-Railroads.pdf).

<sup>63</sup> MOVING GOODS IN THE UNITED STATES, *Weight of shipments by transportation mode*, available at <https://data.bts.gov/stories/s/Moving-Goods-in-the-United-States/bcyt-rqmu/>.

<sup>64</sup> The six Class I railroads include Burlington Northern Santa Fe Railway (BNSF); Union Pacific Railroad (UP); Norfolk Southern Railway (NS); CSX Transportation; Canadian National Railway (CN); Canadian Pacific Railway Kansas City Southern (CPKC).

<sup>65</sup> ASSOCIATION OF AMERICAN RAILROADS, *Overview of America's Freight Railroads*, at 1, available at <https://www.aar.org/wp-content/uploads/2018/05/AAR-Overview-Americas-Freight-Railroads.pdf>.

<sup>66</sup> AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION, *Industry Facts*, available at <https://www.aslrra.org/about-us/industry-facts/>.

<sup>67</sup> *Id.*

<sup>68</sup> NATIONAL TRANSPORTATION SAFETY BOARD, Meeting of June 25, 2024, at 1–2, available at <https://www.nts.gov/investigations/Documents/East%20Palestine%20Ohio%20Board%20Meeting%20Summary%20with%20Amendments.pdf>.

<sup>69</sup> *Id.* at 3.

<sup>70</sup> *Id.*

through FRA’s Automated Track Inspection Program (ATIP).<sup>71</sup> ATIP aids in track safety inspections that visual inspections may miss. Specifically, ATIP “helps America’s railroads improve railroad quality and safety”<sup>72</sup> under statutes mandated by Congress. Information collected by ATIP is used by the government and the rail industry to improve railroad safety. Recognizing the ability of this technology to enhance safety, Class I freight railroads obtained FRA safety waiver approvals to test the combination of ATI technology and manual track inspections by gradually reducing manual visual inspections performed by rail workers required under a 1971 rulemaking.<sup>73</sup> Waivers generally permit rail operators to reduce or replace the number of required visual inspections by workers when utilizing the technology in a manner prescribed in an FRA approved application.

## V. PASSENGER RAIL

### AMTRAK

Amtrak operates a national passenger rail system, which includes the Northeast Corridor (NEC), long-distance routes, and state-supported routes.<sup>74</sup> The network runs over 300 trains per day through 500 stations in 46 states and Washington, D.C. extending roughly 21,000 miles Nationwide.<sup>75</sup> In 2024, the NEC accounted for approximately 43 percent of passenger trips, with state-routes and long-distance routes accounting for 44 percent and 13 percent of trips, respectively.<sup>76</sup> In FY 2024, Amtrak carried a record 32.8 million riders, which was an increase from approximately 28.6 million riders in FY 2023, and brought in a total annual revenue of \$3.6 billion against overall operational losses of \$705 million and total losses of \$1.750 billion.<sup>77</sup>

Most recently, Amtrak received nearly \$126,000,000 out of the more than \$1 billion in CRISI grants awarded for FY 2023–2024 including for safety fencing in Pennsylvania, workforce development training, and new sidings and crossover track in Arizona.<sup>78</sup>

The Northeast Corridor Commission (Commission) was authorized by Congress in 2008 and is made up of 18 members, including representatives from each of the eight Northeast Corridor states, the District of Columbia, Amtrak, and DOT.<sup>79</sup> As required by IIJA, the Commission submits to Congress an annual Capital Improvement Plan for the Northeast Corridor.<sup>80</sup> The Commission’s latest report, Connect NEC 2037, is a 15-year plan that details the sequencing of infrastructure investments and capital renewal projects to be made throughout the Northeast Corridor.<sup>81</sup> The NEC Project Inventory, established by IIJA, is a pipeline of projects that will assist Commission Members and the public with long-term capital planning for the NEC.<sup>82</sup>

<sup>71</sup> U.S. DEP’T OF TRANSP., *History of ATIP*, available at <https://railroads.dot.gov/track/automated-track-inspection-program-atip/history-atip>.

<sup>72</sup> U.S. DEP’T OF TRANSP., *ATIP Overview*, available at <https://railroads.dot.gov/track/automated-track-inspection-program-atip/atip-overview>.

<sup>73</sup> Chris Woodward, *Why Is Biden Admin. Blocking Increased Rail Safety Program?*, INSIDE SOURCES, (May 4, 2022), available at <https://insidesources.com/why-is-biden-admin-blocking-increased-rail-safety-program/>.

<sup>74</sup> 49 U.S.C. § 24102.

<sup>75</sup> BEN GOLDMAN, CONG. RSCH. SERV. (R47260), INTERCITY PASSENGER RAIL: FED. POLICY AND PROGRAMS, (Mar. 23, 2023), available at <https://crsreports.congress.gov/product/pdf/R/R47260> [hereinafter INTERCITY PASSENGER RAIL: FED. POLICY AND PROGRAMS].

<sup>76</sup> AMTRAK, *FY24 Year End Ridership*, [hereinafter *FY24 Ridership*], available at <https://media.amtrak.com/2024/12/fy24-year-end-ridership/#:~:text=Amtrak%20achieved%20an%20all%2Dtime,in%20markets%20across%20the%20nation>.

<sup>77</sup> AMTRAK, September 2024 Monthly Performance Report, at 2, available at <https://www.amtrak.com/content/dam/projects/dotcom/english/public/documents/corporate/monthlyperformancereports/2024/Amtrak-Monthly-Performance-Report-September-2024.pdf>.

<sup>78</sup> U.S. DEP’T OF TRANSP., FED. RAILROAD ADMIN, *FY 2023–2024 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant Program: Project Summaries*, available at <https://railroads.dot.gov/elibrary/fy-2023-24-crisi-program-project-summaries>.

<sup>79</sup> NORTHEAST CORRIDOR COMMISSION, available at <https://nec-commission.com/commission/>.

<sup>80</sup> IIJA, *supra* note 26, at § 22301.

<sup>81</sup> NORTHEAST CORRIDOR COMMISSION, CONNECT 2037 (Nov. 2023), available at <https://nec-commission.com/connect-nec-2037/> [hereinafter CONNECT 2037].

<sup>82</sup> 2024 NORTHEAST CORRIDOR PROJECT INVENTORY, available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2024-04/2024%20NEC%20Project%20Inventory.pdf>.

Amtrak is obligated to address compliance with a 2020 settlement with the Department of Justice related to the Americans with Disabilities Act (ADA).<sup>83</sup> The agreement establishes a 2030 deadline by which Amtrak must complete designs on 135 stations, complete construction at 90 of those stations, and have at least 45 more under construction to bring those stations into ADA compliance. Congress took additional action on this issue with passage and enactment of the Think Differently Transportation Act (P.L. No. 118–205), which mandates Amtrak include information on ADA compliance at all stations it serves in a required annual report to Congress.<sup>84</sup>

#### BRIGHTLINE FLORIDA AND BRIGHTLINE WEST

Brightline Florida and Brightline West are two privately-owned and operated intercity passenger rail routes. Brightline Florida operates passenger rail service between Miami and Orlando, Florida. Brightline West is a proposed \$12 billion high-speed rail route linking the Southern California city of Rancho Cucamonga, California and Las Vegas, Nevada.<sup>85</sup>

The Brightline Florida project has largely been financed with private and state and local dollars and incentives. It has received over \$36 million in funding under the CRISI program to improve safety and another \$33.8 million in R&E funding to increase the number of frequencies from five to seven roundtrips.<sup>86</sup> In addition, certain Florida municipalities have applied for FRA funds to build stations to serve their communities.<sup>87</sup>

Brightline West is a private and publicly financed high-speed rail project. In December 2023, the Brightline West route received a \$3 billion Federal-State Partnership for Intercity Passenger Rail grant and a \$500,000 Corridor Identification and Development Grant award.<sup>88</sup> DOT has also approved \$2.5 billion in private activity bond authority.<sup>89</sup> The system is expected to begin initial operations in 2028.<sup>90</sup>

#### CALIFORNIA HIGH-SPEED RAIL

In 1996, the California High-Speed Rail Authority (CHSRA) was created as an independent state entity charged with planning, building, and operating a high-speed train system within the state.<sup>91</sup> In 2008, California voters approved Proposition 1A, which authorized the state to sell \$9.95 billion in general obligation bonds with the bulk of the funding going to the California High Speed Rail (CAHSR)

<sup>83</sup> Press Release, DEPARTMENT OF JUSTICE, *Amtrak Pays Over \$2 Million to Individuals in Disability Settlement*, (Jan. 12, 2022), available at <https://www.justice.gov/opa/pr/amtrak-pays-over-2-million-individuals-disability-settlement>.

<sup>84</sup> Think Differently Transportation Act, Pub. L. No. 118–205.

<sup>85</sup> Press Release, Brightline, *MAKING HISTORY: BRIGHTLINE WEST BREAKS GROUND ON AMERICA'S FIRST HIGH-SPEED RAIL PROJECT CONNECTING LAS VEGAS TO SOUTHERN CALIFORNIA*, (Apr. 22, 2024), available at <https://www.gobrightline.com/press-room/2024/brightline-west-breaks-ground-on-americas-first-high-speed-rail-project-connecting-las-vegas-to-southern-california>.

<sup>86</sup> Press Release, Brightline, *BRIGHTLINE RECEIVES USDOT CRISI GRANT AWARD*, (Sept. 29, 2023), available at <https://www.gobrightline.com/press-room/2023/brightline-receives-usdot-crisi-grant-award>.

<sup>87</sup> James Sparevo, *Cocoa doesn't get \$47M federal grant to build Brightline station, city to reapply*, CLICK ORLANDO, (Nov. 8, 2024), available at <https://www.clickorlando.com/news/local/2024/11/08/cocoa-doesnt-get-47m-federal-grant-to-build-brightline-station-city-to-reapply/>.

<sup>88</sup> Press Release, U.S. DEPT OF TRANSP., *President Biden Announces \$8.2 Billion in New Grants for High-Speed Rail and Pipeline of Projects Nationwide*, (Dec. 8, 2023), available at <https://www.transportation.gov/briefing-room/president-biden-announces-82-billion-new-grants-high-speed-rail-and-pipeline-projects>; U.S. DEPT OF TRANSP., *FED. RAILROAD ADMIN, FY22 Corridor Identification and Development Program Selections*, available at <https://railroads.dot.gov/elibrary/fy22-CID-program-selections>.

<sup>89</sup> Press Release, U.S. DEPT OF TRANSP., *U.S. DEPARTMENT OF TRANSPORTATION APPROVES \$2.5 BILLION IN PRIVATE ACTIVITY BONDS ALLOCATION FOR BRIGHTLINE WEST PROJECT*, (Jan. 23, 2024), available at <https://www.transportation.gov/briefing-room/us-department-transportation-approves-25-billion-private-activity-bonds-allocation>. (Noting that this is in addition to \$1 billion in private activity bond authority granted in 2020); see also Trains Staff, *Brightline gets approval to sell up to \$1 billion in debt for Orlando project*, TRAINS (Aug. 10, 2022), available at <https://www.trains.com/trn/news-reviews/news-wire/brightline-gets-approval-to-sell-up-to-1-billion-in-debt-for-orlando-project/>.

<sup>90</sup> Press Release, Brightline, *Signed, Sealed and Delivered: \$3 Billion Grant Agreement for Brightline West Project Officially Signed*, (Sept. 26, 2024), available at <https://www.brightlinewest.com/media/press-releases/2024/signed-sealed-and-delivered-3-billion-grant-agreement-for-brightline-west-project-officially-signed>.

<sup>91</sup> High Speed Rail Act, Cal. Sen. B. 1420 (1996–1997), Chapter 796 (Cal. Stat. 1996), available at [http://www.leginfo.ca.gov/pub/95-96/bill/sen/sb\\_1401-1450/sb\\_1420\\_bill\\_960924\\_chaptered.html](http://www.leginfo.ca.gov/pub/95-96/bill/sen/sb_1401-1450/sb_1420_bill_960924_chaptered.html).

project.<sup>92</sup> Phase 1 of the project will connect Los Angeles/Anaheim to San Francisco, with Phase 2 extending north to Sacramento and south to San Diego.<sup>93</sup> The route plan includes fifteen stations and trains traveling at speeds of up to 220 miles per hour.<sup>94</sup> According to the 2008 Business Plan for the project, Phase 1 was expected to cost roughly \$33 billion, with an estimated completion date of 2020.<sup>95</sup> Construction began on the project in 2015 with a groundbreaking in Fresno, California.<sup>96</sup>

While the Phase 1 plan still intends to connect Los Angeles/Anaheim and San Francisco, the project is now currently limited to a segment linking the central valley cities of Merced and Bakersfield to be constructed at a cost of \$38 billion. The full Phase I system will be constructed later at an estimated cost of up to \$128 billion.<sup>97</sup>

The project received \$3.07 billion through the FY2022–23 Federal-State Partnership for Intercity Passenger Rail grant.<sup>98</sup> It also received nearly \$90 million in funding through the Rail Crossing Elimination Program, and a nearly \$202 million FY22 Consolidated Rail Infrastructure and Safety Improvement Program grant to remove at-grade crossings with Union Pacific and BNSF railroads.<sup>99</sup>

#### OTHER PASSENGER RAIL PROJECTS

In December 2023, the FRA announced 10 selections for projects to facilitate the development of intercity and high-speed rail corridors in nine states.<sup>100</sup>

#### VI. WITNESSES

- Mr. Ian Jefferies, President and Chief Executive Officer, Association of American Railroads
- Mr. Chuck Baker, President, American Short Line and Regional Railroad Association
- Mr. Joe Daloisio, Chairman, National Railroad Construction & Maintenance Association
- Mr. Jared Cassity, Alternate National Safety and Legislative Director, Sheet Metal, Air, Rail, Transportation–Transportation Division (SMART–TD)

<sup>92</sup> California High Speed Rail Authority, *2024 Business Plan*, at 3 [hereinafter 2024 Business Plan], available at <https://hsr.ca.gov/wp-content/uploads/2024/05/2024-Business-Plan-FINAL.pdf>.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.*

<sup>95</sup> See California High Speed Rail Authority, *2008 Business Plan*, at 19, available at [https://hsr.ca.gov/wp-content/uploads/docs/about/business\\_plans/BPlan\\_2008\\_FullRpt.pdf](https://hsr.ca.gov/wp-content/uploads/docs/about/business_plans/BPlan_2008_FullRpt.pdf); see also Ralph Vartabedian, *How California's Bullet Train Went Off the Rails*, THE NEW YORK TIMES (Oct. 9, 2022), [hereinafter *Times Article*] available at <https://www.nytimes.com/2022/10/09/us/california-high-speed-rail-politics.html>.

<sup>96</sup> California High Speed Rail Authority, *About California High Speed Rail*, available at <https://hsr.ca.gov/about/high-speed-rail-authority/>.

<sup>97</sup> California High Speed Rail Authority, *Funding the Program*, available at <https://hsr.ca.gov/about/high-speed-rail-business-plans/2024-business-plan/chapter-3/#:~:text=High%2Dspeed%20rail%20is%20the,highway%20and%20air%20passenger%20capacity>.

<sup>98</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *FY22–23 Federal-State Partnership for Intercity Passenger Rail Program Selections*, at 1, available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2023-12/FY22-23%20FSP%20%28National%29%20Project%20Summaries-Map.pdf>.

<sup>99</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN., *Railroad Crossing Elimination (RCE) Grant Program FY 2023–2024 SELECTIONS: Project Summaries*, at 3, available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2025-01/FY23-24%20RCE%20Project%20Selections.pdf>; U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *FY 2022 Consolidated Rail Infrastructure and Safety Improvement Program Selections: Project Summaries*, at 2, available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2023-09/FY%202022%20CRISI%20Program%20Selections%20-%20Project%20Summaries.pdf>.

<sup>100</sup> U.S. DEPT OF TRANSP., FED. RAILROAD ADMIN, *President Biden Announces \$8.2 Billion in New Grants for High-Speed Rail and Pipeline of Projects Nationwide*, available at <https://railroads.dot.gov/sites/fra.dot.gov/files/2023-12/FRA%2013-23.pdf>.





## **AMERICA BUILDS: EXAMINING AMERICA'S FREIGHT AND PASSENGER RAIL NETWORK**

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**THURSDAY, JANUARY 23, 2025**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON RAILROADS, PIPELINES, AND  
HAZARDOUS MATERIALS,  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 10 a.m., in Room 2167, Rayburn House Office Building, Hon. Daniel Webster (Chairman of the subcommittee) presiding.

Mr. WEBSTER OF FLORIDA. The Subcommittee on Railroads, Pipelines, and Hazardous Materials will come to order.

I ask unanimous consent that the chair be authorized to declare a recess at any time during today's hearing. I also ask unanimous consent that the Members not on the subcommittee be permitted to sit on the subcommittee and ask questions.

So ordered.

As a reminder, if Members wish to insert a document into the record, please also email it to DocumentsTI@mail.house.gov.

I now recognize myself for the purposes of an opening statement for 5 minutes.

### **OPENING STATEMENT OF HON. DANIEL WEBSTER OF FLORIDA, CHAIRMAN, SUBCOMMITTEE ON RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS**

Mr. WEBSTER OF FLORIDA. Since the early 19th century, when trains first began operating, railroads have played an essential role in shaping the Nation's history and development. As America grew more dependent on railroads for commerce and transportation, rail became the very first industry to be regulated by the Federal Government under the Interstate Commerce Act of 1887. Railroads remain an integral part of our Nation's infrastructure, and our modern economic survival and well-being rely on dependable rail service.

America's freight rail network is widely considered the largest, safest, and most efficient system in the world. Spanning nearly 140,000 miles of track, this essential network annually moves over 1.6 billion tons of goods that Americans rely upon to survive.

The modern success of freight railroads largely traces back to the passage of the Staggers Act of 1980, which deregulated the industry and allowed for unprecedented growth. In the time since Staggers was signed into law, moving goods by freight rail has become cheaper, more efficient, and safer. Ensuring that the industry con-

tinues to grow without excessive and unnecessary Government burdens is a key consideration that should be factored into any action toward freight rail taken by Congress or the executive branch.

While this hearing will focus on America's freight rail network, it will also touch on improving and constructively growing intercity passenger rail to best serve America's needs. Passenger rail works best where demand is high, competition and private sector involvement are ample, and a dependence on Government support is low.

Amtrak must look at improving and maintaining its existing network, weaning it off Government support, and providing competitive, reliable, and safe service to attract riders. Amtrak should serve as an appealing option for travel, not a replacement for vehicles and airplanes, which remain the overwhelming preference for Americans.

As you know, the current surface transportation authorization expires this Congress, and this committee has begun assessing the Nation's infrastructure needs. The committee's work on surface reauthorization legislation will require us to be both principled and pragmatic. Building and supporting America's rail network involves cutting redtape, improving safety through technology and improving innovation, encouraging private sector involvement and competition, and decreasing dependence on Government funding and control.

So, with that, I would like to introduce our witnesses that are joining us today: Ian Jefferies, president and CEO of Association of American Railroads; Chuck Baker, president, American Short Line and Regional Railroad Association; Joe Daloisio—is that it? Okay—chairman of the National Railroad Construction and Maintenance Association; and Jared Cassity, alternate national safety and legislative director, SMART-TD.

[Mr. Webster of Florida's prepared statement follows:]

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**Prepared Statement of Hon. Daniel Webster, a Representative in Congress from the State of Florida, and Chairman, Subcommittee on Railroads, Pipelines, and Hazardous Materials**

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Today's witnesses will be able to provide us important insights into stakeholder views on these topics, and I look forward to their testimony.

Mr. WEBSTER OF FLORIDA. Now, I recognize Ranking Member Titus for 5 minutes, and it is great to be back together, and we will see what happens.

**OPENING STATEMENT OF HON. DINA TITUS OF NEVADA,  
RANKING MEMBER, SUBCOMMITTEE ON RAILROADS, PIPE-  
LINES, AND HAZARDOUS MATERIALS**

Ms. TITUS. Well, thank you, Chairman Webster. It is a pleasure to be working with you again now on trains, before on economic development.

I look forward to working with you and the other members of the subcommittee to make progress on matters related to railroads, pipelines, and hazardous materials. There is a lot of work to be done, such as completing pipeline and rail safety legislation and preparing for the surface transportation reauthorization, so we can be sure to find a way to maintain ongoing investments for rail and pipeline safety projects. We don't want them to get lost in the high-way shuffle.

Las Vegas is my district, and it was founded as a rail stop initially. And, right now, right through my district, right through downtown Las Vegas, we have a number of trains every day carrying all kinds of things. Now, also, we are at the forefront of high-speed passenger rail, that is with the Brightline, and that is going to be very exciting. It is a 218-mile route that has tremendous potential for economic development all across the Southwest, not just in Nevada. And it is going to create thousands of good-paying union jobs.

Brightline West is going to provide intercity passenger rail service between Las Vegas and Los Angeles and some stops in between. And it is going to turn what is a 4-hour drive on a good day into a reliable 2-hour ride. It is fully electrified, and it will reduce emissions. It will relieve traffic, and it is going to provide travelers a safe and more fun way to get to their destination, which we hope is Las Vegas.

Now Brightline was the first high-speed rail project to reach the first of its kind memorandum of understanding with all 13 rail unions. They all use rail labor and operation and maintenance, and this is quite an accomplishment. All told, it is one of the most exciting passenger rail projects in the country in a long time.

I was proud to support investments in the Bipartisan Infrastructure Law that made this public-private partnership a reality. The project was awarded \$3 billion in Federal-State Partnership for Intercity Passenger Rail Grants. That is a mouthful. But it is going to also include \$9 billion in private investment.

In addition to Brightline, as I mentioned, we also see a number of freight shipments that move by rail right through the district, and these include hazardous materials. And I continue to have concerns about those, as trains get longer and longer. So, not only do we need to be mindful of train length, but I want to be sure that our workers and first responders know exactly what is moving on those trains.

Congress required the Pipeline and Hazardous Materials Safety Administration to develop guidelines for the trains to inform first responders in real time after an accident occurs so they know what they are dealing with. I am pleased that the previous administration was able to get this requirement finalized. That was in June 2024. And I urge its continued implementation so first responders have the information they need when they respond, and the communities around there are also prepared to deal with rail incidents.

Lastly, I would like to see this committee pass rail safety legislation. I am glad that the previous administration finalized the two-person crew requirement. I have long advocated for that. And I was pleased to hear that the DOT nominee, Mr. Duffy, indicated his support for that requirement during his confirmation hearing last week. So I hope we can hold him to that and work with the new administration to get rail safety legislation that contains a number of important safety improvements across the finish line during this Congress.

So I thank our witnesses who are here today for their time and look forward to hearing their information.

And, with that, I yield back, Mr. Chairman.

[Ms. Titus' prepared statement follows:]

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**Prepared Statement of Hon. Dina Titus, a Representative in Congress from the State of Nevada, and Ranking Member, Subcommittee on Railroads, Pipelines, and Hazardous Materials**

Thank you, Chairman Webster for holding this hearing today.

I look forward to working with you and the other members on this Subcommittee to make progress on matters related to railroads, pipelines and hazardous materials.

There is much work to be done, such as completing pipeline and rail safety legislation and preparing for the surface transportation reauthorization so we can find a way to maintain ongoing investments for rail and pipeline safety projects.

Las Vegas was founded with the arrival of rail and now we are at the forefront of high-speed passenger rail with the construction of the Brightline West project. This 218-mile route has tremendous potential for economic development in Southern Nevada and will create thousands of good-paying union jobs.

Brightline West will provide an intercity passenger rail service between Las Vegas and the Los Angeles area, turning what is a four-hour drive on a good day into a reliable, two-hour ride. The fully electrified passenger rail will reduce emissions, relieve traffic congestion and provide travelers a safer way to get to their destination.

Brightline West was the first High Speed Rail Project to reach a first-of-its-kind Memorandum of Understanding with all 13 rail unions to use rail labor in its operation and maintenance. It is one of the most exciting passenger rail projects being built in the country, and, more importantly, it has broad bipartisan support.

I was proud to support investments in the Bipartisan Infrastructure Law that are making this public-private partnership a reality. The project has been awarded \$3 billion in Federal-State Partnership for Intercity Passenger Rail Grants and will include \$9 billion in private investment.

Las Vegas also sees a significant amount of freight shipments move by rail through the district, including hazardous materials which I continue to have concerns with as trains get longer. Not only do we need to be mindful of train length, but I also want to make sure our workers and first responders know exactly what is moving on these trains.

Congress required the Pipeline and Hazardous Materials Safety Administration to develop guidelines for the railroads to inform first responders in real time after an accident occurs. I am pleased the previous Administration was able to get this requirement finalized in June 2024, and I urge its continued implementation so first responders have the information they need to respond to potential rail incidents.

Lastly, I want to see this Committee pass rail safety legislation. I am glad the previous Administration finalized a two-person crew requirement, which I have long advocated for. I am encouraged to see DOT nominee Sean Duffy indicate his support for the requirement during his confirmation hearing last week, and I hope to work with the new Administration to get rail safety legislation that contains numerous important safety improvements across the finish line this Congress.

I thank our witnesses for their time today. I look forward to hearing from you all. And with that, I yield back.

Mr. WEBSTER OF FLORIDA. Thank you.

I now recognize Mr. Larsen, the ranking member of the full committee. He is recognized for 5 minutes.

**OPENING STATEMENT OF HON. RICK LARSEN OF WASHINGTON, RANKING MEMBER, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

Mr. LARSEN OF WASHINGTON. Thank you, Chair Webster and Ranking Member Titus for holding today's hearing. I am glad we are following yesterday's hearing on building highways, roads, and bridges with this hearing on rail because the infrastructure bill has helped create 1.6 million construction and manufacturing jobs across the country. These jobs with good wages and benefits and working conditions are driving the low 4.1 percent unemployment rate while modernizing our infrastructure, including our rail infrastructure.

As I said in yesterday's hearing, this is why it makes it hard to understand how, on the first day in office, the administration signed an Executive order to halt this progress, putting millions of dollars, hundreds of thousands of jobs, and thousands of projects at risk with one section of one of the Executive orders.

Halting the flow of benefits from these appropriations already approved by Congress is a strange way to launch the golden age of infrastructure. Instead, we need to be working on a bipartisan basis to continue these investments in all modes, in particular, as we discuss today, rail. Let's keep it going.

The BIL provided transformational funding for passenger rail, as, for instance, for the first time since the founding of Amtrak, intercity passenger rail has guaranteed funding: 5 years of advanced appropriations that allows Amtrak to address decades of deferred maintenance and begin construction on long delayed capital projects.

Before the BIL, Amtrak would have to wait until Congress completed the annual appropriations process to find out its capital and operating budget. That is no way to run a railroad. The BIL has

invested nearly \$53 billion for 594 projects to improve rail safety and expand passenger rail travel nationwide.

In my State, the Cascadia Ultra-High-Speed Ground Transportation project recently advanced to phase 2 of the Corridor Identification and Development Program. It will connect communities throughout the Pacific Northwest, to include Vancouver, BC, Seattle, and Portland. It will connect workers in my district to jobs. It will increase access to housing. It will offer greater ways for almost 10 million people to get around the Northwest.

Similarly, the Federal-State Partnership for Intercity Passenger Rail is matching billions of dollars in State and private investment in passenger rail improvements. These investments include the Brightline West, as Ranking Member Titus noted, and the Southeast Corridor improvements in North Carolina and Virginia.

We have a need for guaranteed funding for rail. Public investment is vital to building a truly national intercity passenger rail system.

Last week, the FRA released a report in support of additional long-distance service that incorporates feedback from 50,000 stakeholder and public comments. Amtrak will need new equipment and, in some cases, new stations to address these service improvements.

We also have an obligation to ensure rail travel remains safe, safe for people and safe for goods and safe for communities. So I welcome Secretary Duffy's commitment to safety as the highest priority for the Department of Transportation. I look forward to working with him to reduce accidents and to save lives.

Unfortunately, Class I freight rail accident and incident rates have not significantly improved over the last 10 years. In my State, there were 202 train accidents, 192 grade crossing incidents, and 21 railroad right-of-way trespasser fatalities over the last 5 years, including a BNSF derailment that spilled over 3,000 gallons of diesel fuel on the Swinomish Indian Reservation in March of 2023.

One major cause of incidents is longer trains, and last fall, the National Academies of Sciences published a report detailing the risks posed by long trains, defined as those longer than 7,500 feet. These trains, especially trains made of several different types of railcars, are subject to in-train forces that can make it challenging for an engineer to control. I know communities in my district—and I am certain around the country—express concerns with longer and longer trains, citing derailments.

We are working on a few of those issues in my district, including a recent Railroad Crossing Elimination Grant in Everett, Washington. These types of grants are available through the FRA and available to any Member of Congress' district to apply for. And I encourage you all to consider that.

I just want to end by saying that I know everyone on this committee wants to ensure freight rail remains a safe way to transport goods across the country. I look forward to working with all of you to achieve that goal. I am committed to building on the successes of the investments in the BIL and ensuring this committee can say that America builds rail at hearings for many years to come.

I want to thank the witnesses for being here, and look forward to the discussion. Thank you.

I yield back.

[Mr. Larsen of Washington's prepared statement follows:]

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**Prepared Statement of Hon. Rick Larsen, a Representative in Congress from the State of Washington, and Ranking Member, Committee on Transportation and Infrastructure**

Thank you, Chairman Webster and Ranking Member Titus, for holding today's hearing.

I am glad we are following yesterday's hearing on building highways, roads and bridges with this hearing on rail.

The BIL has helped create 1.6 million construction and manufacturing jobs across the country.

These jobs with good wages, benefits and working conditions are driving the low, 4.1 percent unemployment rate while modernizing our infrastructure, including our rail infrastructure.

As I said in yesterday's hearing, this makes it hard to understand how on his first day in office, the Administration issued an Executive Order to halt this progress, to put millions of dollars, hundreds of thousands of jobs and thousands of projects at risk.

Halting the flow of benefits from these appropriations already approved by Congress is a strange way to launch the golden age of infrastructure. Instead, we should be working on a bipartisan basis to continue investments in all modes—in particular, as we will discuss today, rail. Let's keep it going.

The Bipartisan Infrastructure Law (BIL) provided transformational funding for passenger rail.

For the first time since the founding of Amtrak, intercity passenger rail has guaranteed funding: five years of advanced appropriations that allows Amtrak to address decades of deferred maintenance and begin construction on long-delayed capital projects.

Before the BIL, Amtrak would have to wait until Congress completed the annual appropriations process to find out its capital and operating budget. That is no way to run a railroad.

The BIL has invested nearly \$53 billion for 594 projects to improve rail safety and expand passenger rail travel nationwide.

In my state, Cascadia Ultra-High-Speed Ground Transportation project recently advanced to Phase Two of the Corridor Identification and Development program.

Cascadia will connect people and communities, increase economic competitiveness and improve the quality of life across the Pacific Northwest with high-speed rail between Vancouver, B.C., Seattle, and Portland, Oregon. It will connect workers in my district to good jobs, increase access to housing and offer greater mobility for almost ten million people.

Similarly, the Federal-State Partnership for Intercity Passenger Rail is matching billions of dollars in state and private investment in passenger rail improvements.

These investments include the Brightline West project as Ranking Member Titus' noted and Southeast Corridor improvements in North Carolina and Virginia.

We have a need for guaranteed funding for rail. Public investment is vital to building a truly national intercity passenger rail system. Every passenger rail system in the world depends on some form of public investment to run smoothly.

Last week, the Federal Railroad Administration released a report in support of additional long-distance service that incorporates feedback from 50,000 stakeholder and public comments. Amtrak will need new equipment, and in some cases new stations, to address these service improvements.

We also have an obligation to ensure that rail travel remains safe for people and goods, and safe for communities. I welcome Secretary-Designate Duffy's commitment to safety as the highest priority for the Department of Transportation, and I look forward to working with him to reduce accidents and save lives.

Unfortunately, Class One freight railroad accident and incident rates have not significantly improved over the last 10 years.

In my state, there were 202 train accidents, 192 grade crossing incidents and 21 railroad right-of-way trespasser fatalities over the last five years, including a Burlington Northern Santa Fe (BNSF) derailment that spilled over 3,000 gallons of diesel fuel on the Swinomish Indian Reservation in March 2023.

One major cause of incidents is longer trains. Last fall, the National Academies of Sciences published a report detailing the risks posed by long trains—defined as those longer than 7,500 feet.

These trains, especially trains made up of several different types of rail car, are subject to in-train forces that can make it challenging for an engineer to control. I know communities in my district and around the country express concerns with longer and longer trains—citing derailments.

We're working on a few of those issues in my district, including the recent Railroad Crossing Elimination grant in Everett, Washington. These types of grants are available through the FRA and available for any community in Member of Congress' districts to apply for, and I encourage all of you to consider that.

Every member on this Committee wants to ensure that freight rail remains a safe way to transport goods across the country, and I look forward to working with my colleagues to achieve that goal.

I am committed to building on the successes of the investments in the BIL and ensuring this Committee can say "America Builds Rail" at hearings for many years to come.

Thank you to the witnesses for being here, and I look forward to the discussion.

Mr. WEBSTER OF FLORIDA. Briefly, I would like to take a moment to explain our lighting system in front of you. Green means go; you can talk. Yellow means slow it down, and red means stop. So that is when you conclude your remarks.

I ask unanimous consent that the full statements of the witnesses be included in the record.

Without objection, show that ordered.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing.

Without objection, show that ordered.

I ask unanimous consent that the record remain open for 15 days for additional comments or information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, show that ordered.

As your written testimony has been made part of the record, the subcommittee asks that you limit your oral remarks to 5 minutes.

And, with that, Mr. Jefferies, you are recognized.

**TESTIMONY OF IAN JEFFERIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS; CHUCK BAKER, PRESIDENT, AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION; JOSEPH DALOISIO III, TRACK DIVISION MANAGER, RAILROAD CONSTRUCTION COMPANY, INC., AND CHAIRMAN, NATIONAL RAILROAD CONSTRUCTION AND MAINTENANCE ASSOCIATION; AND JARED CASSITY, DEPUTY NATIONAL SAFETY AND LEGISLATIVE DIRECTOR, SHEET METAL, AIR, RAIL AND TRANSPORTATION WORKERS—TRANSPORTATION DIVISION (SMART-TD)**

**TESTIMONY OF IAN JEFFERIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS**

Mr. JEFFERIES. Chairman Webster, Ranking Member Titus, members of the subcommittee, thank you for the opportunity to testify today on the topic of surface transportation reauthorization. My name is Ian Jefferies, and I serve as the president and CEO of the Association of American Railroads, where we represent the Nation's major freight railroads.

I am honored today to discuss the vital role railroads play for our Nation and the policies needed to support continued success. Railroads are a cornerstone of the U.S. economy. Operating a network



of over 140,000 miles, freight rail is exceptionally safe, economically vital, and privately funded. Unlike other transportation modes, freight railroads build, maintain, and invest in their infrastructure almost entirely without Federal funding.

Since 1980, the industry has invested more than \$690 billion in private capital, over \$1.1 trillion in today's dollars, into maintaining and improving our network. That equates to an impressive \$23 billion per year, or \$442 million per week, every week, every year. This level of self-sufficiency is unmatched in the transportation sector and ensures that railroads remain a reliable backbone in the supply chain.

It also tracks one to one with safety, which is at the heart of everything we do.

The last decade has been the safest in rail history. Last year was safer than the year before and the year before that. Significant declines in train accidents, employee injuries, and grade crossing installations are the result.

Led by an unwavering employee commitment, railroads today lead major industries in worker safety, safer than trucking, safer than airlines, safer than manufacturing, construction, and agriculture—just to name a few.

Yet our work in this space is never finished. Economically, freight rail supports nearly every industry, moving 1.5 billion tons of goods each year. That is 40 percent of all long-haul freights. From ag products to automobiles, chemicals to consumer goods, railroads connect communities and businesses, the country, and beyond. Railroads' efficiency saves businesses billions annually and enhances U.S. global competitiveness. With rail rates 42 percent below where they were in 1980, we are an ally in the ever-present fight against inflation.

And our environmental impact is another advantage. Freight rail is three to four times more fuel efficient than our trucking partners. We reduce greenhouse gas emissions by up to 75 percent comparatively. As the demand for transportation grows, railroads are well positioned to meet continuing challenges.

And it makes good business sense to be more efficient, as fuel is the second largest cost of our operations.

As this committee begins to consider the next surface transportation bill, we encourage Congress to prioritize policies that uphold our ability to invest in infrastructure, support innovation, and advance data-driven safety improvements. We urge outcomes-based regulation to enable further deployment of next-generation technologies. Automated track inspections, for example, can improve safety outcomes but have been hindered by outdated requirements that mandate manual inspections. A nimbler regulatory approach would allow railroads to innovate while advancing rigorous safety standards.

Policies should be geared to meet specific challenges. If a policy cannot be said what problem it is solving, then I question its validity.

Additionally, Congress should address the insolvency of the Highway Trust Fund. The CBO projects that, without legislative action, the Highway Trust Fund will face insolvency by 2028, accumulating a \$280 billion deficit by 2034—only increasing in reliance

on general fund transfers, like the \$118 billion provided under the IIJA.

Reauthorization must also reject calls to increase truck size and weight limits, which would exacerbate these funding gaps, degrade roads, further increase congestion on our already clogged highways, and further create a competitive imbalance against our largest competitor.

Additionally, programs, such as the Railroad Crossing Elimination Grant Program, are crucial in collaborating with our public partners to improve grade crossing safety and reduce accidents. Commonsense permitting reforms can also put dollars to work more quickly.

Freight railroads will continue supporting the economy and driving growth through investment and innovation. We look forward to working with this committee to ensure the policies enacted in the reauthorization enable the freight rail industry to drive safety, efficiency, and economic growth for years to come.

Thank you. And I look forward to your questions.

[Mr. Jefferies' prepared statement follows:]

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**Prepared Statement of Ian Jefferies, President and Chief Executive Officer,  
Association of American Railroads**

On behalf of the members of the Association of American Railroads (AAR), thank you for the opportunity to discuss the reauthorization of federal surface transportation legislation. AAR freight railroad members account for some 84 percent of U.S. freight railroad mileage, 93 percent employees, and 97 percent of revenue. The major freight railroads in Canada and Mexico are AAR members, as are Amtrak and several commuter rail systems.

For those who may be less familiar with the AAR, we've been around for 90 years, though our predecessors date back to the early days of railroading in the 19th century. We advocate for policies that promote the economic and operational health of the freight rail industry and that allow railroads to better serve their customers, the communities in which they operate, and the broader economy.

AAR's members are committed to working cooperatively with their employees, their customers, policymakers, and others to help railroads meet the freight transportation needs of our country safely and efficiently.

**AMERICA BENEFITS GREATLY WHEN FREIGHT MOVES BY RAIL**

America's freight rail network is the best in the world, spanning more than 135,000 route-miles.<sup>1</sup> By linking businesses to each other domestically and abroad, freight railroads have played an essential role in America's economic development for nearly 200 years.

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<sup>1</sup>Route-miles refers to the length of a single rail route even if the track is double or triple-tracked in some sections. Including parallel tracks, rail yards, and sidings adds tens of thousands of miles to the rail mileage total.

North America's Freight Rail Network



Freight railroads remain indispensable today, serving nearly every industrial, wholesale, retail, and resource-based sector of our economy. They carry enormous amounts of corn, wheat, soybeans, and other farm products; fertilizers, plastic resins, and a vast array of other chemicals; coal to generate electricity; cement, sand, and crushed stone to build our highways; lumber and drywall to build our homes; animal feed, canned goods, corn syrup, frozen chickens, beer, and countless other food products; steel and other metal products; newsprint and other paper products; autos and auto parts; iron ore for steelmaking; wind turbines; airplane fuselages; machinery and other industrial equipment; and much more.

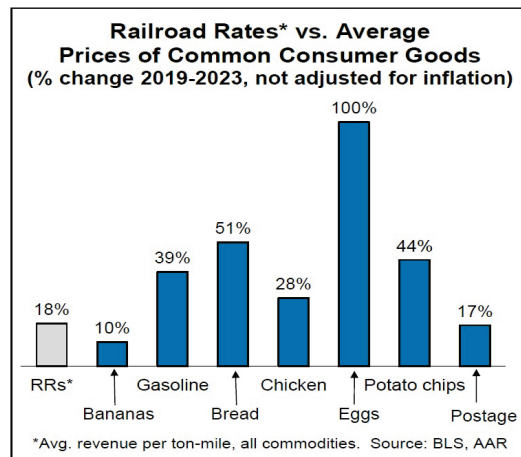
Meanwhile, rail intermodal—the transport of shipping containers and truck trailers on railroad flatcars—has grown tremendously over the past 30 years. Today, just about everything found on a retailer's shelves may have traveled on an intermodal train. Large amounts of industrial goods, such as auto parts, are transported by intermodal trains as well.

Each year, railroads move more than 1.5 billion tons of freight and 28 million carloads and intermodal units nearly 1,000 miles on average per shipment, underscoring their critical role in the U.S. economy. However, freight railroads contribute to our nation in many other ways and help explain why supporting freight rail is sound public policy:

- *Safety.* Safety is the top priority for railroads, and the industry is steadfast in its commitment to reducing accident frequency and severity and enhancing safety measures. While any train accident is one too many, data from the Federal Railroad Administration (FRA) indicate moving freight by rail is extremely safe. Between 2000 and 2023, the train accident rate decreased by 24% and the employee injury rate dropped by 49%. Railroads today have lower employee injury rates than most other major industries, including trucking, airlines, agriculture, mining, manufacturing, and construction—even grocery stores. The grade crossing collision rate in 2023 was down 37 percent from 2000. By these and other measures, the past decade has been the safest in rail history thanks to continuous improvements through investments in technology, infrastructure and training.
- *The Environment.* Moving freight by rail meaningfully reduces greenhouse gas emissions while helping the economy. On average, railroads are three to four times more fuel efficient than trucks, meaning that moving freight by rail instead of truck reduces greenhouse gas emissions by up to 75 percent.
- *Re-Investments.* Unlike trucks, barges, and airlines, America's privately-owned freight railroads operate overwhelmingly on infrastructure they own, build, maintain, and pay for themselves. From 1980 to 2024, America's freight railroads spent more than \$830 billion (\$1.3 trillion in today's dollars) of their own

funds on capital expenditures and upkeep expenses related to locomotives, freight cars, tracks, bridges, tunnels and other infrastructure and equipment. “Crumbling” might describe some U.S. infrastructure, but not freight rail. The American Society of Civil Engineers has consistently recognized these achievements, awarding rail the highest grade of all American infrastructure.<sup>2</sup> Freight rail infrastructure is in better overall condition than ever before.

- **Affordability.** The affordability of freight rail saves rail customers billions of dollars each year, enhances the global competitiveness of U.S. products, and helps American consumers. Average rail rates (measured by inflation-adjusted revenue per ton-mile) were 42 percent lower in 2023 than in 1981. Millions of Americans work in industries that are more competitive in the tough global economy thanks to the affordability and productivity of America’s freight railroads. Changes in rail rates over time compare extremely favorably to changes in the prices of goods we buy every day.



- **Appealing Jobs.** The approximately 140,000 freight rail employees are among America’s most highly compensated workers. In 2023, the average U.S. Class I freight rail employee earned wages of \$112,600 and fringe benefits of \$36,300, for total compensation of \$149,000. By contrast, the average wage per full-time equivalent U.S. employee in 2023 was \$80,300 (71 percent of the rail figure) and average total compensation was \$97,200 (65 percent of the rail figure). Finally, the median tenure of railroad employees is 13 years, compared to 3.9 years for private sector workers.
- **Fighting Highway Congestion.** Because a single train can replace several hundred trucks, railroads reduce highway gridlock and the need to spend taxpayer dollars on highways.
- **International Trade.** Without railroads, American firms and consumers would be unable to participate in the global economy anywhere near as fully as they do today.
- **Passenger rail.** Freight railroads provide a crucial foundation for passenger rail. More than 70 percent of the miles traveled by Amtrak trains are on tracks owned by other railroads—mainly freight railroads. In addition, approximately half of America’s commuter railroads operate at least partially on right-of-way owned by freight railroads.

#### LOOKING AHEAD TO SURFACE TRANSPORTATION REAUTHORIZATION

The rail industry respectfully suggests that a series of overarching principles should guide surface transportation reauthorization. Adherence to these principles would enhance our nation’s ability to transport people and goods safely, efficiently, and cost-effectively.

<sup>2</sup>See American Society of Civil Engineers, *2023 Report Card for America’s Infrastructure* (available at: <https://infrastructurereportcard.org/>).

### 1. *Restore the Highway Trust Fund (HTF) to a True User-Based System*

The United States has historically relied on a user-pays system to fund investments in highway infrastructure. Unfortunately, revenues into the HTF have failed to keep pace with spending needs. According to the Congressional Budget Office (CBO), balances in both the highway and transit accounts of the HTF will be exhausted in 2028. The CBO says that if the taxes that are currently credited to the trust fund remained in place and if funding for highway and transit programs increased annually at the rate of inflation, the shortfalls accumulated in the HTF highway and transit accounts from 2024 to 2033 would total \$241 billion.<sup>3</sup>

This shortfall has previously been covered by transfers from the general fund, but general fund transfers to the HTF distort the freight transportation marketplace in favor of trucking and put other transportation modes at an unfair competitive disadvantage. This is especially problematic for railroads, which build, maintain, and pay for their own infrastructure.

Studies indicate that trucks cause the overwhelming majority of the damage to our nation's roads and bridges as compared to other vehicles, and the fuel taxes and other fees heavy trucks pay do not come close to covering the costs of that damage.<sup>4</sup> The taxes and fees trucks pay to help maintain our nation's roads and bridges have not been substantially changed since 1993, resulting in a multibillion-dollar annual underpayment compared to the damage they cause.

Congress should remedy this modal inequity by either increasing the fuel tax or imposing a vehicle-miles traveled fee or a weight-distance fee for motor carriers. An appropriate user fee would be self-sustaining; would not increase taxes or fees for non-highway transportation modes; and would create a competitive tax environment across modes.

On a related note, Congress should reject calls to increase federal truck size and weight limits until, at a minimum, trucks pay the full cost of the damage they cause to our roads and bridges. The multibillion-dollar annual underpayment would become even greater if truck length and weight limits were increased. Raising truck size and weight limits would also artificially shift freight from rail to truck. Given rail's inherent environmental advantages and the many other benefits of moving freight by rail, imposing artificial impediments to rail, such as increasing federal truck size and weight limits, is not sound policy.

### 2. *Improve Safety by Allowing Railroads to Innovate and Deploy Safety Technologies*

New technologies are changing transportation. For example, widespread efforts are underway today to develop autonomous motor vehicles, including autonomous trucks that would compete directly with railroads. Autonomous vehicle technologies and other technologies impacting transportation vary in their stage of development, presenting challenges and opportunities that railroads must be able to address.

This means railroads must themselves look to new technologies to make their operations safer and more efficient. The use of technology to improve safety and efficiency is nothing new for railroads, but it's taken on a new urgency as transportation markets have evolved.

The further use of emerging technologies to enhance rail safety and operations, however, will be needlessly stunted if regulators at the FRA and elsewhere in DOT fail to embrace technological change, or if they lock in existing technologies and processes so that new innovations and new technologies that could improve safety and improve efficiency are stifled.

For example, automated track inspection can improve detection of defects and dramatically reduce response time leading to fewer track-related accidents. Safety data collected from automated track inspection programs clearly support further deployment of this important technology. Unfortunately, due to the existing regulatory framework, the railroad industry is prevented from using the optimal combination of automated track inspections and manual inspections that would yield significant safety benefits.

As a result, this regulatory framework creates disincentives for the development and use of emerging technologies that would ultimately enhance rail safety and efficiency. Railroads will continue to develop and implement new technologies, but achieving maximum benefit will require regulatory flexibility that allows railroads

<sup>3</sup>Testimony of Chad Shirley, Principal Analyst Microeconomic Studies Division, Congressional Budget Office, Before the U.S. House of Representatives Subcommittee on Highways and Transit, Committee on Transportation and Infrastructure, October 18, 2023.

<sup>4</sup>Congress should require that the Federal Highway Administration finalize the highway cost allocation study required in the last surface transportation reauthorization. This would provide needed precision regarding the damage to our nation's roadways caused by each highway user class.

to find what works best and encourages railroads to keep investing in those technologies.

### *3. Provide Robust Funding For and Streamline Safety-Enhancing Grant Programs*

Collisions at highway-rail crossings are a serious safety concern. According to the FRA, in 2023 the nearly 2,200 grade crossing collisions were associated with more than 240 fatalities and 770 injuries. These accidents can also involve significant property damage, clean-up costs, and costs associated with motorist and train delays while the accident is investigated and cleared. We should also remember the forgotten victims of grade crossing accidents: train crews, who are usually helpless (and blameless) in terms of preventing an accident but who have a front and center view of the tragedy and must live forever with its memory. Grade crossing incidents typically arise from factors outside railroad control, and highway-rail crossing warning devices are there for the benefit of motorists, not trains. Nevertheless, railroads are committed to reducing the frequency of crossing incidents.



Section 130 of the Surface Transportation and Uniform Relocation Assistance Act of 1987, provides HTF money to states and local governments to eliminate or reduce hazards at highway-rail crossings. The Section 130 program has been retained under subsequent legislation. Most recently, the Infrastructure Investment and Jobs Act (IIJA) allocates \$245 million in Section 130 funds each year through 2026 for installing new and upgraded warning devices and for improving grade crossing surfaces. The program has helped prevent tens of thousands of fatalities and injuries associated with crossing accidents. Section 130 funding should continue at current or higher levels.

The safest grade crossing is the crossing that is not there. That's why the elimination of grade crossings yields the biggest safety benefit, and why railroads strongly support the Railroad Crossing Elimination Grant Program (RCE). This competitive grant program, run by the FRA and created by the IIJA, provides more than \$500 million per year through 2026 to local and state governments and other public entities for grade separation or closure, track relocation, and the improvement or installation of grade crossing warning devices. Earlier this month, the FRA announced the most recent RCE grants, which total more than \$1.1 billion and will fund 123 projects associated with more than 1,000 grade crossings nationwide. Railroads commend policymakers for creating and funding this important program and respectfully suggest the program should be expanded to further improve grade crossing safety.

### *4. Support Funding Public Entities Partnering with Host Freight Railroads*

The freight rail industry supports funding for grant programs that enable the public sector, including state and local governments, to partner with freight railroads and others to advance projects of mutual interest that improve the overall fluidity of supply chains, reduce highway and port congestion, improve safety, facilitate passenger rail, and improve the quality of life for communities. To that end, the fol-

lowing U.S. DOT programs should continue to be authorized at existing or increased levels:

- *The Infrastructure for Rebuilding America (INFRA) grant program.* INFRA funds projects that address significant challenges in U.S. transportation infrastructure, particularly highways, bridges, railroads, and ports. INFRA encourages the use of private investments, state and local funding, and innovative financing to maximize the impact of federal dollars. INFRA prioritizes projects that demonstrate a significant regional or national impact, alignment with national and economic priorities, and readiness for implementation.
- *The National Infrastructure Project Assistance grant program.* Often referred to as the “Mega” grant program, this federal initiative is designed to support transformational infrastructure projects that have significant national or regional impact and are too large or complex to be funded by other federal programs alone. Examples include large highway expansions, major bridge replacements, and multimodal freight and passenger transportation projects. Mega grants prioritize projects that combine federal support with state, local, and private sector funding, ensuring a shared commitment.
- *The Rebuilding American Infrastructure with Sustainability and Equity program.* Formerly known as TIGER (Transportation Investment Generating Economic Recovery) and later BUILD (Better Utilizing Investments to Leverage Development), RAISE is a discretionary funding initiative that provides competitive grants to support infrastructure projects with a focus on sustainability, equity, and innovation. By prioritizing projects that align with national and local priorities, RAISE contributes to the development of modern, resilient, and equitable transportation infrastructure across the country.
- *The Consolidated Rail Infrastructure and Safety Improvements (CRISI) program.* CRISI grants are designed to enhance the safety, efficiency, and reliability of U.S. freight and passenger rail systems. Program goals include improving safety through projects that improve rail infrastructure and reduce accidents and fatalities; modernizing aging rail infrastructure to enhance reliability and capacity; supporting efficient goods movement; and bolstering local and regional economies. Emphasis is placed on projects that provide public benefits, particularly in rural areas and for smaller railroads.
- *Federal-State Partnership for Intercity Passenger Rail (FSP) grant program.* This program focuses on ensuring the safety, reliability, and efficiency of passenger rail by funding projects that bring rail assets to a state of good repair. Eligible projects include replacing or rehabilitating deteriorating infrastructure, such as tracks, bridges, tunnels, or signal systems; modernizing rail equipment or facilities to improve safety and efficiency; and addressing deferred maintenance. The program typically requires state or local governments or other non-federal entities to contribute matching funds.

These essential programs are partnerships that solve critical transportation challenges by combining federal and non-federal resources for specific projects. Without these partnerships, many projects that promise substantial public benefits (such as reduced highway congestion or increased rail capacity for use by passenger trains) in addition to private benefits (such as enabling faster freight trains) are likely to be delayed or never started because none of the involved parties can justify the full investment needed to complete them by themselves.

##### 5. Streamline the Environmental Permitting Process

While efforts to cut red tape associated with infrastructure project approval and construction have borne some fruit in recent years, more can still be done to fast-track routine rail construction projects without ignoring environmental or historical preservation concerns.

For example, policymakers could codify that, for rail projects whose purpose is to replace existing infrastructure on existing operating railroad right-of-way, a categorical exclusion and a finding of no significant impact are the only NEPA documentations necessary.<sup>5</sup> In addition, policymakers could convert to statute select

<sup>5</sup> The National Environmental Policy Act (NEPA) requires federal agencies to assess the environmental impacts of their proposed actions before making decisions. A categorical exclusion is a category of actions determined not to have significant environmental impacts, allowing them to bypass detailed reviews like Environmental Assessments (EA) or Environmental Impact Statements (EIS). A finding of no significant impact (FONSI) is a determination that a proposed project, based on an EA, will not significantly impact the environment, eliminating the need for

executive orders on streamlining the permitting process, such as timeclocks, intermediate deadlines, and One Decision.<sup>6</sup> Policymakers could also continue to streamline the “Section 106” historic preservation process for projects needed to enhance or maintain rail infrastructure.<sup>7</sup>

These approaches to environmental review would expedite projects that would enhance supply chain fluidity while ensuring comprehensive and effective environmental reviews are maintained. The environment would still be protected, while supply chains would benefit from greater efficiency and more environmentally friendly performance.

#### *6. Oppose Policies that Harm Railroads’ Ability to Operate Safely and Efficiently*

Railroads respectfully urge members of this committee and other policymakers to reject policy riders to surface transportation legislation that would hinder railroads’ ability to operate safely and efficiently.

##### *Minimum Crew Size*

For example, policymakers should oppose proposals mandating two crew members in freight locomotive cabs. There is no quantitative evidence that a two-person crew mandate would enhance safety. Moreover, a two-person mandate could stifle the adoption of new technologies that would enhance safety. Railroads aren’t seeking the ability to impose one-person crews haphazardly or unilaterally. Rather, they seek flexibility to continue to work with rail labor under the existing collective bargaining framework—as they have for decades—to identify when conditions allow a reduction in the number of crewmembers without jeopardizing safety.

##### *Technology Mandates*

Likewise, technology mandates should be avoided. Flexible, technology-driven solutions are preferable to rigid regulatory requirements. For example, advances in on-board monitoring systems and automated data collection are likely to be just as effective, or more so, in detecting potential problems without the need for fixed wayside detectors at prescribed distances. Regulatory flexibility regarding technology allows for better allocation of resources, focusing on specific track conditions and areas with higher risks instead of adherence to arbitrary rules. More broadly, any new operational restrictions should be science-based and data-driven, designed to correct a specific problem, and incorporate solutions to address that deficiency as efficiently as possible. Otherwise, the nation’s freight supply chain would be needlessly weakened.

##### *Access to Railroad Rights-of-Way*

Legislative or regulatory actions aimed at granting access to railroad rights of way to non-railroad entities, such as telecommunications companies, must be carefully proscribed. Safety must be the top priority. Railroads must have sufficient time and information to process applications for access, and railroads should be given fair and complete reimbursement, including reimbursement of any out-of-pocket costs associated with facilitating that access and work associated with it. To prevent a hodgepodge of conflicting state requirements, laws governing access to the right-of-way should be uniform across the country. Finally, the U.S. DOT, not the FCC nor any state or local entities, must be the primary overseer of these agreements.

##### *Marijuana Reclassification*

Finally, as the Drug Enforcement Agency continues to analyze a proposal to re-schedule marijuana from a Schedule I to a Schedule III drug, Congress should ensure that employers whose employees conduct safety-sensitive activities each day, like the railroads, maintain the ability to drug test employees for marijuana usage and treat positive tests as proof of unacceptable employee conduct.

a more detailed EIS. A FONSI ensures environmental oversight while allowing projects with minimal impacts to proceed efficiently.

<sup>6</sup>“One Decision” in the context of permitting for large projects refers to a streamlined approach where a designated lead agency coordinates all necessary reviews and approvals from multiple entities to deliver a single, consolidated decision within a clear timeframe. This method reduces duplication, ensures regulatory certainty, and accelerates project timelines by aligning agency efforts and eliminating conflicting requirements.

<sup>7</sup>Section 106 of the National Historic Preservation Act requires federal agencies to assess the impact of their projects on historic properties. Streamlining this process means making the review and consultation more efficient, potentially speeding up decisions without sacrificing protections for historic sites.



## CARGO THEFT

In recent years, the freight rail network has seen a sharp increase in incidents of theft, with criminals targeting high-value goods such as electronics and consumer products, and unintentionally impact food and medicine shipments. These thefts have become more organized and sophisticated, with the total costs for the freight rail industry anticipated to exceed \$100 million annually for 2024. While these criminals have targeted nearly every mode, the disruptions to freight rail operations are acutely felt, as incidents can involve damage to rail equipment that forces trains to stop, thereby resulting in costly delays in service that ripple across the interconnected network.

This growing threat requires urgent attention, and while it may not neatly fit within the scope of traditional surface transportation reauthorization, federal resources must be allocated to address the problem. A dedicated federal response is crucial to disrupting these criminal elements, supporting ongoing enforcement efforts, and protecting the integrity of the freight rail system. This intervention must be paired with timely, efficient, and effective prosecutions at the federal, state, and local levels of the individuals and organizations committing the thefts. Without federal intervention, industry's vulnerability to theft will continue to escalate, undermining the efficiency of the broader supply chain and costing stakeholders and consumers significantly.

## CONCLUSION

America's freight railroads are a vital national resource. With highway congestion becoming more acute and with public pressure growing to combat climate change, conserve fuel, and promote safety, railroads are well positioned to take on a larger role in meeting these challenges, given their substantial advantages in these areas over other transportation modes. Demands for use of freight-owned track by passenger trains are mounting and will probably continue to grow. And, of course, as our economy evolves, railroads will continue to be called upon to make additional investments in their networks to provide the efficient, reliable, and cost-effective freight transportation service that their customers, and our nation, need to prosper.

For that to happen, members of this committee and others must craft appropriate policies. Freight railroads stand ready to work with you to ensure that our nation's transportation needs are met in a responsible, environmentally sound, and safe manner.

Mr. WEBSTER OF FLORIDA. Thank you very much.

Mr. Baker, you are recognized for 5 minutes.

**TESTIMONY OF CHUCK BAKER, PRESIDENT, AMERICAN  
SHORT LINE AND REGIONAL RAILROAD ASSOCIATION**

Mr. BAKER. Thank you. Good morning, I am Chuck Baker, president of the American Short Line and Regional Railroad Association, representing the Nation's 600 small Class II and III freight railroads. Short lines are the first and last miles of the freight rail network. We move industrial, agricultural, and energy products between ports, factories, and farms, and the larger Class I railroads, which connect us to the national and global markets.

Short lines used to be the unprofitable branch lines of the larger railroads. Following partial deregulation, rather than abandon those lines, the Class I's sold those lines to local entrepreneurs. Those newly minted short lines didn't have much traffic and weren't in great shape, but the local folks who took over these lines were eager to make a go of it. They ran efficiently, focused on getting just one more new customer or carload, and bent over backwards to serve their existing customers, and it worked.

Today, short lines are critical in your communities and ensure that the goods your constituents rely upon to get to their homes and businesses safely and affordably. We now manage 50,000 miles of track, which is one-third of the freight rail network, and touch

one-fifth of all carloads but only account for about 6 percent of the industry's total revenue. So short lines are small businesses, but we have a large impact on the U.S. economy.

We operate in 49 States, support 478,000 jobs, and produce \$56 billion in value added to the economy.

For decades, members of this subcommittee have supported policies that allow short lines to survive and thrive. Almost every one of you has a short line in your district. Chairman Webster has two with the Florida Central and Florida Midland. Congressman García has nine. Congressman Westerman, who is not here at the moment, he has 15. That is the most of anybody in Congress. Congressman Begich in Alaska is one of the States where short lines are the entire freight rail network in the State.

The title of this hearing is "America Builds," and short lines are indeed eager to build. The next surface transportation reauthorization bill will have a long-term impact on the country. Our top priority in that bill is robust funding for the CRISI Program. It is the only Federal program that short lines are directly eligible for, and it has been transformational: 240 short line CRISI grants have been awarded. These are bridge rehabilitations, tie changeouts, and rail replacement projects that simply would not have been possible without CRISI.

With March approaching, to use a college basketball analogy, CRISI helps get projects off of the bubble and into the big dance. Because of CRISI, short line railroads are safer and customers are better served. Small towns and rural communities have new jobs. The air is cleaner. Streets are less congested, and taxpayers are on the hook for less highway maintenance.

My testimony provides a lengthy list of completed CRISI projects with specific statements of support. Here is one example: the plant manager of the wood panel processing facility in northeastern Michigan said, "Lake State Railway's service has allowed our operation to be cost-competitive despite our remote location. CRISI has allowed us to load 286,000-pound railcars, reducing our cost and helping to ensure our long-term success."

Beyond robust funding, CRISI also needs advance appropriations to continue to be most effective. For long-term infrastructure investments, certainty and predictability are crucial. To make CRISI even more effective, we need to speed up the process and shorten the time from announcement to obligation. Good options include batch processing of NEPA categorical exclusions, more aggressive use of pre-award authority, or simply setting deadlines. This program can move faster with no real additional risk, and that would be good for getting America to build.

On the safety and regulatory front, I would ask that the committee keep the big picture in mind. Rail is the safest mode of surface transportation, and the industry is already highly regulated. Any new regulations should be focused on solving actual safety problems and be practical for short line railroads to implement.

For short lines, the biggest derailment risk comes from broken rail and wide gauge. And the best way to fix that is simply to invest in the track, and that is what CRISI already does. For railroads in general, the biggest safety risk comes from grade crossing and trespasser accidents. The Section 130 Program and the Rail

Crossing Elimination Program address those issues, as does support for Operation Lifesaver.

Finally, I ask the Congress not increase the size and weight of trucks on our Nation's already overcrowded, under maintained, and excessively dangerous highway system. We are joined by a broad coalition of cities, counties, police, first responders, labor organizations, and highway safety groups in that request. For railroads, trucks are direct competition. They already don't pay their fair share of highway maintenance, and making them bigger would make that problem worse. It would shift freight from rail to truck, and we would end up with not only bigger trucks, but more of them, too.

Thank you.

[Mr. Baker's prepared statement follows:]

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**Prepared Statement of Chuck Baker, President, American Short Line and Regional Railroad Association**

Thank you for the opportunity to testify to this subcommittee as you examine America's freight rail network and discuss the future of rail infrastructure funding in America and how America builds.

My name is Chuck Baker, and I am the President of the American Short Line and Regional Railroad Association (ASLRRA). Our association represents over 600 Class II and Class III small business freight railroads across the nation. These railroads, commonly referred to as short line railroads, are the essential "first-mile, last-mile" lines of the freight rail network.

**INDUSTRY OVERVIEW**

The short line industry is a great American success story. It is a story about entrepreneurs taking financial risks to purchase and preserve 50,000 miles of rail line, most of which was headed for abandonment; about keeping rural and small-town shippers connected to the national railroad network; about small businesses investing a huge portion of their revenue to improve the efficiency and safety of aging railroad infrastructure. For decades, the Members of this Subcommittee have devoted the time and effort needed to understand our industry and have been the leading congressional advocates for public policies that have allowed short lines to do what they do best. We are truly grateful for that effort and look forward to continuing opportunities such as this hearing today to participate in your deliberations.

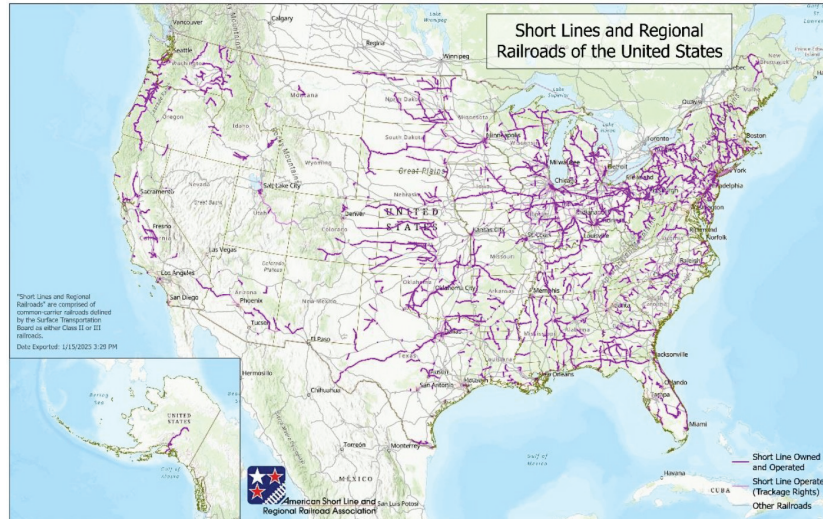
For those new to this Subcommittee let me briefly describe our industry. Short lines are small businesses: the typical short line employs about 30 people, operates about 80 route miles, and earns about \$8 million in annual revenue. Our significance is not our size but who and where short lines serve. For large areas of rural and small-town America short lines are the only connection to the national rail network, or as we call it, the first mile/last mile in the freight rail supply chain. As any short line shipper will tell you, "You can't get there from here without short line service."

The short line industry as we know it is the product of the Staggers Act of 1980, which made the sale of light-density branch lines from Class I railroads to local entrepreneurs possible, thankfully avoiding the abandonment of those lines and the ripping up of their track for scrap. These lines were spun off by the Class 1 network for a reason: they weren't profitable, were burdened with decades of daunting deferred maintenance, and had a declining customer base.

To bring these businesses back from the brink, small railroads had to be scrappy and smart and make a huge commitment to their local communities. They would knock on every door they could find, bend over backwards for every existing and possibly new customer, put family members to work, find used locomotives, and look for assistance when possible. They invest up to a third of their annual revenues back into maintaining and upgrading that infrastructure that they often inherited in tough conditions, making short line railroading one of the most capital-intensive industries in the country.

That investment combined with the flexibility and customer-focused service that new local ownership provided allowed short lines to revive these marginal lines,

turning them into small but thriving enterprises that preserve service for more than 10,000 customers and local jobs for thousands of employees. America's 600 short line railroads now manage one-third of the national freight rail network and touch in origination or destination one-fifth of all carloads moving on that national network. Together, short lines operate in 49 states, are tied to 478,000 jobs nationwide, \$26.1 billion in labor income and \$56.2 billion in economic value-add<sup>1</sup>—providing a service that over 10,000 businesses and countless farmers and agricultural co-ops nationwide rely upon to receive their raw materials and get their products to market.



As you will note from the map above, almost every Member of this Subcommittee has one or more short lines operating in their district, and in many cases these short lines are one of the significant businesses in their town. I am particularly pleased to note that Congressman Westerman has 15 short lines in his district, more than any other Congressman in the country. He has visited many of these properties and is well acquainted with short line operations and economics. For those who want to learn more about short lines, he's your guy.

The next Surface Transportation Reauthorization bill will impact railroad transportation for years to come and I am grateful for today's opportunity to share policy priorities that are top of mind for the short line industry. I believe these priorities will help America build and we are very eager to do our part.

#### SURFACE TRANSPORTATION REAUTHORIZATION PRIORITIES FOR THE SHORT LINE RAIL INDUSTRY

##### *1. Short Lines and Transportation Grant Programs*

###### *Consolidated Rail Infrastructure and Safety Improvements Program*

In 2015 Congress created the Consolidated Rail Infrastructure and Safety Improvements Program (CRISI) to invest in projects that improve railroad safety, efficiency and reliability for both freight rail and intercity passenger rail. Unlike other federal rail infrastructure grant programs that only provide eligibility for public applicants, Congress made short line railroads directly eligible applicants for CRISI. This was hugely beneficial for the program and for short lines because it streamlined the application process, made for better alignment between available project funding and project outcomes, and allowed short lines to better compete with well-funded larger entities with more publicly prominent projects. The result is that short lines have become one of the major classes of grant awards in the CRISI program. Since the program was enacted, some 240 CRISI grants have been awarded that benefited short lines, totaling over \$2.7 billion. In the most recent round of

<sup>1</sup> The Section 45G Tax Credit and the Economic Contribution of the Short Line Railroad Industry, prepared by PWC for ASLRRRA (2018).

CRISI awards short lines garnered 81 of the 122 projects awarded totaling \$1.29 billion, about half of the \$2.48 billion in total awarded funds.

Significantly, these federal funds were typically matched anywhere from 20% to 80% by local and private sector funds—drawing in non-federal monies that otherwise would not have been forthcoming for these improvements. It is worth noting that virtually every one of these short line CRISI applications received one or more letters of support from individual Members of Congress, both Democrats and Republicans, including most of you. It is a welcome bipartisan development in an era of increasingly intense partisanship.

CRISI grants provide six important benefits for short line railroads and for the communities and customers they serve.

- 1) *Tackling the Biggest Problems*—As a college basketball fan if I might be permitted a March Madness reference, CRISI projects are most often those “on the bubble”—on the cusp of making the cut but not quite there. Railroad rehabilitation is extraordinarily expensive and the most needed projects are on the bubble because short line revenues are often not sufficient to complete the job. Again, there is a reason these lines became short lines in the first place. For instance, replacing lightweight jointed rail with new heavier welded rail costs hundreds of thousands of dollars per mile and there are limited operating and safety benefits if only a few miles a year can be completed. Bridges are especially important bubble projects. Short lines operate over many of the oldest railroad bridges in the country, some built over a century ago. Replacing or repairing a bridge, be it a highway or railroad bridge, is an expensive proposition. The federal and state governments spend huge sums of public money on highway bridges, but short line railroads have never had access to that kind of public money. Today CRISI is providing short lines the last dollars needed to get important projects off the bubble. These types of projects can be transformational for the future of a short line the communities and customers it serves and just simply wouldn’t be possible without CRISI.
- 2) *Safety*—Every dollar invested in improving rail infrastructure is a dollar invested in rail safety. Better tie conditions, newer rail, and rehabilitated bridges reduce derailments, making rail transportation safer for short line employees and for the communities they serve. For short lines, the biggest causes of derailments are simply worn-out track, i.e., broken rail and wide gauge. The best way to address that is simply to invest in the track, which is exactly what CRISI funds do. It’s not complicated, it’s not controversial, and it works.
- 3) *Jobs*—Short line railroads are small businesses that hire outside contractors for most capital investment projects, making CRISI an engine for job creation, which is particularly impactful in the rural and small-town areas we serve. Whether these are short line jobs or contractor jobs, they are good blue-collar family-wage American jobs that can never be taken overseas. Upon project completion, better rail leads to better more efficient transportation service, attracting new volume and new customers to rail, creating additional new jobs. It’s a virtuous circle.
- 4) *Environment*—The environmental advantages of moving freight by rail are well documented. Upgrading track and bridges to handle the industry-standard 286,000-pound cars, building new sidings and yards to meet increasing customer demand, and reducing bottlenecks that create inefficiencies all contribute to diverting truck loads to railcar loads. That diversion reduces harmful emissions due to rail’s inherent fuel efficiency advantages. CRISI can also provide funds for upgrading old locomotives to allow short lines to get even cleaner than we already are—this is particularly helpful in communities with significant residential development close to rail yards, and short lines are committed to being good neighbors in their communities.
- 5) *Economic Development*—Funding economic development in rural areas is a challenge. Existing businesses are relatively small, and transportation infrastructure is often inadequate. Short lines are using CRISI grants to expand capacity, improve rail connections to existing industries, and develop industrial parks that can attract additional businesses to the area. South Carolina’s Lancaster and Chester Railroad’s 2021 CRISI rehabilitation project elicited what is an oft-repeated refrain from an economic development official in their area: “Over the last 11 years, Chester County has attracted over \$3 billion in new industrial development creating almost 4,000 new jobs. This opportunity is a direct result of having the L&C railroad as our partner.”
- 6) *Improving Service to Customers*—Short line shippers are the ultimate beneficiaries of improved railroad service. There are thousands of those shippers, the majority of which operate their businesses in rural and small-town Amer-

ica where efficient and reliable transportation is the life blood of their business. A short line railroad is often their only connection to the national railroad system and CRISI grants are making those short lines a more efficient and competitive part of their transportation supply chain.

*Attached to my testimony is a CRISI Project Addendum* that provides a brief description of completed short line CRISI projects, including project costs, scope, and benefits. This is a work in progress as we endeavor to collect this information as each short line completes a project and we will continue to forward the updated list to the Subcommittee as the information is compiled.

As you will note, these are not splashy high-profile projects that capture public attention. Few Americans know what continuous welded rail is and why it is so important in reducing derailments, or why short lines can't interchange traffic with Class I railroads if the track can't handle 286,000-pound railcars. But these are real benefits that create the foundation for preserving and growing short line railroad service. Likewise, the benefits garnered by shippers may not appear extraordinary. Increasing carload volume by 25 carloads a year, getting 500 feet of new track to handle a longer train, reducing freight transit times by 5 hours, eliminating a derailment—these are not eye-popping numbers but are the things that lower a shipper's transportation costs and that is the foundation of success for these small businesses.

#### SUPPORT FOR ADVANCE APPROPRIATIONS

CRISI is critical to upgrading short line infrastructure and enabling major projects. To do that effectively, to help America build, funding must be both robust and predictable.

Current CRISI funding levels are \$1 billion per year in advance appropriations through Fiscal Year 2026, with up to an additional \$1 billion per year possible through discretionary appropriations. Maintaining or expanding these funding levels is a top priority for short lines.

The advance appropriations provided in the current surface transportation reauthorization bill created funding stability and predictability that has been particularly important for the short line community and rail shippers nationwide.

Short lines are small businesses with limited human and financial resources. The grant application process is time consuming and, to be competitive, requires significant up-front investment by applicants. For example, for more complex projects, costly engineering work must be conducted to assemble a competitive project scope and budget that can demonstrate project readiness. Short lines must also marshal committed matching funds of at least 20%, but often up to 50% to be competitive with larger applicants. The annual appropriations process is always uncertain and that uncertainty makes it difficult for applicants to start those upfront activities until they know if there will be adequate resources for which to compete. If the program maintains funding stability as provided by advance appropriations, these small businesses can take steps to set aside these resources over time that they must provide to compete for and receive the federal funds. In short, advance appropriations allows the federal investment to be much more effective and meaningful. If the next surface transportation reauthorization bill were to authorize CRISI but not provide any advance or guaranteed appropriations, that would be a step backwards.

#### PROTECT CRISI'S ABILITY TO BOLSTER THE FREIGHT RAIL NETWORK

Congress has been eager to collaborate and work in a bipartisan way to strengthen CRISI and other programs important to short lines, and we are appreciative of the commitment. We believe these programs can be further improved.

ASLRRA discourages set-asides within CRISI for passenger rail projects or expansions of the program to include major new eligible applicants such as commuter railroads. With so many challenges facing our freight supply chain, short lines need to remain viable competitors for these limited funds. While we have no opposition to passenger rail, there are other federal grant programs which provide passenger rail applicants with funding levels that dwarf CRISI.

Likewise, commuter rail already has access to substantial, well-established, and dedicated funding programs administered through the Federal Transit Administration, such as formula funding and the Capital Investment Grant program. Commuter entities are also eligible for department-wide competitive grant programs, like Mega and RAISE.

By contrast, CRISI is essentially the only federal grant program for which short lines are a viable competitor. We also note that short line projects provide an excel-

lent bang for the federal buck and tend to produce meaningful results quickly with comparatively modest federal investment. Short lines can take small federal investments and start building right away.

#### *Speed*

Simply put, CRISI projects need to move from announcement to obligation to completion faster than they currently do. For almost all short line projects, most of which are quite simple in the context of infrastructure investments, this would result in better outcomes for the public, for short lines, for communities, and for shippers with no additional risk, and would help avoid the significant cost escalation associated with delay.

Whether it be through batch processing of NEPA categorical exclusions, more aggressive use of pre-award authority to allow projects to get going immediately upon award, the blunt instrument of just setting deadlines for agency processing, or all of the above, Congress can and should insist that this process move faster. In our experience, FRA agency staff would similarly agree that the process should move faster, but nevertheless in the real world the process remains unnecessarily slow. It may be unrealistic to expect government to move at the speed of business, but let's give it a shot.

#### *Increase Transparency across the Grant Lifecycle to Enable Benchmarking and Process Improvement*

Congress could require that FRA file regular reports on the status of processing grants, from award notification through obligation to closeout, to the transportation authorizing and appropriating committees. This data would be important to help stakeholders understand how long it takes the agency to move through the process for each award to achieve grant obligation and begin work and would create pressure to move the process faster. This has been required intermittently in appropriations legislation, but the agency has not regularly provided timely reporting. This could include key milestones of approval of pre-award authority, if applicable, and approval of the environmental decision document for the project. This could begin immediately through administrative action, followed by Congressional action to make the requirement enduring. As Peter Drucker's famous business saying goes, "What gets measured gets managed," and this process would encourage quicker and more consistent grant processing.

#### *Prohibit Agencies from Integrating Policy Requirements into Grant Programs with No Basis in Law*

Congress could prohibit U.S. DOT from establishing policy requirements that are not in law as conditions for grant awardees to achieve obligation. DOT NOFOs now routinely integrate "Administrative and National Policy Requirements" that can impose costly and burdensome requirements on grant recipients. Most of these have no basis in law and can condition achieving grant obligation on satisfaction of the requirements. This step could be taken immediately through administrative action, followed by Congressional action to make the requirement broad and enduring.

#### *Improve Elements of the National Environmental Policy Act Process*

Short lines are an environmentally friendly way to move goods. We encourage efforts to ensure National Environmental Policy Act (NEPA) requirements reflect this sustainable way to move freight and do not undermine it.

Specifically, we believe there could be room within USDOT's NEPA implementing regulations to expand definitions of selected categorical exclusions (CEs) without risking significant environmental impacts.

One area is for bridge rehabilitation projects and for construction of smaller railroad facilities. The definitions for these CEs have some fixed elements—such as ground coverage and watercourse definitions—that could be adjusted to grant the agency more discretion and flexibility to make its class of action determination. The definitions built into these CEs have arbitrary elements that can force certain projects into costlier and more time-consuming environmental assessments than are justified by the environmental impacts of the project. We encourage USDOT and FRA to explore their regulations in this area and seek to increase their flexibility.

We appreciate the efforts of USDOT, and especially FRA, to continue to standardize their NEPA review procedures and to improve the guidance and documentation they provide to grant applicants.

Clarification of guidance documentation is helpful, as is the provision of clearer guidance on analyses and permitting requirements associated with different environmental impact areas. Examples of environmental impact area analyses products or awarded permits can be especially helpful to applicants and awardees that are new to NEPA. NEPA compliance is a complex topic. The provision of better informa-

tion to applicants on exactly what needs to be done and when during pre- and post-award period can reduce delays in getting to grant agreement. FRA's grant and environmental specialists have done extensive outreach to the short line community on NEPA topics, including through participation in ASLRRA conferences and webinars, reaching many hundreds of short line railroads. We greatly appreciate these outreach efforts and look forward to continuing educational collaboration and dialogue with FRA on these topics under the new Administration.

## 2. *Modal Equity With Trucks*

Railroads compete fiercely with trucks to move America's freight, which is as it should be. In our view, there would be tremendous public policy benefits to the country if more freight would move by rail: safety, as rail is 3–20x safer than trucking depending on what is being measured; congestion reduction, as one train can keep hundreds of trucks off the road; taxpayer savings, as heavy trucks produce a disproportionate share of highway damage; and environmental benefits as railroads are widely recognized as the cleanest way to move freight over land.

Given that, public policies that support freight rail make sense for Congress to consider. But at the very least, we ask that Congress not drive policy the other direction and further shift freight to trucks.

### *Highway Trust Fund—Restore the Highway Trust Fund (HTF) to a true user-based system.*

Since 2008, the Highway Trust Fund has received a stunning \$275 billion from the U.S. Treasury's general fund to cover shortfalls. That's more than a quarter of a trillion dollars. This is a gigantic subsidy to our biggest competitor.

Congress should require that the FHWA finalize the cost allocation study required in the last reauthorization. This will give needed insight into the damage to our nation's roadways caused by each user class. Congress should then devise and implement a user fee for the HTF that accounts for proportional damages caused by different weights of vehicles.

### *Truck Size and Weight—Do Not Make the Problem Worse*

The existing 80,000-pound trucks on our interstate system already don't cover the full cost of their infrastructure damage. Increasing the size and weight of those trucks would make the problem worse and have negative consequences for both the short line railroad industry and the public. It would shift freight from rail to trucks, resulting in more trucks on our nation's highways, more congestion and wear and tear, more pollution, and more deadly crashes. There were already more than 40,000 fatalities on U.S. roads last year—that's already far, far too many without adding bigger and heavier trucks into the mix.

As noted above, small railroads are largely privately-owned, and they reinvest 25% to 33% of their annual revenue maintaining and improving their capital-intensive infrastructure. Trucks enjoy the inherent advantage of operating over publicly subsidized highways, while underpaying for the damage to roads and bridges they cause. This problem would be further exacerbated by heavier and longer trucks, which cause significantly more damage to public infrastructure. All of this occurs as fuel taxes and user fees have consistently proven insufficient to fully fund the HTF, and general fund taxpayer dollars are increasingly applied to road projects. Consequently, as taxpayers we are not only paying for our own infrastructure, but also that of our competition.

Public opinion polls have also shown year-after-year that the public does not feel safe with larger trucks on the highways. One poll conducted by the Coalition Against Bigger Trucks found that 7 in 10 respondents were opposed to increases in length and weight. The Truck Safety Coalition publishes a record of decades of polling on the topic, with some polls showing up to 88% of Americans opposed to bigger and heavier trucks on the highways.

The short line industry is part of a broad coalition of cities, counties, municipalities, first responders, labor organizations, and highway safety groups. Together, we have repeatedly urged Congress to refrain from wholesale or incremental changes disguised as pilot projects and waivers to truck size and weight, and we renew that call today.

## 3. *Rail Safety Regulations*

As any new regulations are considered for what is already a highly regulated industry, we urge that they be focused on solving actual safety problems and be practical for small business short line railroads to implement. Further, we encourage Congress to be aware of unintended consequences to broader transportation safety—when regulations increase the cost of freight railroading or degrade freight rail service, they risk shifting freight traffic from the largely privately funded and safer rail



network to the largely publicly funded and less safe highway network. Short lines can only thrive if our mostly small business entrepreneurs are given the flexibility and discretion to run their railroads in a manner that is safe, customer-focused, and still cost-effective. And as noted previously, for short lines the biggest risks of derailment come from worn out track and the best way to address that is simply to invest in the track, which is exactly what CRISI does.

#### 4. Continued Federal Support for Grade Crossing and Trespasser Safety Issues

By far, the most significant areas of rail safety related to interactions with the public are grade crossing accidents and trespasser issues. An industry and government-supported effort, Operation Lifesaver, focuses on educating the public both about the importance of staying off railroad tracks and the need for passenger and commercial vehicle drivers to exercise caution at grade crossings. The federal government has been an important participant in these efforts, largely through the FHWA Railway-Highway Crossings Program, known widely as the “Section 130” Program. This program significantly improves grade crossing safety by providing funding to improve grade crossing protection equipment. More recently, the Rail Crossing Elimination program has also been successful in providing options for communities to close unnecessary crossings.

#### CONCLUSION

As I indicated at the outset, it was provisions of the 1980 Staggers Act that created the potential to create short line railroads as an alternative to rail line abandonment. No current Member of the House of Representatives was in office in 1980 so there is little institutional memory of how economically damaging railroad abandonment was for communities across the country, and how vociferously Members of Congress opposed every abandonment in their district because it severed a vital transportation link for the communities and businesses they represented. A search of the term “rail line abandonment” in the pre-1980 *Congressional Record* would return countless House Floor speeches detailing the harm and urging the then Interstate Commerce Commission, now the Surface Transportation Board, to oppose abandonment petitions. Today, abandoning a rail line is a rarity and it is taken for granted that the 50,000 miles of light density rail no longer operated by the Class I railroads are securely in place.

But the fact is short lines still face challenging economics that jeopardize that security. They operate over aging infrastructure which received little or no capital investment from its previous owners and which requires investing between 25% and 33% of revenues to maintain track and bridges required to handle modern freight cars, remove bottlenecks, increase capacity and improve safety. Even still it is estimated that there is a backlog of more than \$12 billion of improvements still to be completed, a heavy lift for an industry that earns just 6% of the revenue of the total U.S. freight railroad industry. The programs and policies discussed above have played a very important role in the short line industry’s ability to meet these challenges and we urge that they be continued as you write the country’s next surface transportation bill.

Thank you for your time and consideration.

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#### ADDENDUM

##### SHORT LINE RAILROAD COMPLETED CRISI PROJECT EXAMPLES

CHICAGO SOUTH SHORE & SOUTH BEND RAILROAD (CSS)  
 FRA Project Name: Chicago South Shore & South Bend Rail Rehabilitation and Safety Improvement Project  
 CRISI Grant: \$2,831,705  
 Local Match: \$707,926 (20%)  
 Total Project Cost: \$3,539,631  
 Member/District: Rep. Rudy Yakym (IN-02), Rep. Frank Mrvan (IN-01)

The project replaced 7.5 miles of 90-lb rail with 115-pound rail on Kingsbury Industrial Lead, improving safety associated with the heavier rail, and increasing train speed on new section of track to improve car cycle times for customers.

*“The CRISI project being done by CSS shows a commitment to safety and the growth of CSS customers located between Michigan City and Kingsbury. My company truly appreciates the project to help our company grow.”* David Gelwicks, President—Hickman Williams Co.

## IOWA INTERSTATE RAILROAD (IAIS)

Project Name: Booneville Bridge Project

CRISI Grant: \$3,470,500

Local Match: \$3,470,500 (50%)

Total Project Cost: \$6,941,000

Member/District: Rep. Zach Nunn (IA-03)

The project replaced the 118-year-old Booneville Bridge over the Raccoon River, located approximately 15 miles west of Des Moines. The bridge carries over 42,000 carloads per year on the Class II Iowa Interstate Railroad's (IAIS) Council Bluffs, Iowa, to Chicago, Ill., service. The bridge was in danger of being put out of service in the near future under previous conditions, which would result in costly and inefficient rerouting of traffic and economic disruption in Nebraska, Iowa, Illinois, and points beyond. The new bridge will be able to withstand increasingly common flooding events.

*"The majority of the 8,000 carloads we ship go over that bridge and if that infrastructure was out, it would have a multi-million impact on the efficiency and cost-competitiveness of our business."* Nick Bowdish, CEO Elite Octane

Video of Completed Project—here [<https://www.youtube.com/watch?v=PZbq7d1VPD8>].

## IOWA INTERSTATE RAILROAD (IAIS)

Project Name: IAIS Continuous Welded Rail Upgrade

CRISI Grant: \$5,579,357

Local Match: \$6,291,615 (53%)

Total Project Cost: \$11,870,972

Member/District: Rep. Zach Nunn (IA-03), Rep. Randy Feenstra (IA-04)

The project is a capstone project to complete the replacement of jointed rail with modern continuous welded rail (CWR) on the IAIS between Council Bluffs and Des Moines, IA. The upgrade will replace the last 18.95 miles of jointed rail with CWR and allow for track speeds of 40 to 49 mph. As freight traffic grows on IAIS, the remaining 1950s-era Rock Island Railroad legacy jointed rail decreases the reliability and resiliency of the line by requiring slower speeds. Jointed rail has the propensity to have joint failures during Iowa's harsh winters creating hazards for maintenance of way employees and train crews. Replacing jointed rail will increase safety, lower maintenance costs, increase rail resiliency, and improve system and service performance by increasing train speeds. The project will allow IAIS to meet future freight demand for Nebraska, Iowa, and Illinois farmers, manufacturers, and ethanol refineries.

*"Jointed rail on the IAIS mainline creates higher maintenance costs and leads to slower operating speeds and lower efficiency between Omaha and Des Moines for rail customers like my company. Replacing this rail will lead to a more resilient railroad which is important for the Iowa economy, and for the success of our business. Our business has made a sizeable investment in an ethanol plant where its viability is solely dependent on the long-term sustainability of the Iowa Interstate Railroad."* Ryan Pellett, C.E.O., JD & Co.

## LAKE STATE RAILWAY (LSRC)

FRA Project Name: Infrastructure Enhancement Program for Lake State Railway's Huron Subdivision

CRISI Grant: \$7,875,770

Local Match: \$8,197,230 (51%)

Total Project Cost: \$16,073,000

Member/District: Rep. Jack Bergman (MI-01)

The project rehabilitated 30.3 miles of track with 115-lb. continuous welded rail, tie and turnout renewal and crossing rehabilitation. This project allowed for elimination of 23.8 miles of excepted track which resulted in increased speed from 10 mph to 25 mph and the upgrade of 6 miles from 25 mph to 40 mph. These improvements allowed for the full use of the heavier 286-lb. railcars required by LSRC customers and Class I railroad interchange partners. The elimination of the aging and lighter 85-lb rail enhanced safety along the entire segment.

*"Lake State Railway's service to our facility has allowed our operation to be cost competitive despite our remote location in relation to the majority of our customers and suppliers. The CRISI grant has allowed us to increase the railcar load capacity associated with the heavier 286-lb railcars, reducing our cost and helping ensure our long-term success."* Jim Spens, Plant Manager Panel Processing, Inc.

## LANCASTER &amp; CHESTER RAILROAD (L&amp;C)

FRA Project Name: South Carolina Piedmont Freight Rail Service Improvement Program

CRISI Grant: \$8,752,185  
 Local Match: \$4,712,715 (35%)  
 Total Project Cost: \$13,465,900  
 Member/District: Rep. Ralph Norman (SC-05)

The project provided funding for the acquisition of three Tier IV locomotives, the rehabilitation of 46 miles and one bridge upgrade to allow for the handling of 286-lb. railcars. The project increased track speed from 10 mph to 25 mph, gave customers the ability to utilize 286-lb railcars and decreased locomotive emissions. The upgraded track resulted in the railroad attracting three new customers to the line.

*"Over the last 11 years, Chester County has attracted over \$3 billion in new industrial development creating almost 4,000 new jobs. This massive amount of opportunity is a direct result of having the short line L&C railroad as our partner."* Alex Oliphant, City Council Member, Chester County, SC

## NAPOLEON, DEFIANCE &amp; WESTERN (NDW)

Project Name: NDW Safety Upgrade in Opportunity Zones Project

Grantee: Ohio Rail Development Corporation  
 CRISI Grant: \$4,112,452  
 Local Match: \$4,112,452 (50%)  
 Total Project Cost: \$8,224,904  
 Member/District: Rep. Martin Stutzman (IN-03), Rep. Bob Latta (OH-05), Rep. Marcy Kaptur (OH-09)

The project upgraded approximately 10 miles of 80-lb. rail with 132 to 136-lb. rail, and replaced approximately 29,000 ties on 29 miles of rail between Woodburn, Indiana and Defiance, Ohio. The project was required to reduce the number of derailments previously occurring on this segment.

*"The NDW provides transportation for our tomato paste from California to our facility saving us a lot of time and money versus going over the road. The rehabilitation also offers us new opportunities to move more materials by rail."*—Gavin Serrao, Cambell's Soup Logistics Manager, Napoleon, OH

*"This has been a railroad that's needed a lot of investment for a long time. Every State DOT knows there are these railroads that can be so much more for the local economy than they are now and NDW brought the professionalism, the expertise, and the financial resources to make this project possible."* Matt Dietrich, Ex. Dir. Ohio Rail Development Commission

Video overview of project—here [[https://youtu.be/IwFm\\_a\\_KWs4](https://youtu.be/IwFm_a_KWs4)].

## NEBRASKA KANSAS COLORADO RAILWAY (NKCR)

Project Name: Velocity Enhanced Rail Transportation Project

CRISI Grant: \$4,505,542  
 Local Match: \$4,505,542 (50%)  
 Total Project Cost: \$9,011,084  
 Member/District: Rep. Lauren Boebert (CO-04), Rep. Adrian Smith (NE-03)

The project installed approximately 42,595 ties, 15,990 tons of ballast, and resurfaced 562,848 track feet on the NKCR in western Nebraska and eastern Colorado. The project allows for removal of slow orders on approximately 106.6 miles of track and restores efficient operating speeds over most of the line. The improvements reduced overall trip times along the corridor by a minimum of four hours and reduced operating costs by reducing locomotive utilization and allowing for crews to make a round-trip along the line within one day.

*"The Velocity project will be a major rehabilitation of the freight rail line from Sterling, CO, to Wallace, NE, focused on removing slow orders where track conditions force trains to slow to a crawl. This line is the only rail connection for many agricultural customers in western Nebraska and eastern Colorado."* U.S. Senator Deb Fischer (R-NE)

## OMNI/TRAX HOLDINGS COMBINED SHORT LINES

Project Name: Transportation Investments for Employment and Safety (TIES1)

CRISI Grant: \$37,364,504  
 Local Match: \$9,341,126 (20%)  
 Total Project Cost: \$46,705,630

Member/District: Rep. Sanford Bishop (GA-02)

The project replaced approximately 1,000 railroad ties per mile on 135 high-density track miles on three OmniTRAX short line railroads—Illinois Railway, Alabama & Tennessee River Railway, and Georgia & Florida Railway, which will help sustain current FRA track safety standards and maintain current timetable speeds. The project is estimated to reduce track-related accidents by 67%, saving \$11MM in losses, reduce locomotive utilization by 186,000 hours, eliminate 27 tons of NOx, 1 ton of PM2.5 and 4.5 tons of SO2. The project will eliminate the need for 16 subsequent tie spot replacement mobilizations saving \$43MM.

*“Covia Holdings is a major supplier of elemental raw materials used in a variety of industries, including glass production and housing construction. The majority of shipments to Covia’s customers throughout the U.S. are handled by railroads such as those managed by OmniTrax Rail Holdings. Covia supports the TIES Project [and] reasonably believes that TIES will improve safety on the Illinois Railway (IR) by replacing a simple yet essential element of safe railroad infrastructure: the wooden railroad tie. The IR’s ability to service Covia’s plants, uninterrupted, in Illinois is fundamental to Covia’s daily operations.”* Russell Montgomery, EVP/COO, Covia Holdings LLC

#### RED RIVER VALLEY & WESTERN RAILROAD

FRA Project Name: Rural Economic Preservation Through Rail Replacement

CRISI Grant: \$6,704,544

Local Match: \$2,915,234 (30.3%)

Total Project Cost: \$9,620,778

Member/District: Rep. Julie Fedorchak, At Large

The Red River Valley & Western serves the southeast corner of the state of North Dakota, linking numerous rural agricultural shippers with the national rail system. The project replaced 14.5 miles of old jointed rail with continuous welded rail on between Independence and Oakes, North Dakota.

The project has resulted in a safer, dependable rail system that will maintain economic competitiveness for current shippers, and provides the capacity to meet the anticipated future demand with climate change pushing the grain industry and growing conditions northward.

*“North Dakota is heavily reliant on railroads for the shipment of bulk commodities from our rural communities to their distant final destinations. A large portion of the grains produced in North Dakota are shipped over 1,200 miles by rail to Pacific Northwest port facilities at Seattle and Portland. North Dakota is therefore keenly interested in a safe, efficient, and reliable railroad network to provide value to the thousands of tons of bulk agricultural and energy products produced each year in our state. Preserving this vital rail network is essential for the economic development and sustenance in the rural communities served by short lines.”* Commissioners Fedorchak, Kroshus, and Christmann, North Dakota Public Service Commission

#### SIERRA NORTHERN RAILROAD (SERA)

FRA Project Name: Sierra Northern Railway’s Consolidated Rail Infrastructure and Safety Improvement

CRISI Grant: \$17,415,000

Local Match: \$18,300,000 (51.3%)

Total Project Cost: \$35,700,000

Member/District: Rep. Tom McClintock (CA-05)

Sierra Northern Railway (SERA) was challenged to add and manage current customers along the 55-mile-long Oakdale Division excepted track, built in 1897, servicing Riverbank, California in the Central Valley to Standard, California in the Sierra Nevada foothills. As excepted track, freight could move at no more than 10 mph along the route, taking 5 hours to transport freight from one end to the other. The project included replacing 20 miles of track with 115-pound rail, 90,000 railroad ties, and rehabilitating ten grade crossings.

The CRISI Grant transformed the operation, adding a 116-acre transload site for building manifest unit trains without causing gridlock along the active line, and improving delivery time from end to end by 250%. The increased throughput has enabled SERA to:

- Quadrupled carload business
- Add new customers—such as a new grainload shipper
- Reduce derailments
- Provided 30 new railroad jobs in the area

- Improved grade crossings and increase speed led to less time blocking motoring public
- Took an estimated 5,000 trucks of propane off local highways in year one

*“The project began in 2019, and was completed a year and a half later. It has achieved everything we had anticipated, and more for the region. It has allowed the Sierra Northern dramatically increase carloads by better serving current customers, and by attracting new business to rail. We are especially proud of how this project has served our local community—taking trucks off the road, especially on narrow mountain roads, reducing time spent at railroad crossings, and providing more well-paying railroad jobs in our region.”* Ken Beard, President, Sierra Northern Railway

#### TEXAS, GONZALES & NORTHERN RAILWAY (TXGN)

FRA Project Name: Harwood Interchange Improvement Project

CRISI Grant: \$2,223,768

Local Match: \$2,223,768 (50%)

Total Project Cost: \$4,447,536

Member/District: Rep. Michael Cloud (TX–27)

The project extended the siding at the interchange with the Union Pacific Railroad (UP) to 9,000 feet. The construction project included installing welded rail, steel ties, new modern power switches and the replacement of two aging wooden trestles enhanced drainage. With concrete culverts. The purpose of the project was to enhance capacity, improve service, enhance safe operations and help relieve highway congestion by moving shipments from truck to rail.

The project has allowed TXGN to accommodate UP’s Unit Train traffic simultaneously with our carload traffic which allowed for double capacity at interchange and a more fluid handoff with UP. Prior to the CRISI project completion UP could deliver only 1 of those trains while then waiting on TXGN to clear the interchange before a second train could arrive. The increased operating capacity has saved customers up to 24 hours of transit time. The expanded capacity has allowed TXGN to attract two new storage customers and annual carloads have increased from 3,726 in the year prior to the project to 4,634 carloads in the first year following project completion, a 24% increase. Most recently TXGN attracted a new major company that has just announced that they are building a new facility on the TXGN and will increase carloads by 700 annually.

Livestock Nutrition Center (LNC) is a leading feed manufacturing and grain handling company with facilities in 5 southwestern states, including a facility on the TXGN.

*“The TXGN CRISI Grant Interchange Project has been a game-changer for our operations at Livestock Nutrition Center. By enabling the seamless handling of Unit Trains, this project has significantly improved the efficiency of our railcar traffic and opened the door for potential Unit Train movements into TXGN Railway. Without the enhancements brought by this project, we wouldn’t have the opportunity to consider expanding our location. This improvement has not only reduced turnaround times for our railcars, improving utilization and operational efficiency, but it has also positioned us to better serve our customers and explore new growth opportunities. We are truly grateful for the partnership with TXGN Railway and the commitment they have shown to helping businesses like ours thrive.”* Maurice Janda, Fulfillment Manager, LNC

#### TWIN CITIES & WESTERN RAILROAD COMPANY (TCWR)

FRA Project Name: Joint Elimination—Rail Infrastructure and Safety Improvement

CRISI Grant: \$2,000,839

Local Match: \$2,000,839 (50%)

Total Project Cost: \$4,001,678

Member/District: Michelle Fischbach (MN–7), Tom Emmer (MN–6), Kelly Morrison (MN–3)

The Twin Cities & Western Railroad upgraded 1.3 miles of track with slow orders—a local speed restriction imposed that is slower than the track’s normal speed limit due to deficient track—to high-speed welded rail. The replacement resulted in significantly improved safety, as measured by decreased year-over-year rail defects found via ultrasonic tests from 106 defects in 2017 to 48 defects in 2020 (after project). The upgraded rail also reduced annual tie replacement from 20,000 required in 2019, to 17,000 by 2021.

For customers, the improved quality of the rail contributed to a decrease in shipping time, decreases in delays due to mainline derailments, and maintaining efficient pricing due to decreased maintenance costs.

Subsequent CRISI grants in FY 20 and FY 21 replaced rail on an additional 2 and 1 miles of track respectively, leading to an overall reduction in point-to-point shipping time of 56% across the 3 miles, and a further reduction in tie replacement needs of 30%, to 12,000 ties per year.

*"The Twin Cities & Western Railroad is a vital east-west railway that carries over 30,000 freight cars annually throughout the south-central and western Minnesota. Its rail lines are essential to the local and regional economy, connecting countless businesses and farmers to their commercial needs. Not only would these improvements ensure that our railways are safer and more reliable, but they would also minimize transportation costs for businesses, enhance Minnesota's economic competitiveness, support the regional supply chain and reduce the need for future maintenance and repairs. Completing these updates would support the needs of countless Minnesotans by improving and modernizing the regional rail network."* Senator Amy Klobuchar, United States Senator, Minnesota

*"Rail is one of the primary arteries of Minnesota commerce. This investment in the Twin Cities & Western Railroad Company will increase service, while also ensuring the safety of all those who live in communities along these vital transportation routes."* Representative Tom Emmer, MN-6

Mr. WEBSTER OF FLORIDA. Thank you.  
Now, Mr. Daloisio.

**TESTIMONY OF JOSEPH DALOISIO III, TRACK DIVISION MANAGER, RAILROAD CONSTRUCTION COMPANY, INC., AND CHAIRMAN, NATIONAL RAILROAD CONSTRUCTION AND MAINTENANCE ASSOCIATION**

Mr. DALOISIO. Thank you, Mr. Chairman. Good morning, Chairman Webster, Ranking Member Titus, and members of this esteemed subcommittee. My name is Joe Daloisio. I am track division manager at a company called Railroad Construction Company, or RCC. And I currently serve as chairman of the board of the National Railroad Construction and Maintenance Association, or NRC.

Let me first begin by congratulating Chairman Graves for another term as chairman of this vital committee. I would also like to congratulate Chairman Webster and Ranking Member Titus for your new positions on this important committee.

Mr. WEBSTER OF FLORIDA. Could you move the mic just a little closer?

Mr. DALOISIO. Sure. The NRC is an association that advances the mutual interests of railway contractors and suppliers who construct, maintain, and supply both freight and passenger railroads. I happen to be a third-generation railroader. My grandfather, Joe, Sr., built railroad track as a track foreman for the Erie Railroad and later established the company I work for in 1926. My father, Joe, Jr., served in the Army Corps of Engineers, who began building American infrastructure towards the end of the Korean War.

Multiple generations of my family, including aunts, uncles, cousins, all follow along this path. Building rail and building America quite literally runs in my blood. As I like to say, we are not just in this industry; we are this industry, and I view this industry as a family.

My company, RCC, has a rich legacy of providing comprehensive track services on the eastern coast of the United States. But RCC is just one company within the NRC. Our member companies generate more than 100,000 jobs nationwide, supplying building and

maintaining freight, passenger, and industrial rail networks. Our members are also mostly small businesses. So we focus on safely delivering quality goods and services for our railroad customers, while also doing so in an efficient and cost-effective manner.

NRC members perform every type of rail infrastructure work and serve every type of railway owner, including Class I's, short lines, and regional railroads, and intercity passenger rail systems.

In 2024, contractors played an invaluable role in helping railroads and industrial shippers in the Southeastern United States respond to damages from Hurricanes Helene and Milton, and we expect that helping tradition to continue throughout 2025 and beyond.

As this committee begins the process of reauthorizing surface transportation programs, the NRC offers the following recommendations that we suggest will help America build. More detailed information is in my written testimony. We would like to seek to provide robust funding for our core rail grant programs. The IIJA made many substantial impacts to our industry, including unprecedented levels of funding to rail programs. Spending on infrastructure, especially rail infrastructure, is truly a sound investment that pays dividends to our economy, supply chain, and transportation networks.

The NRC supports funding at existing or increased levels for rail grant programs that improve efficiency, safety, and environmentally friendly freight and passenger rail transportation. In particular, the CRISI grant program is a vital source of funding of the industry to address key safety improvement projects.

Cutting redtape. The IIJA provided unprecedented levels of funding for key rail discretionary grant programs, which had been critical to improving both the freight supply chain as well as enhancing passenger rail in the U.S. However, the speed at which agreements have been executed has been too slow. We encourage Congress and the new administration to deliver grant funding in a responsible but more expedient manner.

Support increased competition. The NRC strongly supports increased opportunities for contracting out and competition within these programs to stretch Federal funds further. This is not an attempt to take work from in-house labor forces. Rather, it is intended to help the industry as a whole perform more work more efficiently. Oftentimes our members are able to find the most efficient ideas and methods to deliver projects for less cost without compromising safety.

Separately but related, there have been attempts in past reauthorization bills to insert language that provides restrictions around the definitions of a rail carrier that are excessive, unnecessary, and attempt to fix a problem that doesn't exist. These provisions would increase cost and reduce flexibility and would make it hard to initiate or expand passenger systems.

We focus on safety. It is imperative to allow railroads and rail contractors and suppliers to initiate and deploy safety technologies. We urge Congress to use data-driven solutions that would effectively increase the safety of the rail network and avoid policy changes that would place unnecessary and excessive mandates on the rail industry that would not enhance rail safety.

The NRC supports maintaining existing Federal truck size and weight maximums to help ensure safety on our roads and to control damage trucks cause on our highway infrastructure.

Finally, the NRC has long supported safety in the industry, but numerous FRA regulations have not been data driven, have had tenuous safety benefits despite being pitched as safety sensitive, and have been cumbersome to implement. Many times this has placed undue paperwork on small businesses.

Though this seems to be a top priority for every surface transportation reauthorization bill, the unfortunate reality is that the permitting process for rail projects still moves way too slow.

The NRC supports efforts to speed up Federal permitting and review processes in order to deliver critical infrastructure projects without delays on a reasonable timeline.

Thank you for this opportunity to share my perspectives today, and I look forward to any questions. Thank you.

[Mr. Daloisio's prepared statement follows:]

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**Prepared Statement of Joseph Daloisio III, Track Division Manager, Railroad Construction Company, Inc., and Chairman, National Railroad Construction and Maintenance Association**

INTRODUCTION

Good morning, Mr. Chairman, Ranking Member Titus, and Members of this esteemed subcommittee. My name is Joe Daloisio and I am Track Division Manager at Railroad Construction Company (RCC) and I currently serve as the Chairman of the Board of Directors of the National Railroad Construction and Maintenance Association (the "NRC").

The NRC is an association that advances the mutual interests of railway contractors and suppliers who construct, maintain, and supply both freight and passenger railroads. Founded in 1978, the NRC connects members with other railway industry professionals and government legislators and policymakers. Together we work to create a positive business climate and to make railway construction and maintenance safer and more efficient.

Although NRC members often compete against each other, our collaboration furthers the railway construction industry and benefits American freight, transit and commuter rail lines, our member contractors and suppliers, the general public, and our own professional growth.

I am a third-generation railroader. My grandfather, Joe Sr., built railroad track as a track gang foreman on the Erie Railroad and later established RCC. My father, Joe Jr., served in the U.S. Army Corps of Engineers and began helping America build infrastructure towards the end of the Korean War. Multiple generations of my family, including aunts, uncles, and cousins all followed along the same path. Building rail and building America quite literally runs in my blood. As I like to say, we are not just in this industry, we *are* this industry!

I also wanted to thank my fellow witnesses today who we work closely and in collaboration with on a daily basis. Our concerns are the railroads' concerns. When they move more volume and have increased traffic, it directly drives the size and spending of their rail capital programs, which in turn increases opportunities for our member companies. Our members are also mostly small businesses so we focus on safely delivering quality goods and services for our railroad customers, while also doing so in an efficient and cost effective manner.

I am honored to join this distinguished panel today and to provide our perspective on the important topic of building America's freight and passenger rail network. We appreciate this subcommittee hitting the ground running by holding this crucial hearing right out of the gate.

*Railroad Construction Company (RCC)*

Let me first begin by congratulating Chairman Graves for another term as Chairman of this vital committee. I would also like to congratulate the Chairman and Ranking Member Titus for your new positions on this important subcommittee. And



finally, I would like to congratulate Rep. Nellie Pou, who represents our headquarters in Paterson, New Jersey, for getting appointed to serve on this critical committee.

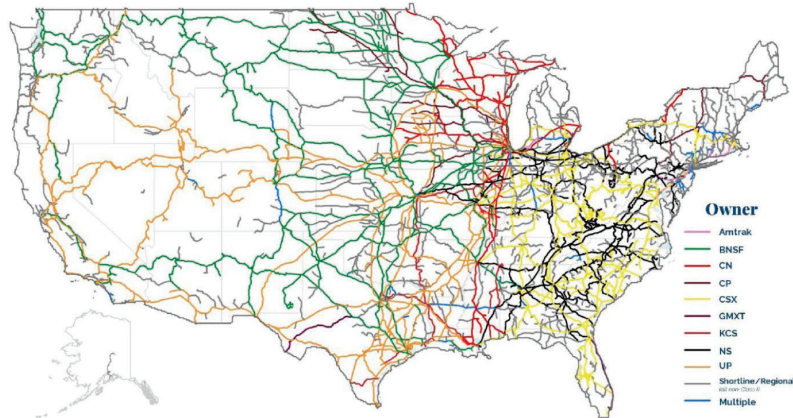
Established in 1926, RCC has a rich legacy of providing comprehensive track services on the east coast of the United States. We have evolved into a leading general contractor that excels in heavy civil, track, and facility construction. From excavation and grading to utility installation, bridges, roadways, and at our core, railroad track services, we continue to uphold the highest level of excellence.

#### *NRC and the Rail Contracting Industry*

While RCC is just one company within the NRC, our member companies generate more than 100,000 jobs nationwide supplying, building and maintaining freight, public transit and industrial rail networks.

As I mentioned in my opening, I serve as the Chairman of the NRC. The NRC is a U.S. trade association that represents nearly 400 companies in the rail contracting and rail supply industry, with employees in all 50 states. Most NRC member companies are small family owned, multi-generational businesses with operations, manufacturing facilities, and offices located all across the United States.

#### **U.S. Railroad Network**



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NRC members perform every type of rail infrastructure work—from design and engineering to basic construction and maintenance to highly specialized and custom design-build jobs. This work includes building new tracks, repairing and maintaining existing track, laying and replacing rail, welding and grinding, surfacing, ballast distribution, tie insertion and removal, grade crossings, signal systems, switches and turnouts, bridge deck replacement and maintenance, track design, crane rail, inspection services, emergency maintenance, and more.

The freight railroad industry has grown dramatically since the partial de-regulation of the Staggers Act in 1980. The prevalence of rail transit systems throughout the country have also increased dramatically over the last generation resulting in increased urbanization and density. The size of the rail construction and maintenance contractor and supplier community has grown in proportion. More than 500 independent rail contracting companies in the United States perform more than \$10 billion worth of rail infrastructure construction and maintenance work every year.

In 2024, contractors played an invaluable role in helping railroads and industrial shippers in the southeastern United States respond to damage from Hurricanes Helene and Milton. We expect this trend to continue into 2025 and beyond.

In addition to the contracting community, in 2020, the rail supply industry directly employed almost 240,000 workers, who directly contributed \$27.7 billion of value-added economic activity across the United States.<sup>2</sup> Rail suppliers also deliver

<sup>1</sup> Source: US DOT National Transportation Atlas Database, July 2020 revision

<sup>2</sup> Rail Supply Industry: Manufacturing and Services Keeping the American Economy on Track. January 2023. [www.remsa.org/files/RailSupplyIndustry\\_EconomicImpactStudy.pdf](http://www.remsa.org/files/RailSupplyIndustry_EconomicImpactStudy.pdf)

secondary benefits that other modes of transportation cannot, such as reductions in road congestion, highway fatalities, fuel consumption, greenhouse gases, cost of logistics, and public infrastructure maintenance costs.

NRC members serve every type of railway owner, including Class 1, short line and regional railroads, industrial track owners, the U.S. military, port facilities and terminals, and rail transit agencies operating light rail, streetcars, subways, metro, commuter rail operations, and intercity passenger rail systems.

In addition to my role on the NRC Board, RCC is also a proud and active member of the American Short Line and Regional Railroad Association (ASLRRA), the Association of General Contractors (AGC), the Moles, the Beavers, and other construction industry associations.

Finally, of note, NRC collaborates on an industry grassroots program that brings Members of Congress out to our member company facilities and job sites, so we can help further educate Congress on the work that our members do. These visits give Members of Congress a firsthand look at the impact our members have in their community, on rail safety, and on the local economy. We encourage all Members of this subcommittee to come visit and see how our member contractors and suppliers are positively impacting your districts.

#### RECOMMENDATIONS TO CONGRESS

As Congress, and particularly this committee, begins the process of reauthorizing surface transportation programs, the NRC offers the following recommendations that we suggest will help America build:

##### *1. Provide Robust Funding for Core Rail Grant Programs*

The Infrastructure Investment and Jobs Act (IIJA) made many substantial impacts to our industry including unprecedented levels of funding to rail programs. This has no doubt been a boon to rail contractors and suppliers and has also allowed railroads to enhance safety as well as decrease the backlog of their state of good repair. Spending on infrastructure, especially rail infrastructure, is truly a sound investment that pays dividends to our economy, supply chain, and our transportation network.

A strong rail infrastructure is critical to the vitality of our nation's economy. The NRC supports funding at existing or increased levels for rail grant programs that improve efficiencies, safety and environmentally friendly freight and passenger rail transportation. These funds will also help stimulate additional infrastructure investment by states, localities, and private sector partners.

The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program, in particular, is a vital source of funding for the industry to address key safety improvement projects.

In addition to CRISI, other critical grant programs at USDOT should be provided with as robust funding as possible in the next reauthorization bill, including FRA Rail Crossing Elimination, passenger rail funding through the Federal-State Partnership and Amtrak grants, INFRA, Mega, RAISE, Rural Surface Transportation, and MARAD Port Infrastructure Development Program.

##### *2. Cut Red Tape*

The IIJA provided unprecedented levels of funding for key rail discretionary grant programs which has been key in improving both the freight supply chain as well as enhancing passenger rail in the U.S. However, the speed at which grant agreements have been executed has been way too slow. By the time the construction phase begins, a number of variables, most notably the increase in costs, jeopardizes the successful execution of these important projects. We encourage Congress and the new Administration to deliver grant funding in a responsible but more expedient manner.

##### *3. Support Increased Competition*

*Competitive Bidding.* The NRC strongly supports increased opportunities for contracting out and competition within these programs to stretch federal funds further. Increased flexibility for railroads and commuter rail agencies to contract out work will benefit the industry. This is not an attempt to take work from in-house labor forces, rather it is intended to help the industry as a whole perform more work more efficiently. Often times our members are able to find the most innovative ideas and methods to deliver projects for less cost without compromising safety. Our member companies are both specialized in and incentivized to accomplish this on a daily basis. Therefore, we would like to strongly urge that all rail construction and maintenance work performed with federal assistance be competitively bid out to the inde-

pendent railroad construction industry, to the fullest extent possible, to ensure the most efficient use of taxpayer dollars.

Railroad contractors have a long and well-documented history of safely providing quality services at competitive prices. We have learned how to do more with less, and the efficiency and competence we bring to this task will be a big benefit as we all search for ways to improve America's transportation infrastructure and stretch available capital dollars as far as possible.

*Rail Carrier Definition.* There have been attempts in past reauthorization bills to insert language that provides restrictions around the definition of a rail carrier that are excessive, unnecessary, and attempt to fix a problem that does not exist. These are attempts by certain stakeholders to restrict competition and legislate a permanent mandate that only certain laborers perform certain types of rail-related work. These provisions would increase costs and reduce flexibility for states, transit agencies, and commuter and passenger rail authorities, and would make it harder to initiate or expand passenger rail service. There is not a good reason to use the law in this way to mandate that certain laborers do certain types of work forever, especially since this would make new intercity rail services harder and more expensive to start up, when we already have limited resources and limited labor pools. These provisions are not pro passenger rail, they are just labor protection for an already stretched collective labor force. We would recommend inclusion of language clarifying that States who sponsor, but do not operate intercity passenger rail services, are not classified as railroads, nor are they railroad carriers.

#### 4. *Focus on Safety*

It is imperative to allow railroads and rail contractors and suppliers to innovate and deploy safety technologies. We urge Congress to use data-driven solutions that would effectively increase the safety of the rail network and avoid policy changes that would place unnecessary or excessive mandates on the rail industry that would not enhance rail safety.

In the wake of the February 2023 derailment incident in East Palestine, Ohio, numerous legislative proposals have been floated that have no relationship to the derailment, no relevance to safety, and are unrealistic to implement.

In addition, the speed at which both the government and the railroads adopt new technologies and the speed at which technology-related projects are funded have a negative impact on the growth of our businesses and the industry. Our member companies exist to help the railroads move people and goods more safely and efficiently, but we will not grow quick enough if technology adoption and project phases do not move faster.

*Truck Size and Weight.* The NRC supports maintaining existing federal truck size and weight maximums to help ensure safety on our roads and to control the damage trucks cause to our highway infrastructure.

*FRA Regulations.* The NRC has long supported safety in the industry, but numerous FRA regulations have not been data-driven, have had tenuous safety benefits despite being pitched as safety-sensitive, and have been cumbersome to implement. Many times, this has placed undue paperwork burdens on small businesses including our member companies. Congress and FRA should thoroughly examine existing regulations to ensure they are reasonable and practical to implement.

In addition, FRA should avoid mandates and more rapidly embrace and allow for readily available technologies that would enhance safety. Some examples include automated track inspection, newer AI integrated technologies, technologies and methods that allow for better roadway worker protection, etc.

#### 5. *Workforce Development*

As an industry we are all struggling to attract and retain a good workforce. Railroads and their partners must understand their rail programs and needs and communicate them better than ever because the labor pool is becoming more expensive and harder to attract and retain. We welcome any initiatives to further educate and recruit workers into the rail industry. The NRC has worked diligently with veterans groups, trade schools, colleges and universities in this area and we would embrace additional collaboration in this effort.

#### 6. *Permitting Reform*

Though this seems to be a top priority for every surface transportation reauthorization bill the unfortunate reality is that the permitting process for rail projects still moves way too slow. The NRC supports efforts to speed up the federal permitting and review processes in order to deliver critical infrastructure projects without delays and on reasonable timeframes. NEPA and other processes involving multiple federal agencies and levels of government still cause too many delays and unnecessary duplication which prevents many worthy projects from getting the green light.

The project delivery process must be reformed by significantly shortening the time it takes to complete reviews and obtain permits. Projects must be designed, approved and built as quickly as possible if we are to meet the huge transportation capacity challenges facing us. It takes too long to deliver projects, and the waste due to delay in the form of administrative and planning costs, inflation, and lost opportunities for alternative use of the capital, hinder us from achieving our capacity expansion goals.

The expediting of transportation projects can be accomplished while retaining all current environmental safeguards.

#### *7. Build America and Buy America*

Though NRC members are not direct recipients of federal funds, historically NRC members are interested in requirements regarding the American production of materials used in supply and construction. We appreciate any efforts to ensure that these mandates come with the recognition that they may be exceedingly difficult to satisfy, and thus the waiver process should be fair and efficient.

#### CLOSING

Thank you for the opportunity to share our perspective today on surface transportation reauthorization and building America's freight and passenger rail network. I look forward to answering any questions you may have.

Mr. WEBSTER OF FLORIDA. Thank you.

Mr. Cassity, you are recognized for 5 minutes.

#### **TESTIMONY OF JARED CASSITY, DEPUTY NATIONAL SAFETY AND LEGISLATIVE DIRECTOR, SHEET METAL, AIR, RAIL AND TRANSPORTATION WORKERS-TRANSPORTATION DIVISION (SMART-TD)**

Mr. CASSITY. Yes, sir.

Thank you, Chair Webster, Ranking Member Titus, and members of the subcommittee for the opportunity to testify this morning on the current state of America's freight and passenger rail network. As deputy national safety and legislative director, the chief safety officer for SMART-TD, I speak on behalf of the men and women of the rail industry who are committed to ensuring a safe, efficient, and robust transportation system for our Nation.

I have had no greater pleasure in my career than the opportunity to represent the single most significant factor of what sets our railroad industry apart from the rest of the world, and that is the American railroad worker. It is because of their efforts and their dedication that the rail industry has been able to achieve so many improvements over the last couple of decades, but there is still much work that needs to be done.

Currently, we are enjoying some of the most robust funding in Amtrak's history. So it should be no surprise that 2024 was a record year for ridership. Not only were more people able to enjoy the benefits of rail travel, but rural communities were better equipped to directly connect their citizens with the rest of the country. This means better access to work and medical care with fewer cars on roads and the highways. But, like every other passenger rail service on the planet, Amtrak cannot survive on farebox revenue alone, which is why adequate funding is so important.

But it is not just funding that is needed on Amtrak; it is legislative and regulatory support to protect the workers and riders from violent assailants. Almost daily, a train, platform, or customer service worker is threatened verbally or physically while simply trying to perform the functions of their job. It is not uncommon for

conductors to be cussed out, spit on, punched, or worse. But even more troubling is the limitations on responding law enforcement officers to do anything about it.

Unlike aviation, rail lacks sufficient statutes to handle bad actors accordingly. More often than not, an assaulter, once detained, is forced to disembark the train in which the assault took place, but because arrest is not permissible, they are permitted to just wait on the platform and then board the next train—expanding the threat and not limiting it.

Our members' main priority when they are at work is to perform the functions of their jobs to the best of their ability day in and day out. They want to get to where they are going safely, without incident, and then back home to their families the same way they went to work. They take pride in safely moving passengers and freight, and they are proud to see a job well done. I think this is why there is so much internal conflict in the rail space today, because workers are being asked to do more with less, resulting in diminished service and deficient safety processes and protocols.

Training in the freight rail side of the industry has become abysmal in the majority of Class I railroads. While some positive changes have been made on at least one major railroad, the reality is that carriers are more focused on the shortest path rather than the most efficient one.

Serious and concerning reductions in training timelines are now present, and they are having an adverse impact, not just on safety but also on the attraction and retention of the railroad workforce. Trains are growing longer, heavier, and more burdensome on neighborhoods and communities. Conductors and engineers are being asked to do more with less. The onboard technologies are not wholly reliable, while others, like wayside detectors, are still seemingly flipped on and off like a switch.

Train accident and incident frequency continues to creep up, despite fewer trains on the system, an indicator of the dangers of long trains. And yard accidents are becoming a serious concern.

The answer does not lie simply in new technology and waivers from critical safe rulemaking and/or regulations. It lies in a steadfast commitment to achieving the safest course. Technology is not safer simply because it is technological. It is people that make the difference.

President Trump acknowledged this truth in his support of the International Longshoremen's Association's fight against automation. Labor should not be viewed as adversaries; we are the key to success. After all, it is a two-person crew that has brought about the safest and richest era ever in railroading history. It is the carmen and electricians best qualified to perform the required inspections that produce the best results. And it is all of the craft workers that drive the truest pursuit to achieving the safest course.

To close, I want to align my comment with the President's recent statements about the need for a transparent Government. The only way to gather, analyze, and interpret data, or to introduce new innovations is to do so transparently and inclusively, with all stakeholders having a seat at the table and an equal voice in the process. After all, it is the workers that are best suited to speak to the truths and realities of the impacts or potential effects of the con-

sistency of the data and the technology desired and being developed.

Innovation should absolutely be considered but not for the sake of safety. There is no one better suited to drive every conversation and every effort toward safety than labor. Our mission is simple, and it does not waver. Safety will always lead the way. We stand ready to work with you and your offices to get us there. Again, I thank you for the opportunity.

[Mr. Cassity's prepared statement follows:]

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**Prepared Statement of Jared Cassity, Deputy National Safety and Legislative Director, Sheet Metal, Air, Rail and Transportation Workers-Transportation Division (SMART-TD)**

Chairman Webster, Ranking Member Titus, and Honorable Members of the Subcommittee,

Thank you for the opportunity to testify today on the current state of America's freight and passenger rail network. As Deputy National Safety and Legislative Department Director for SMART-TD and head of SMART-TD's National Safety Team, which collaborates with the National Transportation Safety Board (NTSB) in investigating rail disasters and incidents, I speak on behalf of the men and women of the rail industry who are committed to ensuring a safe, efficient, and robust transportation system for our nation.

I have had no greater pleasure in my career than the opportunity to represent the single most significant factor of what sets our railroad industry above the rest—and that is the American railroad worker. It is because of their efforts and their dedication that the rail industry has been able to achieve so many improvements over the last couple of decades, but there is still much work that needs to be done.

As we look to the future, the continued investment in passenger rail throughout the United States is not only a critical step forward in addressing transportation needs but also an investment in our economy, our workforce, and our future. Over the past few years, the Bipartisan Infrastructure Law (IIJA) has laid a foundational framework for this transformation by granting five years of advanced appropriations for passenger rail development. This funding has played a pivotal role in accelerating the progress of intercity passenger rail and has brought us closer than ever to realizing the vision of a high-speed rail network that can compete with the best in the world.

Unfortunately, there is no passenger rail line in operation today—anywhere in the world—that came into existence or continues to operate successfully based solely on fare box revenue. These systems are, first and foremost, investments in the infrastructure of nations and in their economic growth. Without the necessary funding to ensure their development, construction, and maintenance, passenger rail will not be able to reach its full potential in the U.S., nor will it be able to sustain current levels of service.

The importance of continued government commitment cannot be overstated. Maintaining, operating, and expanding our passenger rail network is a complex and large-scale endeavor that requires public investment to guarantee success. President Trump has long been recognized as a builder of big things—projects that are ambitious, transformative, and capable of changing the future of our country. Reinvigorating our national passenger rail system and igniting possible high-speed rail partners is a project that is perfectly tailored to his capabilities and expertise. These projects offer an unprecedented opportunity to create jobs, stimulate economic growth, and enhance our nation's competitiveness in the global economy.

We know that investments in rail will generate significant benefits for the American people. First and foremost, it will create a vast number of good-paying union jobs in the building and maintaining of the necessary infrastructure. These jobs will not only help to construct the rail network but will also support the daily operation of an expanded rail industry, bringing economic prosperity to communities across the nation. By connecting more cities, regions, and markets, especially rural, passenger rail has the potential to provide greater accessibility to opportunities, reduce congestion in other forms of transportation, and lower the carbon footprint of travel.

Moreover, adequately funding our passenger rail systems will create a competitive market that will directly challenge the air and auto industries. This competition will drive innovation, lower prices, and improve services for all travelers. Additionally,

this expansion will profoundly impact American manufacturing, including the production of rail cars, locomotives, and other critical components, helping revitalize American industry and ensure our nation remains globally competitive.

The expansion of passenger rail across the United States has the potential to usher in a transportation renaissance not seen since the establishment of the Interstate Highway System under President Dwight D. Eisenhower. Just as that investment transformed our nation's mobility; passenger rail can be the catalyst for a new era of economic growth, environmental sustainability, and national connectivity.

At this moment, the rail industry is ready to make this vision a reality. Rail labor is committed to ensuring that the employees and communities involved in this monumental effort are safeguarded throughout the process. We are prepared to work together with all stakeholders to build a safe and sustainable passenger rail network that benefits all Americans.

To achieve the goals of national interconnectivity and economic revitalization, we must ensure long-term, guaranteed funding for the development of high-speed rail and the continued modernization of our passenger rail network. The future of passenger rail in the United States depends on it, and I urge the members of this subcommittee to support a legislative and financial framework that guarantees the success of this transformative initiative.

In addition to the infrastructure needed to make freight and passenger rail a success in this country, I would like to focus on the equally important workforce development component.

One of the most significant opportunities we have to improve the rail systems in this country is the development of a robust, well-trained workforce. However, expanding our rail systems without addressing the holes in the current training programs offered by the rail carriers is a missed opportunity that could increase the risk to workers and the communities we serve.

The railroads have made some significant improvements to their infrastructure, but if we are serious about the future of rail transportation, it is time we commit to ensuring that our workforce is properly trained, supported, and capable of meeting the growing demands of the system and the future.

Currently, the Federal Railroad Administration (FRA) is responsible for approving initial training and ongoing education programs for certified railroad workers. However, little specificity is required within those programs, which results in a lack of safety standards and deficiencies within the rail network. Additionally, the regulations are written so that rail carriers are free to make significant reductions to their programs without any meaningful consideration or oversight. This has resulted in sub-par training programs prioritizing operational needs over a safe work environment.

This gap in training oversight is a disservice to our members and the American public. Inadequate training programs that focus only on meeting the bare minimum federal standards do not equip railroad workers with the skills necessary to operate safely in a rapidly evolving industry. It is time we recognize that proper safety is rooted in the quality and depth of training, not just ticking boxes to fulfill regulatory requirements.

At the same time, expanding and improving the rail system presents an opportunity to incentivize rail carriers to do the right thing by their workforce. With the federal government investing heavily in the expansion of rail infrastructure, including through the Bipartisan Infrastructure Law and other programs, there is a clear opportunity to require carriers to invest in high-quality training programs for their workers. The federal government has the power to link funding and new market opportunities to the implementation of robust training and safety programs. Given the financial influence that Congress and the Administration hold, there is no reason why the rail industry should not be compelled to improve its training practices, with clear incentives tied to safety outcomes.

The rail labor community has been actively working to fill the gaps left by rail corporations in terms of training. For example, SMART-TD recently secured a grant of over \$600,000 from the FRA's Consolidated Rail Infrastructure and Safety Improvements (CRISI) program. Combined with matching funds, this allows us to invest in training programs that supplement deficiencies in the carriers' programs. A critical gap we've identified is the lack of formal training for conductors and engineers who are tasked with overseeing On-the-Job Training (OJT) for new hires. Too often, these seasoned workers are placed in the role of a trainer without receiving any training on how to be effective educators. They are given no checklists of skills to guide their trainees or even a say in whether they want to assume this responsibility. The result is too often poor training provided by reluctant coaches who are not equipped with the tools necessary to develop new railroaders into safety-conscious, skilled workers.

For example, on most Class I carriers, it is not uncommon to see a conductor working on their first day as a promoted conductor (having never worked alone) and being required to train an on-the-job trainee.

SMART-TD is working to develop a comprehensive training curriculum for conductors and engineers focused on improving OJT practices and ensuring that new hires receive consistent, high-quality instruction. We are also pursuing the development of online training tools and are actively seeking partnerships with railroads to expand the reach of these training programs. Our hope is to coordinate these federally funded efforts with those of our brothers and sisters in the Railroad Signalmen Union, who have also received a CRISI grant. By pooling our resources, we can maximize the return on investment in safety and training programs and better protect both railroad workers and the communities we serve.

One of the programs SMART-TD is investing in is our workforce development grant, which is intended to spearhead de-escalation training for our members in passenger and commuter rail operations. Again, we can invest in expanding rail service, but if the crews providing that passenger service are not equipped to maintain civility on the trains, it will not be successful in the long term. With transit violence on the rise in recent years, it is of the utmost importance to offer these frontline employees the training necessary to keep themselves and the passengers they will serve safe.

Currently, our Amtrak members do not receive significant de-escalation training. As we push to expand passenger and high-speed rail to the forefront of American everyday life, this cannot be the accepted standard.

This SMART-TD project is an example of federal dollars (in this case, a CRISI grant) being used by labor organizations to bring about mutual benefit for members as well as the general public. It is also an example of a project that would benefit from a long-term commitment of federal support. Safety on our nation's rails and throughout transit is a problem that can no longer be ignored. With federal assistance, our labor organization is perfectly situated to address it effectively through partnering with the federal government.

This brings me to my final point: the critical state of rail safety in the U.S. Each year, there are approximately 1,000 train derailments in this country. That's nearly three derailments every day. Every one of these incidents signifies a breakdown in the system and the potential to cause catastrophic harm to rail workers, the communities we travel through, and the environment. The derailment of a Norfolk Southern train in East Palestine, Ohio, on February 3, 2023, is a tragic example of what can happen when safety is compromised and the consequences of poor safety oversight are ignored. Two years later, the situation has little improved, and the rail industry continues to face the consequences of decades of underinvestment in safety.

Despite the growing body of evidence pointing to systemic safety issues within the rail industry, legislative efforts to address these problems have been stalled. Both the Vance/Brown Rail Safety Act of 2023 and the Rail Safety Enhancement Act of 2024 were introduced in both the House and Senate during the 118th Congress. As we hold this hearing today, neither have been given the opportunity to receive a floor vote in either chamber of Congress. These bills address key concerns, including the need for more substantial safety standards, more thorough safety inspections of locomotives and rail cars, and more accountability for rail companies. These efforts must be given the chance to move forward because the current state of rail safety is simply unacceptable.

The rail industry has become dangerously unchecked, driven by Wall Street metrics at the expense of safety. Trains have grown longer, heavier, and more complex, while rail workers are pushed to move freight faster, with fewer resources and less training. If we continue down this path, the inevitable result will be catastrophic for both our workers and the American economy.

This is especially true considering the ever-expanding reduction in inspections and inspection times, the intermittent use of technology safety devices (like wayside detectors and camera systems), and the unjustified and pervasive desire of railroads to reduce onboard crew size on the majority of this nation's freight trains.

One of the most significant pieces of the puzzle to achieving true safety in the rail industry is the data that isn't collected. Every single day, accidents are prevented in this country because of the presence of a two-person crew, yet no reports or data are collected to measure those successes. If we were to collect them, it would reveal why the advent of the two-person crew has brought about the safest and wealthiest era in railroading history. Data is important, but it does not tell the whole story unless it is pulled from the whole story. To this point, we know that two-person crews present the safest method of freight train operations because the data tell us so, but because there is no meaningful or applicable American data to



support a reduction, then the suggestion to make such a reduction can only equate to risk.

Sharp shooting data to fulfill a narrative or business plan is an unfortunate reality in the railroad industry. It is easy to say “data-based decisions,” but how does one determine the appropriate data is actually being considered? This is why it is critical that the government maintain transparency and accountability in the waiver and rulemaking process. We cannot accept that technology is safer simply because it is technological, nor should we accept information as fact-based without hearing from the people most affected by these types of program developments and operational changes. The American people depend on us to get it right, and, rightfully, the only way to do so is with all stakeholders having a seat at the table.

I urge this committee and the whole of the 119th Congress to recognize that the safety of rail workers and the communities we serve must be prioritized. The railroads can no longer be allowed to act as their own regulatory authority. It is time to restore oversight, strengthen training, and ensure that the safety of the American people is put ahead of corporate profits.

In conclusion, it is clear that a multifaceted approach is needed to address the rail industry’s shortcomings. This includes robust, federally backed workforce development, enforceable safety regulations, and a commitment to building a safe and sustainable world-class passenger rail system for the future.

I am confident that, with the leadership on this committee and President Trump’s support, we can make this vision a reality and provide the resources and safeguards necessary to protect our workers and our communities.

Thank you for your time and for considering the critical role of long-term investment in high-speed rail in America’s transportation future.

Mr. WEBSTER OF FLORIDA. Thank you very much.

I will now turn to questions from the panel. I recognize myself for 5 minutes. My first question goes both to Mr. Jefferies and Mr. Baker.

The purpose of safety regulations should be to achieve a safety outcome in the most efficient means possible. Most FRA regulations are prescriptive in their approach. How could the industry benefit from a more performance-based approach to establish standards while also allowing operators flexibility in how the standards are achieved? I will start with Mr. Jefferies.

Mr. JEFFERIES. Thank you for the question, Mr. Chairman.

So we are a 200-plus-year-old industry and the original federally regulated industry. And we’ve got the Code of Federal Regulations to support that. We still have regulations on the books from the steam engine era that are 50 years old. And what that does, what that results in when they aren’t updated, when they don’t evolve with the railroad, with the evolution of technology and innovation is to lock you into perhaps a backwards-looking operating practice that may or may not result in the highest level of safety.

And, when you think about regulations, I think we would all agree you should be thinking about the outcomes that you are seeking, the safety outcome you are seeking versus the input you are providing. And so, when you have a performance-based regulation, when you have an outcomes-based regulation, you set a standard, and you allow for multiple ways to achieve that standard, also allowing for new developments in technology, new developments in innovation, new operating practices that can achieve, if not exceed, that standard. So not locking in current technology or current operating practice is key, in our opinion, in order to advance safety down the road into the future.

Mr. BAKER. I would add, Mr. Chairman, that the difference between short lines and Class I’s I think illustrates your point: A regulation that would work for a 20,000-person Fortune 500 company

with 13 different unions probably makes no sense for a 5-person company with 1 locomotive and maybe 1 union.

And so I think common sense would tell you, in that scenario, that a performance-based, outcome-based regulation would make more sense than a prescriptive Government telling you exactly how to do it.

Mr. WEBSTER OF FLORIDA. Anyone else want to comment on that?

Yes, Mr. Cassity.

Mr. CASSITY. Chairman Webster, thank you for the question. What I will add is labor supports the idea of performance-based regulations inasmuch as that what we are doing or trying to achieve is done safely. We do have a lot of regulations that look backward, but that speaks to the fact that how we achieve the level of safety we have today is that regulations made sure we have the guidelines and protocols to get us there.

And so, when we consider innovation, please rest assured that labor supports new technology and innovation to help us work safer. But we need to make sure that the umbrella is not too big so that, when the new technologies are being developed, that there is not too much freedom because the impact could be great on the American public. These are new ideas and new things. So we need to make sure that we have the right processes in place.

And, when I said in my testimony that labor stands ready to work, it is vitally important that we play a role in these technologies and innovations because we are the ones that are most impacted by it. And we are also the ones best suited to protect the public and how it can impact them. So, when we look forward to a new process for regulations, safety has got to lead the way. We cannot accept technology is safer simply because it is technological. We have to make sure we are doing what is right.

Mr. WEBSTER OF FLORIDA. Can each of you or one or all of you describe the importance of permitting reform for building and maintaining robust and safe rail infrastructure networks? You want to take that one?

Mr. BAKER. I would be happy to. It is a cliché, but it is very true in this case: Time is money. Permitting reform—when projects are delayed—and CRISI projects are a great example—when they are delayed, costs go up, and scope gets reduced. So getting it done faster just means more gets done and the communities and shippers feel the benefits sooner.

So, for most short line projects, CRISI projects, they are really quite simple. They typically involve track rehab in an existing right-of-way. It is obvious from day one that a project like that is going to have no significant environmental impact, and yet still we somehow frequently spend a year or more in sort of an elaborate box-checking exercise when everyone knows the outcome, and I would say, let's just get to it.

Mr. WEBSTER OF FLORIDA. That is the end of my time. So I recognize Ms. Titus for questions.

Ms. TITUS. We will hear a lot about safety today, and certainly it is a priority.

Mr. Cassity, you said transportation workers are the backbone of our infrastructure system, and I certainly agree with that. We need

to be sure that they can perform their duties in a knowledgeable way, in a safe way, in a way that benefits themselves as well as their communities.

I understand that SMART participated in nine National Transportation Safety Board investigations last year. And I would just ask you, with all this emphasis on safety, why are conductors still getting hurt on the job? Do you notice patterns? Is there anything that we can do about it that might be helpful?

Mr. CASSITY. Thank you for the question, Ranking Member Titus. That is a loaded question. Why are our members still getting hurt on the job is a multitude of reasoning. I would start with training. When I hired on with the railroad—I come from the craft that—those who may not know that I started as a conductor on CSX Transportation and was promoted to a locomotive engineer in 2008.

Our training was robust, and it was quite different. In fact, I actually had to pay almost \$6,000 just to hire on with the railroad to transition that to what we are looking at today where you get a bonus for taking the job. But the point I am trying to make is that the emphasis was on training. We had to go through a regimented process in a school of roughly 6 weeks. And we had roughly 6 months of training.

The way the training programs work in the regulatory world is that the railroads are required to develop programs and submit those programs to FRA. But there is so much freedom in the training programs the way that they are approved that they are able to make adjustments or slash timelines without any oversight whatsoever. And what we are seeing now today is training that is being rushed through at astronomical levels. In some cases, in 6 weeks, you see people from hire to working as a conductor, and so that is the single greatest factor.

There is not an incident anywhere in this country that we have had the opportunity to investigate with the NTSB that training did not have a role in that. When you look at some of the practices and the efficiencies and the pressures, the external pressures that are being put on workers, then you have a recipe for disaster.

So there are a lot of things that we can improve, but to make the answer short, we have got to get back to taking on training—not focusing on regulatory minimums and only doing what is required by the regulation, but actually owning safety and making sure that our folks are comfortable in their own skin when they are at work and aware of what is going on and what changes have been made and how to do the job effectively and efficiently.

Ms. TITUS. Thank you very much. I think we should look at that as we move forward. I appreciate that.

Mr. Jefferies, I have just been in this position a short time, and I have already had a number of Members talk to me about blocked crossings and long trains and the problems that they cause in their communities. I understand that this committee was told last year that they shouldn't act on any legislation until the report came out of the National Academies of Sciences on the problem of long trains that was mandated by the Bipartisan Infrastructure Law. Has that report come out?

Mr. JEFFERIES. I believe it may have, yes.

Ms. TITUS. I think it came out September 17th.

Mr. JEFFERIES. Okay.

Ms. TITUS. So I would just ask you, what is in that report that says that we now can act on or should act on to address this problem of long trains and blocked crossings?

Mr. JEFFERIES. So I thank you for the question, Ranking Member. If I could quickly hit on Mr. Cassity's comments before I get into this question: 2023 was actually the industry's all-time low in employee injuries, the rate of injuries, in the entire industry's history for Class I's. For 2024, we are still closing out that data. Through 10 months, it is slightly lower than 2023. Always more work to be done. Rigorous training is absolutely key, but I just wanted to include that data point.

When it comes to trains and train makeup and train length, the median train length of a Class I train right now, meaning 50 percentile, is about 5,000 feet, and about 90 percent are shorter than 10,000 feet, and 99 percent are shorter than 14,000 feet. And train makeup is a subject of commodity mix. It is a subject of what the infrastructure capacity is. And trains are built to be managed based on what the capacity of both the commodities being moved and the length of the train. And I can tell you, in looking at the train accident rate, as we have seen in certain areas, trains grow a bit longer depending on commodity mix, largely driven by the decrease in coal, increase in intermodal—

Ms. TITUS [interrupting]. Let's get to the report.

Mr. JEFFERIES [continuing]. We have seen the rate decrease from 2022 through 2023 through the first 10 months of 2024. And so we continue to operate trains in a safe manner regardless of length and commodity mix.

Ms. TITUS. I appreciate that, but my question was about the report, what it said that Congress can now act on, since this information has come out about these long trains and blocked crossings. I could just briefly say that Congress should empower regulatory agencies to address challenges by requiring railroads to put cars together in the safest configuration, ensuring crews are trained, authorizing the FRA to obtain and publicly share data on blocked crossings, and imposing financial penalties of sufficient magnitude to ensure the crossings don't remain blocked. And I think this is something we need to look at as we move forward with this reauthorization.

Thank you. And I yield back.

Mr. WEBSTER OF FLORIDA. The gentlelady yields back.

Mr. LaMalfa you are recognized for 5 minutes.

Mr. LAMALFA. Thank you, Mr. Chairman, I appreciate it.

And thanks to our panelists. And I am going to have a couple of questions for Mr. Jefferies and Mr. Baker to start up with. And it is going to be based on our old pals CARB in California, California Air Resources Board. As you know, they submitted in 2023 a petition to EPA to be granted yet another waiver under the Clean Air Act to set its own standards for locomotives called the In-Use Locomotive Regulation. It would require by 2030—not loud enough? Part of it is me. I am kind of broken too, so anyway.

So, by 2030, only locomotive engines made 2008 or newer are available in California under that reg. So it could be that that reg,

that request would violate the Clean Air Act, which explicitly prohibits States from setting their own standards whenever we use locomotive engines but also isn't technologically feasible at this point.

Now CARB has seen the light and withdrawn for now its waiver application to EPA for the in-use locomotive reg. So, gentlemen, please tell this committee what the economic impact of the railroad issue would have been if EPA had gone through with this rule, and how would any cost increases basically hit the consumers? So, first, Mr. Jefferies for a moment and then Mr. Baker.

Mr. JEFFERIES. So what the impact of the rule would have been? Well, I can tell you for the two Class I railroads located in California, BNSF and Union Pacific, the annual cost would have been \$800 million per year, so \$1.6 billion collectively. And I know that the short lines have reported that at least 25 percent of their companies would be put out of business. We are gratified that CARB withdrew its request to EPA. The request was unlawful, not only under the Clean Air Act but also under ICCTA, the Interstate Commerce Committee Termination Act. Certainly the overarching goals of the regulation were laudable, to move to further decrease emissions, and that is something railroads continue to work on to this day.

Mr. LAMALFA. Well, you are working as technology improves, not heavy-handed mandates.

Mr. Baker.

Mr. BAKER. Yes, sir. We were extraordinarily concerned about that waiver. You would not have thought that CARB could come up with a waiver that the last EPA wouldn't have approved, but they seem to have found one. And so we were pleased when it was finally withdrawn. It would have been completely catastrophic for the short line railroad industry.

Mr. LAMALFA. Tell me, Mr. Baker, there is a quote out there saying that CARB acknowledges that a percentage of short lines, they know they would go out of business.

Mr. BAKER. Yes, even CARB's own rule, they said, if short line railroads can't pass on these costs to their customers, which most couldn't, they would just go out of business. And they just left that in there as, like, well, that is an okay result. And we obviously found that pretty horrifying, and their shippers found that horrifying and the communities.

Mr. LAMALFA. It is very important in my area of ag products, moving rice or other things in the area or wood from the mill, being able to get it to the mainline in a timely manner. And it is just over. It is amazing.

So tell me about this, gentlemen, if President Trump has come out on the side of not allowing this mandate to come forward, but what if we have a change politically, and should we have a change of the laws to make certain that CARB doesn't have the ability to get waivers in the future and then just keep some continuity in the industry?

Mr. JEFFERIES. I would say absolutely. Again, we think it is what CARB tried to do with locomotive regulations was in conflict with two existing laws, but apparently that needs further clarification.

Mr. LAMALFA. Yes.

Mr. Jefferies, you touched on at-grade crossing. And I have great concern with that because, in rural areas, that is about it. And my understanding from a previous hearing, and if I am remembering correctly, is that to make an at-grade crossing into a split crossing is about \$40 million, at least in my high-cost State of California. So what do you see in that at-grade elimination program? For every one that goes out, are we going to put one in that is a split grade, or are we going to see a bunch eliminated? Because we have this mess of high-speed rail going through the Central Valley that is going to cut off a lot of farms and access. So touch on that, please.

Mr. JEFFERIES. So I think grade crossing elimination is absolutely key in certain situations. Certainly, it doesn't apply everywhere, but I think, in areas anywhere you have a grade crossing, an at-grade crossing, driver education is important so that folks know to "see track, think trains and look for trains that might be oncoming." Having appropriate safety equipment at the crossing, again, is a key safety attribute. But there is no one-size-fits-all. The important thing, though, is that folks understand that, when road and rail connects, the drivers need to assume there is a train coming and verify that that is not happening before trying to get across the track.

Mr. LAMALFA. Yes, I mean, if we have got lights and signals and arms and all this stuff. So, after a point, it becomes the Darwin awards or something.

So, anyway, I yield back, Mr. Chairman.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Carson.

Mr. CARSON. Thank you, Chairman.

One of the many Executive orders this week froze hiring and infrastructure funding. Considering that many infrastructure projects really get started in the spring, as you all know, this timing was anything but good. In fact, the Federal Highway Administration had to shut down all payments because of this very poorly drafted Executive order.

Last evening, I, along with my team, heard from the metropolitan planning organization, our local one, and they are very concerned about the damage this will do to infrastructure projects that are underway or at least soon to start. Do any of you have concerns about this new funding freeze damaging your priority objectives? And, if so, please tell us how these Executive orders will effectively hurt your progress.

Mr. BAKER. I would agree, Congressman, the Executive order was not real well worded. I think the initial 1-day reaction was a blanket pause across all of DOT on all disbursements. I do think that the clarification memo posted on the White House website last night clarified that it was really only meant to deal with what they are calling Green New Deal projects and EV mandates. So I think, in reality, after 36 hours of extreme concern, I don't think really many rail projects at all will be affected, but it was probably a lesson in being careful with words that get posted to the Federal Register in Executive orders.

Mr. CARSON. To that point, while we are there, Mr. Baker, you know very well that the great Hoosier State, Indiana, is the home

to many very thriving short line railroads, which helps us live up to the Hoosier nickname, the Crossroads of America.

What is working well now in terms of short lines and your customers? And what are the challenges ahead for this very unique sector? And how can this committee help your efforts effectively?

Mr. BAKER. Yes, sir. There are a lot of short lines in all of Indiana. I believe there are four in your district alone. The Napoleon, Defiance & Western is a great example. Ten years ago, there was a viral—at least viral for the world of freight railroading—a viral video showing a train moving down that track at about 5 miles an hour, and it was wavy, and it was messy, and it was called the worst railroad in America, and it probably was.

That railroad has now received a CRISI grant. It has upgraded its infrastructure. It has doubled its customer base. It is moving faster and moving safer. It is good for the community. It is good for the State. It is good for the shippers. It is a fabulous success story, and that is replicated in multiple places in Indiana. And, again, at the risk of harping over and over on the same point, the CRISI grant is a huge help for short line railroads. It can be transformational. And it just lets railroads like Napoleon, Defiance & Western in Indiana do projects that otherwise wouldn't be possible.

Mr. CARSON. Thank you, Chairman.

I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Nehls, you are recognized for 5 minutes.

Mr. NEHLS. Well, I appreciate that, Mr. Chairman.

I appreciate the opportunity to discuss the freight and passenger rail network. As we gear up for the surface reauthorization, I have several priorities that I will be advocating for and that I believe will increase safety.

Mr. Jefferies, I want to commend you for your comments on the Railroad Crossing Elimination Grant Program. I do believe we are of one mind, one mind that the safest crossing is the crossing that is not there. I believe labor supports it as well.

I would like to say, hey, good to see you Greg, good to see you, Jared.

As we work on surface reauthorization and specifically the rail title, I will most assuredly be advocating for that program and another one to modernize the tank fleet with 21st-century telematics. The Telematics Grant Program that I authored in the Railway Safety Enhancement Act will give shippers and tank car owners vital information about their assets' health and information about where their products are in the rail network. I believe this information is the property of the tank car owners and must be shared with the operators in real time as their goods are moving along the rail network.

Mr. Jefferies, the FCC's allocation for the 900 megahertz spectrum is a valuable opportunity for the railroads to enhance safety, reliability, and operational efficiency. Will the Class I railroads commit to comply with the FCC order on spectrum by September of this year? I think they want to know by September of 2025. Will you do that?

Mr. JEFFERIES. Thank you for the question. And you are spot on with our shared views on rail crossing elimination, and thank you

for your support on that. Yes, we will comply. I have talked to our internal experts, and we are on schedule to comply. Be happy to bring in those experts to sit down with you and your team in more detail. But that process is in place, and we are moving forward.

Mr. NEHLS. And will you commit to promptly inform the FCC and members of this committee if there are any issues with compliance?

Mr. JEFFERIES. Absolutely.

Mr. NEHLS. Once the railroads are done moving to the A-block within the 900 band, can you share what the railroad industry's plans are to further develop that spectrum to show a continued commitment to safety and what the timeframe the industry will need to achieve that?

Mr. JEFFERIES. Well, certainly, that is what we are developing right now. And, when you look at spectrum use and what we have been able to build out along our network, through our PTC network, we have got a 54,000-mile 5G network now, moving on to tighter bands of spectrum, that will open up more capacity, allow to us to really take kind of the wireless backbone to new heights.

Mr. NEHLS. Okay. I am going to have followup questions for the record on this topic, and I expect them to be answered. I would like to pivot to a discussion about C3RS. Mr. Jefferies, what changes do railroads recommend to the Confidential Close Call Reporting System, which is at C3RS, to get more of the Class I railroads to enroll in the program? Because, if you remember, you sent a letter saying all the Class I's would enroll in this after East Palestine.

Mr. JEFFERIES. Thank you for that. And it is a good discussion to have again.

So two of the Class I's have signed up to the program. We have long held views that edits need to be made to the program. When folks think about the ability to report concerns confidentially—first and foremost, every railroad has a system like that in place.

Mr. NEHLS. Sure.

Mr. JEFFERIES. And following the aviation—

Mr. NEHLS [interrupting]. Let's just—Mr. Jefferies, hate to cut you off, but let's get it done. I have 1 minute left.

Mr. JEFFERIES. Okay.

Mr. NEHLS. I believe you testified before the Senate Commerce Committee in March of 2023. Then-Senator Vance asked if 30 seconds was enough time to perform car inspections, to which you replied, quote, "Thirty seconds doesn't seem like a long enough time to do an indepth inspection."

Should there be a minimum time requirement for carmen to do inspections? And if not, what do you recommend?

Mr. JEFFERIES. So I would say there is no one-size-fits-all. There are myriad inspections that occur. And while 30 seconds may not be a lot, there may be zero time required if it is an autonomous inspection.

Mr. NEHLS. All right. Fair enough.

Let the record reflect that Vice President Vance introduced legislation to mandate two-person crew size. That was endorsed by President Trump. Incoming Secretary Duffy, who just moved out of Commerce Committee by a vote of 28 to zero, confirmed he would not pull back the two-man work rule.



As a member of this committee, I support that rule. The idea that Republicans will do whatever Big Business wants and will not take into account the needs of the working men, it is outdated. I will just say, that dog doesn't hunt.

With that, I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Moulton.

Mr. MOULTON. Thank you, Mr. Chairman.

And I just want to begin with a word of appreciation for the comments from my colleague from Texas, who has been a real partner on working to find good solutions for rail safety, rail safety solutions that take the industry forward, not backward, and improve safety for all, and make the point to all of America that rail is a far safer way to transport things, especially hazmat, than trucks. And that point seems to be lost on a lot of people.

Mr. Chairman, in your opening remarks, you talked about improving safety through technology and innovation. That is what we are talking about. When the industry comes back to us and says you just want to install defect detectors, a 1960s technology, when you have the opportunity to put in telematics so that every engineer on every train knows the instantaneous bearing temperature of every wheel and can immediately respond to a problem—and, oh, by the way, it is not so bad that the customers also know where their cars are for the first time in history. That is about taking the industry forward, not back.

Now, Mr. Chairman, I would be remiss if I didn't also mention that you talked about decreasing dependence on Government funding for railroads. It is interesting that you don't talk about decreasing dependence on Government funding for highways or airlines. We have subsidized highways and airlines to the tune of billions and billions—hundreds of billions of dollars over the decades.

It is interesting that the freight railroad system is asked to compete against this heavily subsidized alternative. Freight railroads are really the only transportation system in America that funds its own infrastructure through the private sector, right?

Now, President Trump has instituted this new Department of Government Efficiency. I think the idea is that the Government should invest in efficiency and perhaps not subsidize inefficiency.

So, if the only transportation system efficient enough to pay for its own infrastructure is freight rail, then why do we continue spending billions and billions and billions of taxpayer dollars every year subsidizing highways and truckers? Shouldn't we be investing in efficiency?

Does that make sense to you, Mr. Jefferies?

Mr. JEFFERIES. One hundred percent.

Mr. MOULTON. You also mentioned, Mr. Chairman, that Amtrak should be off Government support, but you didn't mention that our highways should be off Government support or that our airlines should be off Government support. It is an interesting contrast.

Mr. Cassity, you mentioned high-speed rail in your opening comments, or your testimony. It is interesting that America is the only developed country in the world not investing in high-speed rail—the only developed country in the entire world. I would challenge

anyone here to think of another developed country that is not investing in high-speed rail. We are just barely starting.

Now, is that because there is some vast high-speed-rail conspiracy that has infected every other country on Earth and just hasn't hit the United States yet? Or does it actually make sense—make economic sense to invest in high-speed rail?

Mr. CASSITY. Thank you for the question, Congressman.

It absolutely makes sense to invest in high-speed rail. We fall short in comparison to the other countries, and one of the most advantageous opportunities we have is to expand the rail system in this country, and high-speed rail is that opportunity. And we fully support and are on board to see more rail for the citizens of this country.

And so, we need to capitalize on that, we need to accept that. There are no conspiracies out there, as far as I am aware, of high-speed rail.

The one hurdle we do have is that, for some reason, in this country, people hear “railroads” and they think of ancient technology or ancient methods of transportation. And we have to get outside of that box and make sure that we are talking to folks and letting them know what rail can do for them and how we can make their lives better.

Mr. MOULTON. Rail is a more efficient use of taxpayer dollars. It is a more efficient way to simply transport goods. One single train can take 150 to 300 trucks off the highway. That is good for everybody who uses our highways—truckers, passenger cars.

We know that tens of thousands of Americans die on our highways every year. Railroads are far safer. They are also better for the environment. I mean, the benefits go on. So let's invest in efficiency.

Mr. Jefferies, why does the rail industry have a reputation for being stodgy and old-fashioned and doing things like Mr. Nehls and I described, investing in old-fashioned technology rather than growing for the future?

Mr. JEFFERIES. Well, I would beg to differ, not surprisingly.

Look, we are a 200-year-old industry, we are a legacy industry, but I can assure you, we are not your grandfather's railroad, we are not your father's railroad, and tomorrow's railroad is not going to be our railroad. And innovation and technology are that path forward.

You talked about using detectors from the 1960s. That is why we are developing inspection portals, machine visioning, acoustic bearing detectors, autonomous track inspection technology. All of that should be encouraged, because there is a positive safety outcome.

Mr. MOULTON. I have lost my time. But let's hope you do enough of that that it actually becomes the reputation of the industry. That—

Mr. JEFFERIES [interposing]. I am with you on that. Thank you.

Mr. MOULTON [continuing]. Is the opportunity before us.

Thank you, Mr. Chairman. I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Owens, you are recognized for 5 minutes.

Mr. OWENS. Thank you. Thank you so much, Mr. Chairman and Ranking Member Titus. Thank you for holding this hearing today

as the committee prepares for the surface transportation reauthorization. And, of course, I thank our guests.

I am thrilled to be a new member of this subcommittee. Utah boasts a rich rail history, from hosting the completion of the transcontinental railroad at the Golden Spike Ceremony in 1869 to our vision of a statewide inland port. Our goal is to be the crossroads of the West, as we serve as a vital hub for freight exchange across the country.

The rail industry is one I deeply admire. In my position as vice chair of a subcommittee over on the Committee on Education and Workforce, I applaud America's freight rails in using their own funds on capital expenditures and upkeep expenses. While much of our country's infrastructure lags behind, modern standards and needed upgrades to freight rail is at the tip of the spear in its innovation.

With an average compensation of over \$149,000 and a median tenure of railroad employees of 13 years, this industry continues to be the place where people want to work, enjoy working, and supporting a family without a large amount of student debt. As a member of the Education and Workforce Committee, I look forward to working with you to better connect America's great talent to this essential industry.

Mr. Jefferies, from the workforce perspective, what does your industry do differently? And how can other industries struggling with stagnant wages, employment and retention, and low morale learn from the railroads?

Mr. JEFFERIES. Thank you for the question.

And you hit the nail on the head. Our employees—as Mr. Cassity made the point, our employees are the key reason that we are able to serve America's communities and customers so well and do it at such a high level of safety. And they deserve our thanks every day.

And you are right that the average tenure for a rail employee is almost four times that of other industries. And so we are very proud of that, and we want to keep our folks—keep them online. And that is why we have fourth-generation railroaders working on our teams.

So I would put a few different pieces together.

One, we have worked very hard over the past few years to build a positive momentum with our employees, whether that is scheduling agreements that provide a more predictable schedule for our operating crafts to better plan their lives; whether it is negotiating out paid sick benefits, of which over 93 percent of our employees now have; or whether it is getting a jump on collective bargaining so that our employees don't have to wait several years before they get their additional pay increases.

And I am very pleased that, while the latest round of bargaining started just this past November, we already have five national agreements fully ratified, in place. So the employees of those five unions know what their salary increases are going to be for the next 5 years, they know their healthcare is going to be almost half that—the cost of their healthcare is going to cost almost half that of the general population, and they know that they are going to get additional days off early in their careers. Not to mention additional

deals that have been done on a railroad-by-railroad basis to lock in agreements as well.

And so it is about listening to the employees. It is about understanding what their priorities are. Again, we have a new generation of railroaders coming onto the railroad that have different priorities, different desires from what they want to see. And a lot of that is about work-life balance and, understandably, being able to plan your life and schedule your life and be home for planned events.

And so that is a continuing effort, but I think that is a priority you hear from our executive level day in and day out, and that resonates, and we are seeing progress there.

Mr. OWENS. I just want to make a point. I mentioned earlier that the median tenure of a railroad employee is 13 years. The private sector is 3. So there is something that you are doing right, for sure.

I want to add just one other question before we let you go. The efforts to cut redtape associated with—has been successful in recent years. What more can be done to fast-track routine maintenance and replacement construction projects without ignoring environmental or historic preservation concerns?

Mr. Jefferies.

Mr. JEFFERIES. So, quickly, a couple different things.

One, Congress has already taken a huge step—in fact, taken it twice—when it directed the Advisory Council on Historic Preservation to provide the same categorical exclusions to rail properties as it does highway properties when replacing old assets. However, the ACHP has continued to ignore Congress' direction. So they need another reminder.

Two, when replacing existing assets, same infrastructure, whether it is rail, whether it is bridges, one, limited reviews, of course, but also looking at the impact of that project. Some of the things we have seen also look at the impacts of the commodities that move over that project once complete, commodities we have a common-carrier obligation to move. To us, that is not part of an appropriate environmental review. We should be talking about the project itself with set timelines and shot clocks.

Mr. OWENS. Okay.

I just want to wrap up by saying, Mr. Cassity, we are going to do our best in Education and Workforce to prepare some of the greatest kids in our country for a great industry. So just know, we are on top of that. We are going to make sure we address it in a big way.

Thank you so much.

And I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mrs. Foushee.

Mrs. FOUSHEE. Thank you, Mr. Chairman and Ranking Member Titus, for holding this hearing.

And thank you to the witnesses for being with us today.

Mr. Jefferies, are railroads currently using artificial intelligence to perform safety inspections? And if so, are they doing so in a wholly automated way, or are these AI programs being monitored by or used in conjunction with railroad safety inspectors?

Mr. JEFFERIES. So the short answer is, yes, AI is being deployed.

And when you think about what happens every day on the network, whether it is via detectors, sensors, other information, we gather an immense amount of data about not only the operations, the safety, but the service of our network.

And so, the more data we continue to gather, we can use AI, through predictive analytics, to determine when a product might begin to show wear and tear based on historical performance. Or, in a service standpoint, we might be able to further calibrate delivery windows so that our customers can better have a sense of when we are going to arrive, plan their workday, have their employees ready. And so there are myriad ways.

But, certainly, there is always a human element to that. So, for example, if an inspection portal identifies a potential flaw in a train as it runs through it, that is when you have the employee then take a look at that and determine exactly what is going on and then, if there is a need to fix it, have the employee go out and fix it.

So I would say we are very much in the embryonic stage of how AI might be able to be deployed, but we are certainly using it as a way to really conduct indepth analysis to what is a gargantuan amount of data we pull and will continue to pull.

Mrs. FOUSHEE. And, secondly, I am curious what standards, if any, AAR has in place or is planning to put in place regarding the use of artificial intelligence in railway safety, building on what you just said.

Mr. JEFFERIES. So, not only at the AAR but, also, we have an IT company called Railinc, located in Cary, North Carolina, and I would say we are figuring out that path forward now.

Right now, AI, like I said, we are in the embryonic stages, and as we mature our practices at the industry level, there is always an opportunity to compare best practices and determine maybe what the best use of information may be or how to best address any issues identified by technology might be.

And so, AI-specific, we don't have any sort of specific standard in place, but I would talk more about how technology plays into inspections, repairs, car repairs, et cetera. Absolutely, we do.

Mrs. FOUSHEE. Thank you.

Mr. Cassity, we just had a near-shutdown of some of our Nation's ports due to disagreement between labor and management over increased automation.

From your perspective with SMART-TD, in what ways do you see the freight railroads seeking to automate their safety work?

Mr. CASSITY. Sure. Thank you for the question, Congresswoman.

So AI is becoming a unique challenge in that, one, it is needed and it has its purpose, but, two, it also is one of those things that we have to make sure happens in the light of day.

And so, to speak to your direct question about the longshoremens, ways that we can see AI, obviously, there is an appetite or a growing desire for the railroads to eliminate onboard crew staff on the locomotives and the trains that are being operated. When you look at the technologies being developed and the tasks that they are equipped to do and the way that the railroads are approaching it, you can see the writing on the wall for automation.

Very quickly, as an example, CSX recently put out a letter to their training mentors that they are encouraged to reduce training time where PTC is present, simply because they feel as though it relieves some of the pressures put on the conductor. And that is not true. When we are talking about artificial intelligence, it is deployed in the railroad.

And to Mr. Jefferies' point, we do have these car portals, we do have track inspection, but it is not being communicated to the people that need it most, and that is the workers.

And I will give you two very quick examples. In Lexington, Kentucky, a few weeks ago, we had a derailment. Technology that was deployed on a locomotive that is there through AI to scan the track identified a defect in the rail and said, basically, there was a wide gauge that was about to happen. And that defect went unacted on for 5 days. And then, sure enough, a derailment occurred on that exact point of that railroad where the AI detected it.

To the flip side of that, when you talk about car portals, in Nebraska, we had a train with a broken wheel. It was a system train that went back and forth. There were at least five times that train and that particular car with the broken wheel went through the car portal, and it was identified—we have the pictures—but it wasn't acted upon on the railroad until the actual wheel failed and we had a derailment that we went to it.

So, when we develop new technologies and we have innovation, we have to make sure, to Congressman Nehls' point and Congressman Moulton's point, that the information is going to where it needs to go, not just to a back room or a closet where it is hidden in the dark, but to the employees who hold that responsibility and hold that accountability to make sure that they stay safe, that the public stays safe, and that we are doing the right thing.

AI is important, but it has to be done in the light of day.

Mrs. FOUSHEE. Thank you for that.

Mr. Chairman, that is my time. I yield back.

Mr. WEBSTER OF FLORIDA. The gentlelady yields back.

Mr. Burlison, you are recognized for 5 minutes.

Mr. BURLISON. Thank you, Mr. Chairman.

Mr. Baker, you didn't mention my district, so I will say, in southwest Missouri, there are 315 miles of track that is owned or operated by short line and regional rail. And you emphasized in your testimony that these are small businesses. I mean, it is thrown out that these are big corporations, but, no, these are small businesses. And I think small businesses are the backbone of the American economy and vital to every State, including the State of Missouri.

That being said, if you had to rank in order the most egregious, the most burdensome and ridiculous regulations that your industry faces, what are the top three?

Mr. BAKER. Well, first of all, I apologize for not mentioning your district. I would have loved to, but I have found Congress is very strict about the 5-minute rule.

Mr. BURLISON. You are welcome to come to southwest Missouri. It is beautiful.

Mr. BAKER. I will happily accept that invitation. I would love to join. Maybe combine it with a visit to the chairman's district also.

Mr. BURLISON. Sounds good.

Mr. BAKER. Boy, the most egregious?

I will say, one, which is really more kind of redtape than a regulation, but on the CRISI grants, when they come, there are recipients of the grants who just ask for permission to use pre-award authority. That is basically to spend their own money at risk before the grant gets finalized just so they can get things going: buy materials, for instance, hire engineers, hire contractors, start the work. And it is very difficult to even get authority for pre-award approval from the FRA. For the life of me, I cannot figure out why that is anything other than an easy "yes" almost instantaneously.

That is one.

Dispatcher certifications. Dispatcher and signalmen certifications is a new rule that is coming that I believe is a textbook example of solving a problem that just doesn't exist. There is no data, no reason to believe that we have dispatchers or signalmen who are untrained or undertrained or causing accidents because of a lack of training. We find the certifications to be——

Mr. BURLISON [interrupting]. I mean, it seems that you are employing these individuals, and if they are not doing a good job or they are not safe, then they are not going to have that job, right?

Mr. BAKER. That is right. And there is perfect alignment of incentives. It is not like there is some world where we wouldn't want our own employees to be trained to do the job.

Mr. BURLISON. Well, anybody that understands licensure laws and certification laws understands it is all about reducing the number of people that are eligible to work, right, so you can drive up labor costs. This is what happens in the healthcare system. Every work, labor-related industry that wants to impose Government certification requirements is just about reducing the labor pool.

Mr. BAKER. The—yes.

Mr. BURLISON. I wanted to ask, I believe, Mr. Jefferies: In your testimony, you highlighted the importance of Congress to oppose policies that harm the railroads' ability to operate safely and efficiently, such as requiring a two-person crew in freight locomotive cabs. Which, there has been zero quantitative evidence that a two-person-crew mandate would actually enhance safety.

So could you highlight, what is the impact and the effect in the industry that this two-person rule has?

Mr. JEFFERIES. So, as I mentioned at the outset, locking in current operating practice in perpetuity, in our view, is never a good idea in industries that continue to evolve, whether it is the rail industry or any other industry.

And your point is spot-on; there is absolutely no data to show that that regulation advances safety. In 2016, the Obama administration, in its preamble to the NPRM it put out, acknowledged as much. In 2019, when the Trump administration withdrew it, they acknowledged as much. In 2020, on the campaign trail, President Biden made a campaign promise that he was going to put the rule back out. He did. Still a lack of data. Technology has only continued to advance. PTC has only continued to advance.

Our view is that, look, train consist has always been a matter for collective bargaining between us and our employees. That is where it should be. There is no data to support another outcome. And we think locking in current operating practice is

counterintuitive to the continued progress of the industry, especially when—especially when one of the core priorities identified by our employees is establishing more of a work-life balance.

And when we can create a scenario when an employee works a scheduled shift, goes home to bed in their home every night, then we believe there are opportunities to continue to have that conversation with our unions to see if there are agreements that can be met in certain situations.

Mr. BURLISON. Thank you.

My time has expired. I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Deluzio.

Mr. DELUZIO. Thank you, Mr. Chairman.

And good morning, gentlemen.

I want to start on a place, I think, around safety where we agree in industry—Mr. Jefferies, you represent the big Class I railroads; Mr. Baker, the short line railroads—Railroad Crossing Elimination Program.

And for folks at home, it is a pretty important program that can fund safety improvements at rail crossings.

I will talk about my district in western Pennsylvania. Nearly half of my constituents live within 1 mile of the tracks. Ninety-five percent or so live within 5 miles. I hear from local government all the time about concerns and safety issues around crossings. Cheswick, in my district, home to a crossing with the second highest accident rate in the Northeast United States. McKees Rocks, in my district, fifth worst rate in Pennsylvania.

So I see you both nodding.

Mr. Jefferies, I will start with you. You agree this program is important and can help improve safety for the big railroads?

And, Mr. Baker, I will ask you the same question about your railroads.

Mr. JEFFERIES. One hundred percent. We supported it in the development of the IIJA, and we look forward to supporting it in the next reauthorization effort.

Mr. DELUZIO. Very good.

Mr. Baker?

Mr. BAKER. The program works. I think we only all wish there could be more of it. The biggest challenge with grade separations is just they are quite expensive.

Mr. DELUZIO. It is not hypothetical in my district or, I assume, many of my colleagues'. This really is a risk to our communities. I hear from so many local officials about this problem. We need to make sure we continue to fund this in a real way.

Now, maybe where we aren't going to agree so much are broader rail safety efforts that have been quite bipartisan. I commend Mr. Nehls from Texas, Mr. Moulton, Mrs. Sykes, Mr. Rulli, who represents East Palestine. I represent the western Pennsylvanians also impacted by the terrible derailment in East Palestine with Norfolk Southern almost 2 years ago. And yet we still have not had Congress take any action on rail safety.

That is unacceptable to me and my constituents. I have heard Mr. Rulli talk about his constituents in East Palestine. I have heard it from Vice President Vance, President Trump. I heard it



from the prior administration. They support these rail safety efforts, and yet nothing has happened. I don't accept that.

And I guess a simple part of this is whether we are going to trust the rail industry to regulate themselves.

So, Mr. Cassity, let me start with you. You represent men and women who work in this industry, who work to keep the trains moving, moving safely and efficiently. Mr. Cassity, do you trust the railroads to regulate themselves?

Mr. CASSITY. Unfortunately, I do not. They make a lot of unilateral changes quite regularly that are the outcome of external pressures, whether that be Wall Street or scheduling or whatever that may be. And they find ways to capitulate to those pressures which unfortunately end up cutting corners that affect our people.

When you look at long trains, when you look at the scheduling, when you look at attendance policies, all of these things have impacts on the workforce and ultimately the service.

A two-person crew, if they had their way—Mr. Jefferies just said it—they don't feel the need to keep the conductor. But if we remove the conductor off the cab of the locomotive, we do have a history that shows two-person crews and the conductor deliver a level of safety. To remove that person, you are going to equate to risk; you are going to bring a new risk into it.

And so we have to make sure that we have guidelines and guardrails that we are doing the right things, because they are going to have impacts on the American public.

And when you look at attendance policies—just an example. Last week, I believe it was, maybe two, BNSF decided to cut and slash their attendance policy without any conversation or consideration. Work-life balance is being used up here as though it is a gift, but it is not a gift; it is a hammer over our workers' head.

And so we have to make sure that we are doing the right things for the workers and, in turn, do the right things for the American public.

We want and need the railroads to succeed; please don't get me wrong. Rich railroads work well for our membership. Successful railroads work well for our membership. We need them to do the right thing. But, unfortunately, we cannot trust them to do that, because there are pressures that they capitulate to, and we can't account for that.

Mr. DELUZIO. Well, Mr. Cassity, you made a point about railroads succeeding being good for your members and being good for our country, right? We have to move goods safely and quickly. I am not willing to use my constituents as collateral damage in the way of profits, we have to move things on the rails safely.

And, to the point of trusting the railroads to regulate themselves, in the year after the derailment, the Class I railroads' derailment rate increased.

I will read you a quote about those figures. Quote, "These figures show the railroad industry's safety standards are getting worse. We can reverse the trend by passing the Railroad Safety Act immediately." That was Senator Vance, who is now our Vice President.

Let's pass the legislation and protect my community, protect communities like ours all over the country.

Mr. Chairman, I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Fong, you are recognized for 5 minutes.

Mr. FONG. Thank you, Mr. Chairman.

I wanted to ask a few questions of Mr. Jefferies and Mr. Baker.

I certainly share your perspective. It was important that CARB withdrew their petition to implement an unworkable in-use locomotive rule, and I think that is important for our supply chain.

I did want to ask if there were other State or Federal policies that are going to hinder rail operations in California specifically.

Mr. JEFFERIES. Well, thank you for the question.

And if I could just comment quickly, the 2023 derailment rate was significantly lower than 2022, and in the first 10 months of 2024, it was lower than 2023—2.77 incidents per million train-miles. That is not good enough; it should be zero. But progress continues to be made on that front. And I just wanted to make sure the record reflected that.

And thank you for your support on CARB's misguided efforts. You were a leader in the efforts in calling out the, while noble in the pursuit, the complete unrealistic attempt and illegal attempt for CARB to do what it did.

Look, at the end of the day, California, and CARB in particular, they seem to be a model for bureaucratic overreach time and time again. And our concern, especially when it is the rail industry, if CARB acts and they are allowed to act, that is not a State regulation. It is effectively a Federal regulation because we are a nationwide, interconnected network.

Now, fortunately, that is why the STB, Surface Transportation Board, has strong, strong, strong preemption authority. And that was the second law that CARB was violating trying to regulate this.

But I would be happy to sit down with your team and get into more specifics on individual regs, but thank you for your support on the loco emissions piece.

Mr. FONG. Thank you.

Mr. BAKER. I would say that the CARB rule was so egregious and so, kind of, terrifying for the short line industry, about essentially threatening to put us out of business, we are, again, thrilled that it was withdrawn and appreciate your support in particular on helping with that.

I do think that Congress would be wise to consider taking a look at the Clean Air Act and the authority that is given to CARB and changing—at least limiting that in scope so that, at least on industries that are clearly meant to be regulated at the Federal level, not the State level, like railroads, that we can't revisit this nightmare the next time they have an administration that might be willing to approve such a waiver.

Mr. FONG. Absolutely.

Certainly, we all know that rail is a key component of the supply chain. That is not only in California but across the country. Certainly, that is part of our concern about CARB's rule.

I did want to ask, how can freight rail infrastructure be expanded or optimized to accommodate the increasing demand and supply chains and capacity? And, of course, what are the key rail corridors in California that can be improved? How can we expand

rail capacity at the ports to create some coordination to reduce congestion and improve the flow of goods?

Mr. JEFFERIES. So one of the common themes we have heard, I think, is, through sensible permitting reform, to let dollars get put to work more quickly in a more efficient way. And that is really just about setting timelines, recognizing what should be preexisting categorical exclusions, and avoiding unnecessary costs through inflationary delay.

In our ports, we have seen significant efforts to increase information-sharing among the supply-chain stakeholders. That is key.

The Barstow Intermodal Gateway in southern California, a massive investment occurring. Getting that approved so it can be built quickly. Get those containers out of the southern California basin quickly, let them be built into trains and dispersed throughout the country out in a big, open space—key. There are other massive projects like that.

And, really, the Surface Transportation Board, who I mentioned before, exercising its permitting—or, excuse me, its preemption authority over both rail projects and our customers' projects.

Mr. FONG. Mr. Baker.

Mr. BAKER. I would add, again, at the risk of harping on it, the CRISI Program is extraordinarily effective at investing in short line infrastructure, including in California. The Sierra Northern recently received one for building out a big rail loading yard.

And so further support of programs like that and having it move faster, I think, will accomplish exactly what you are looking for.

Mr. FONG. I appreciate that.

I think my time is running out, but I appreciate the work that is being done in the rail industry to move our products and our goods across the country and get them from the ports and to our homes and businesses and farms.

So thank you, and I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. García, you are recognized for 5 minutes.

Mr. GARCÍA OF ILLINOIS. Thank you, Mr. Chairman and Ranking Member, to our witnesses here today.

I represent Chicago, the Nation's busiest freight hub. One of every four U.S. freight trains passes through Chicago. That is about 500 freight trains and 800 passenger and commuter trains every day.

I was glad to see that the Chicago Region Environmental and Transportation Efficiency Program, better known as CREATE, received two important grants from U.S. DOT. Nearly \$300 million will go to improvements on a 3-mile elevated rail corridor on Chicago's South Side, and another \$43 million will be invested in building a grade separation along 65th Street and Harlem Avenue, across the street from my district.

Together, this funding will help relieve congestion along Chicago's rail network, improve supply-chain efficiency, and make communities safer as well. This is made possible through the collaboration between public sector and Class I railroads.

Mr. Jefferies, can you speak about how important programs like CREATE are for our national rail and freight network?

Mr. JEFFERIES. Well, thank you for that question. And it was great to see you at the event in December on the South Side of Chicago.

It is critically important, and CREATE is the model program for the rest of the country. And we often get approached from other communities of, "Hey, we want to do a CREATE," and we explain the commitment from not only the freight railroads but the commuter railroads, Amtrak, the city, the county, the State, the U.S. DOT, and how we have all worked together to identify a discrete set of very large projects that different parties benefit from at different times but everyone has skin in the game, everyone has maintained the commitment. Absolutely critically important. And we are thrilled with the outcome of last fall's awards.

And I will just give you a quick example. Our leader of CREATE in Chicago was invited to southern California to talk about the CREATE program. And he said it dawned on him that the close to 100 officials who were there representing local governments, it was probably the first time they had been in a room together. And so the amount of coordination in Chicagoland is to be applauded and something we are very proud of.

Mr. GARCÍA OF ILLINOIS. Yes. Let's keep it going, by all means.

Mr. Cassity, changing gears, I appreciate you mentioning high-speed rail in your testimony.

Thousands of miles of railroad tracks crisscross Chicago, making rail essential to supporting a robust economy in the Midwest. It supports thousands of good-paying union jobs. It connects small towns to big cities. It connects people to schools and jobs and connects businesses to commodities as well.

That is why high-speed rail is an exciting prospect for the Midwest. Not only would it spur economic development, it would lower carbon emissions and create thousands of good jobs. A commission in Illinois is currently studying the Chicago-to-St. Louis route and will produce a statewide plan.

Can you address how transformational a high-speed rail system in the Midwest would be? And what role can the Federal Government play to support development plans for high-speed rail?

Mr. CASSITY. Sure. Thank you for the question.

High-speed rail would be absolutely transformational for the rail industry and for all the reasons that you addressed. I mean, the efficiency and the effectiveness and the benefits for the American public are exponential and hard to be quantified in such a short statement like this.

But for the rail workers as well, to know that we would have the opportunity to see the economy and the infrastructure grow is something that we haven't seen for a long time.

That is why Brightline West is so encouraging. Because the more we look at transportation in our country, the more we recognize that the highway system isn't doing what it is supposed to be doing anymore, that it is too crowded, that it is not efficient the way it should be. High-speed rail gives us the opportunity to alleviate a lot of those pressures.

But we need the Government's help to encourage those construction projects, we need the Government's help to fund those projects,

and we need the Government's buy-in on the rail industry to make sure that we are expanding that.

Kind of like what has been talked about already this morning, is that, for whatever reason—and I know Mr. Jefferies talked about “this isn't your granddad's railroad,” but the public view, when they see the railroad system, we have been in the background for so long that they don't view it as the next step. For some reason, aviation gets this “whatever” put on it to make it seem as though that is the ultimate future. But the ultimate future doesn't have to be there. We have opportunities in the rail space to take people where they are not easily able to go: smaller routes, longer routes, faster routes.

High-speed rail is absolutely critical in development for our country. And we just need the Government's buy-in and we need financial support and support across the board.

Mr. GARCÍA OF ILLINOIS. Thank you, sir.

Mr. Chair, I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Begich, you are recognized for 5 minutes.

Mr. BEGICH. Thank you, Mr. Chair.

My first question is to Mr. Baker.

So, Mr. Baker, you noted in your testimony that 100 percent of Alaska's rail is short line rail. Alaskans have long sought a rail connection that would tie Alaska to the rest of the North American rail network. In your view, what steps should we consider to support such a connection?

Mr. BAKER. That is a fabulous question. I mean, the current route of connecting is quite elaborate and involves ferries and is not, sort of, realistic for where I think you would like to take the State and the country.

A project like that is really—is really a Mega grant. And so I think it would be important for Congress to continue grant programs like INFRA and RAISE and Mega that really contemplate some of these maybe not quite moonshot but big-deal infrastructure programs.

There are a lot of short line projects, including some on the existing Alaska Railroad infrastructure, where \$5 million or \$10 million or \$20 million can really move the dial. And we do a lot of those, and we are very proud of that.

A project like you are talking about is, sort of, exponentially more than that. And I do think that the country and the people of the country have appetite for that sort of thing. And the project you are talking about is a great example. I would be thrilled to support it.

Mr. BEGICH. Thank you.

This is a question for Mr. Jefferies.

Mr. Jefferies, in your testimony, you mentioned that, in real terms, inflation-adjusted real terms, costs of moving freight on rail have declined by 42 percent since 1980.

Do you have any information—and, if not, could you at some future time provide this committee with information—on what has happened to the cost of new rail construction over that same period of time? Has that also trended down or has that gone up in real terms?

Mr. JEFFERIES. I wish. Unfortunately, no, it hasn't, due to cost of materials, due to inflationary pressures, as every other industry has seen.

And if I could be so bold, I would expect my colleague, Mr. Daloisio, can comment on it a little more sophisticatedly than I might be able to.

Mr. DALOISIO. No, definitely. Thank you, Congressman. Thank you, Ian.

So material pricing has gone up, labor pricing has gone up, equipment pricing—everything has gone up almost exponentially.

And we talked earlier about the grant time process, about these grants. So, a lot of times, contractors and our consulting engineer members are involved in the initial stages of putting together budget pricing for some of these grants, and we do that with good faith, hoping that they are going to escalate maybe a year out, and then we get a call 3 years later that, hey, the grant got approved and the price now is one-third of what it should be.

So, yes, to answer your question, everything is—we see that continually going up.

Mr. BEGICH. Then this is a question for anyone who might have an answer to it. Do you have any suggestions on how we can drive down the cost of new rail construction?

Mr. JEFFERIES. Not to hit on the same theme, but I would say, getting projects approved more quickly to allow the money to be put in the ground more quickly. Not to circumvent any appropriate reviews, but let's just put some certainty into the process so that the money you have now is used and you don't need twice as much 10 years from now when the project is approved.

Mr. DALOISIO. Just to chime in there, so I think, with new technologies, especially on the contracting side, whether it is new tools, new equipment that is helping us be more efficient and be able to build track faster, I mean, that definitely is a way to lower the costs.

Mr. BEGICH. Very good.

And does anyone here today know how the Tier 1 network was originally financed? Was it Government grants? Was it private money?

Mr. JEFFERIES. The ultimate public-private partnership.

Mr. BEGICH. Okay.

I think it is fantastic that we are hearing about high-speed rail, rail that goes 200 miles an hour. It is great for passengers. There is a lot of innovation on the freight side.

Let's connect Alaska to the North American rail network so that we can be a part of this same success story.

Thank you, and I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Cohen, you are recognized.

Mr. COHEN. Thank you. Thank you.

The Infrastructure Investment and Jobs Act, also known as the IIJA, also known as the bipartisan infrastructure bill, also known as the Biden infrastructure bill—I would prefer to call it the Biden-Cohen bill—has provided an unprecedented opportunity to modernize our rail system, strengthen our economy, and improve connectivity for millions of Americans.

One program I would like to highlight is the Corridor Identification and Development, also known as the Corridor ID Program, which has awarded \$500,000 to study the feasibility of a passenger rail corridor connecting Memphis to Nashville and then on to Chattanooga and to Atlanta.

This Sunbelt-Atlantic Connector will connect major population centers, fostering economic growth and reducing traffic congestion in our region. Tennesseans and Georgians alike are eager for the eventual completion of this project. I am hopeful it can move to the next phase expeditiously.

I also remain committed to enhancing the passenger experience on Amtrak. Mr. García didn't mention the Amtrak service that goes through Memphis into New Orleans. When I was a kid, I rode the Panama Limited and the City of New Orleans, and we went up to Chicago quite a few times, and down to New Orleans as well.

We had great food on some of those, particularly the Panama Limited. They had the best service, a Pullman train. But they had big, thick steaks and big, thick French toast, and they don't have that anymore.

So I have introduced two bills, the Train FOOD Act and the Train EATS Act, which aim to restore and improve onboard dining services on long-distance routes. I think it would improve the experience and the ridership.

When reauthorizing surface transportation programs for Amtrak, we must not neglect the passenger experience. Quality dining service is essential to attracting and retaining riders and making rail travel an enjoyable alternative to driving or flying.

Finally, I want to address a pressing issue in America and in Memphis: cargo theft. Unfortunately, sadly, Memphis, which has a large logistics hub in cargo, has seen cargo theft spike alarmingly in recent years, posing threats to businesses and supply chains. Addressing this problem is not just a local concern; it is a national concern.

And I believe Mr. Jefferies, but even more so Mr. Baker, discussed trucks and your competition with trucks. Obviously, you don't like trucks. Trucks have 80 percent of the cargo theft, so you like that.

But it is a great problem in Memphis. We are trying to deal with it, and we need more solutions.

Mr. Jefferies, the FBI has developed a task force composed of members of the U.S. Marshals Service, Memphis Police, and Shelby County Sheriff's Office. What additional areas of collaboration could be established between freight railroads, law enforcement, and other stakeholders to enhance preemptive measures and effectively combat cargo theft on trains?

MR. JEFFERIES. Well, thank you for highlighting that. And that is a priority of ours, is making headway, because not only is it an issue in Memphis, it is an issue across several parts of the country and, frankly, the epitome of interstate crime. It is a Federal issue that we need Federal attention to.

And one of the most frustrating things we have seen is that arrests are made and prosecutions don't occur. And that is why we are advocating, and hopefully this task force will draw some attention to getting some resources behind prosecutions and putting

folks behind bars and moving up the chain. Because this is absolutely an organized effort, a sophisticated effort. And railroads are investing on their own to increase deterrence, increase monitoring and vigilance, but it is going to take everybody working together, because the problem is not going away.

And we will look forward to partnering with you on this.

Mr. COHEN. Thank you. I know, in the 1880s, when Jesse and Frank were doing their job on the trains, the trains jumped into it and hired the Pinkertons. So you need to get the 21st-century Pinkertons on this.

Mr. BAKER. And if I may, Congressman, we certainly view trucks as our big competitors, but we would absolutely view—we are on the same page as them on cargo theft issues. We would not wish theft on even our harshest competitors.

Mr. COHEN. But if you had a choice.

Mr. BAKER. Please stay away from the trains. Yes.

Mr. COHEN. Right.

Mr. Jefferies, this corridor I talked about, Memphis on to Atlanta, could do a lot to improve congestion and the environment as well, reducing emissions.

How can freight railroad partners work with passenger rail projects to advance these climate goals and equitable development?

Mr. JEFFERIES. So, when we have seen these projects work well, of which there are numerous examples around the country, all stakeholders get together at the front end and sit down and talk about desired outcomes—and so that is the municipality, that is the State, that is the passenger entity, that is the affected freight railroad—and talk about, okay, what do we want to achieve, what capacity is necessary, what investment is necessary to ensure that capacity, and who is going to pay for it?

And so—

Mr. COHEN [interrupting]. I have 4 seconds, and I wanted to ask Mr. Cassity something.

You talked about the ultimate future and where we should look at transportation. Elon says it is Mars. Should we be putting all of that money into planting a flag on Mars, or should we maybe do it somewhere like Memphis?

Mr. CASSITY. Thank you for the question.

I mean, I am intrigued by the thought of going to Mars, but the reality is, when we are talking about investments and taxpayer money, the investment is here in the country. And the biggest benefit is moving them to where they need to go, safely and efficiently.

And there is no better opportunity than the railroad system. And high-speed rail, in my opinion, is the greatest opportunity for funding to do something meaningful for the people of America, to make an impact on the economy and the infrastructure as a whole.

Mr. COHEN. Thank you. Unless you are Ralph Kramden's wife, you are not going to the Moon.

I yield back the balance of my time.

Mr. WEBSTER OF FLORIDA. The gentleman yields.

Mr. Kennedy, you are recognized for 5 minutes.

Dr. KENNEDY OF UTAH. Thank you, Chair Webster and Ranking Member Titus. I appreciate you convening this committee.



And thanks to the witnesses. You have been here for a while, and I appreciate your willingness to elucidate these important issues.

Uinta Basin Railway is an important project in Utah's Third District, and my district is home to the Uinta Basin, with its major oil fields. There are several crude-by-rail projects in the works in my district, and that is one of them. And it is an opportunity for us to reduce truck traffic on dangerous roads—these are mountain roads with terrible weather sometimes—and move that crude oil out of the basin and move goods into the basin.

So, with that in mind, Mr. Baker, I was interested in your take on this. What are some of the major regulatory issues that face the railroad industry generally as it relates to American energy? And what steps can we take to enhance energy dominance in the United States of America, in Utah and my congressional district specifically?

MR. BAKER. The Uinta Basin project is very exciting. It would be served by a short line railroad which would then connect to Union Pacific and connect it to the world.

There was a big regulatory threat to that particular project. As you know, the Surface Transportation Board approved it with its environmental analysis. It was an extremely exhaustive and, I thought, impressive analysis. And then a court overturned it and said that they didn't properly consider essentially the downstream effects of how the oil would be used, which is—Ian referenced a similar issue earlier today.

That was just reargued in front of the Supreme Court, and I think the outcome is heading in a direction that makes sense, where the reviews will now be limited—and this is to answer your question. The important outcome is that reviews be limited to the actual project, rather than sort of a holistic view of how every commodity is going to be used. Because, if we do that, then we will never build anything.

And there are, frankly, not a lot of brandnew rail lines that get built in this country. The Uinta Basin one is an exciting one. I am sure Mr. Daloisio's members would be very excited to get to work building it. And we are excited to get to work moving it. And the folks in Uinta Basin are excited to get to work selling it.

And, probably most importantly, this stuff already moves, like you said, on trucks on dangerous mountain roads. Moving it by rail is a better outcome for literally everybody.

DR. KENNEDY OF UTAH. Thank you.

And, with that, Mr. Daloisio, would you tell us what that would mean, if you were able to participate—you and those that you represent were able to participate in building that railway?

MR. DALOISIO. Thank you, Congressman. I am sorry. Could you please repeat that?

DR. KENNEDY OF UTAH. What would that mean to you, if we could—you and your industry—if we could actually start to build that railway that we are seeking to build there in my district?

MR. DALOISIO. Thank you.

Well, it means a lot. I mean, our member companies are all—a lot of them are small, family-owned companies. A lot of them are larger companies. But to get those funds to be able to give those

projects and get involved—I mean, all that money that is spent to get those companies out there, get the workforce on the ground, get their equipment on the ground, start laying material, that all trickles down to feed their families. I mean, it is so vital.

I mean, we have so many members all across this country that are just itching to build more track. We just need help to be able to do that and do it safely and start to get those trains on them and get them moving.

Dr. KENNEDY OF UTAH. Well, we are itching to help you accomplish that goal, because it would be outstanding for us.

Mr. Jefferies, I had a question for you along these lines. Efforts to cut redtape associated with these infrastructure projects' approval and construction have been successful in recent years, but what more can still be done to fast-track routine maintenance and replacement construction projects without ignoring environmental or historical preservation concerns?

Mr. JEFFERIES. Thank you for the question.

So, two things.

One—and Congress has already told the Advisory Council on Historic Preservation to do this—provide the same categorical exclusions to replacement of historic assets as you do highways. Again, Congress has spoken twice on this. The independent agency has not yet acted. So maybe the third time's the charm.

And then you kind of gave me the answer with your question. For routine maintenance, routine replacement, again, categorical exclusions that limit the actual construction, versus that which flows over it, versus other extraneous activities.

Dr. KENNEDY OF UTAH. Thank you for those responses.

And, once again, thank you, all of you, for being here with us. And, Mr. Chair, I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Johnson, you are recognized for 5 minutes.

Mr. JOHNSON OF GEORGIA. Thank you, Mr. Chairman, and thank you, Madam Ranking Member, for hosting this critical hearing today.

And thank you to the witnesses for your time and for your testimony.

The United States leads the world with the most extensive rail transport network, spanning approximately 160,000 miles. Many of our communities, especially in regions like my home State of Georgia, started with a railroad stop. Entire towns were built around these vital pieces of infrastructure because we understand their importance. Yet, today, it operates without consistent long-term funding required to maintain and expand this essential infrastructure.

As we all know, climate change is one of the greatest challenges of our time, and rail emerges as a transformative solution. Our system provides the safest, most energy-efficient and environmentally sustainable mode of transportation. By alleviating traffic congestion and reducing reliance on fossil fuels, rail plays a vital role in creating a cleaner future. Its ability to reduce greenhouse gas emissions far surpasses road and air transport.

Without the security of long-term funding, however, it is a challenge to build on the progress achieved from long ago and through President Biden's Bipartisan Infrastructure Law.

Mr. Cassity, expanding and modernizing our rail network to reach more communities with improved service means creating good-paying jobs, fostering domestic manufacturing, and ensuring our infrastructure meets the demands of the 21st century.

This effort requires significant investments in projects all across the country, with funding such as the \$52.79 billion allocated by the Federal Railroad Administration for 594 safety rail improvement projects.

Can you explain what it would mean for communities if Federal funding like this was not available?

MR. CASSITY. Sure. Thank you for the question, Congressman.

I knew at one point I was going to get some sort of economical question, and I want to remind everybody, I am a locomotive engineer. So I am going to take my biggest swing here.

But railroading is an industry worth investing in. We are absolutely critical to moving forward with everything that we do, whether it is passenger or freight. There was discussion about the Uinta Basin. We, as laborers, support the notion that there is no safer or better way to move commodities on the planet Earth than through our rail system.

And so everything that we depend on in our day-to-day lives—food in the stores, the technology in Best Buy or wherever else you may go—odds are that has touched a train at some point. And so, if we don't fund the railroad systematically, we stand to lose a lot of the benefits we have in our daily lives.

And on the flip side of that, we also stand the opportunity to not have the safest work environment that we should have. Funding allows us to do all of the right things and to expand in a world where we need expansion so that we can make things easier to get to so that we can have products more readily available and, hopefully, frankly, cheaper to buy.

MR. JOHNSON OF GEORGIA. And you create more economic development—

MR. CASSITY [interrupting]. You create more—

MR. JOHNSON OF GEORGIA [continuing]. And more jobs.

MR. CASSITY. Absolutely. You create more jobs. You have more workers. You have more good-paying jobs. And, in turn, it recycles, and all of the good benefits of that pay out to everybody.

MR. JOHNSON OF GEORGIA. Well, thank you.

It has been said at this hearing, Mr. Cassity, that the number of derailments has gone down over the last few years. But, according to the Federal Railroad Administration data, the number of derailments has increased year over year in 2021, 2022, and 2023.

Mr. Cassity, as Congress and the new administration prepare for the new surface transportation bill, what key protections should be prioritized to enhance rail safety for workers and passengers?

MR. CASSITY. Sure. There is a lot. And, basically, I will start with the Railroad Safety Enhancement Act that Congressman Nehls introduced last year. It hit a lot of those priorities that we need to do to make sure that safety is heading down the right path.

The data in this industry obviously can be interpreted differently. Clearly, Mr. Jefferies and myself are of different opinions on where we are at with the derailment rate or frequency in this country. But we need to take a real look at what is going on and

not accept that we are increasing or we are running flat. We are not doing enough to stop these accidents.

To Ranking Member Titus' point earlier, our organization personally went on nine investigations with the National Transportation Safety Board. All of those are indicative of the fact that we need to do more with safety in the rail space. We need to take a look at the crew staffing, we need to take a look at long trains, we need to take a look at technology, we need to take a look at detectors.

We need to do a lot of things to make sure the innovation is welcome in the industry but it is done so in a way that others have the ability to make an input that is in the interest of all stakeholders, but then we put the proper guidelines where we need to to ensure that minimum level of safety, but allow them to do the development they need to do in the interest of workers, in the interest of public.

But we can collaborate on that. We have to collaborate on that. And I do think that is our challenge going forward.

Mr. JOHNSON OF GEORGIA. Thank you.

And I appreciate the grace of the chair. And I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Stauber, you are recognized for 5 minutes.

Mr. STAUBER. Thank you, Mr. Chair.

Mr. Cassity, I have to correct you. You said you are just a railroad engineer. No, you are more than that. You are an expert. That is why you are here today. That is why you are sharing your vision of a safer, more reliable railroad.

So please accept my correction. You are more than just a railroad engineer. And we appreciate you all.

Mr. Jefferies, I had some comments here prepared. You talked about some very important things on NEPA reforms and railroad construction and fixing.

Why do you have to wait 7 to 9, 11 years for the Government to put forth their okay for you to move forward with construction? That is all money and all time that is unnecessary.

And so I am going to encourage you, as this next Congress gets going, we are going to look at NEPA reviews.

And you said something that I totally agree with. We are not cutting corners. We are going to keep the same environmental standards, same labor standards on these projects. We care about the environment, too.

And so I think you all can have a strong voice in those reviews. So please be present, and we may ask you to be a witness and such.

And I will go to the mining issue for just one moment. It takes on average 29 years to open a mine in the United States of America. Canada and Australia and others, 2 to 3 years.

Come on, we can do better than that. And I ask for your professional voices during that time.

You also talked about prosecutions and arrests. So being a former law enforcement officer, that is one of the things that frustrated me the most, and it still frustrates the American law enforcement community.

You could have your railroad police arrest these organized criminals and they get a slap on the hand, even if that. And they are

out the next night doing the same thing to your railcars, stealing the products off there. And so if we don't have prosecutions, it is going to continue and continue and continue.

I hope and I trust that this new administration, they are going to crack down on rail thefts, because it is getting big and you all know that. I mean, you are adding more railroad police, et cetera.

But I want to stand with you on the prosecutions, because when we don't prosecute that, guess who pays more for the end product? We, the American people. And so I am absolutely with you on that.

I want to say something that I think is really important.

So I came from the county government in St. Louis County in northern Minnesota. So when we had issues with railroad crossing or safety, the community and the rail professionals always were there to help us out, to make sure that that crossing was the safest it can be.

I want to just tell you that I understand safety is your first, second, and third priority, not only for the public, but for the passengers, et cetera. So I have been on this committee since day one and we are all almost on the same page. And when we do that, we can move mountains.

And I think that as we continue in this Congress, let's have that discussion, because I think rail is a huge part of our mode of transportation, amongst others. I mean, we have room for the aviation community, certainly aviation. We have room for using our ships and ports, et cetera. Certainly we can do that.

I would be remiss if I didn't say that Duluth, Minnesota, has the most inland port in the country.

With that being said, so we also, when we look at passenger safety, crew safety, et cetera, we are also, I think, where we can up it a little bit is training for our first responders across the Nation. Because if there is an incident, it is oftentimes in the rural communities where those first responders are the first ones there.

We have to really get really good at notifying and preparing and training for our rural first responders, and that includes our Native American communities, because we are going through a lot of Tribal lands too. We need to make sure that we prepare them so that in case there is an incident, that we are well prepared and that we can reduce the harm.

And so I, for a legislator like me, I am looking for all of you for that expertise, advice, so when we talk about rail safety, when we need to put legislation, that you are at the table.

I really appreciate the expertise in this panel, and thank you for your time for coming this afternoon.

And, Mr. Chair, I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Ryan, you are recognized for 5 minutes.

Mr. RYAN. Thank you, Mr. Chairman. I am excited to join this subcommittee for the first time.

And thank you to the ranking member as well.

Thank you to our witnesses for now many hours of your time this morning.

I proudly represent the Hudson Valley region, which is north of New York City, a significant amount of railroad traffic, both of

freight and passenger, including 123 miles of CSX-run freight on the west side of the Hudson River.

Many areas and crossings specifically in my district, as has been discussed, desperately need safety enhancements and investment and redesigns, from traffic signal upgrades to prevent congestion backups, roadway redesigns, and enhanced warning systems, even basic signage, which we are lacking at many of these crossings.

For example, the town of Saugerties in my district, which is an entirely ungated crossing, lacks any warning lights. And in 2017, a constituent, riding in a taxi, was killed when her taxi driver missed a stop sign and drove right into the path of an oncoming train. A simple fix like warning signage would have helped avoid this tragic incident.

CSX operates, as I said, trains throughout many densely populated urban areas in my district, including the city of Kingston, my hometown, which has 35, on average, freight trains a day running through the heart of a pretty busy city, carrying a lot of things, but including waste, petroleum, industrial chemicals, and other potentially harmful substances.

We greatly appreciate the role CSX plays in our economy, as has been discussed here, but it has been a repeated point of challenge—I was also in county government, like my colleague said—to get cooperation from CSX to really work with us on that.

So I will continue to focus on that. In fact, in the town of Ulster last year a constituent of mine was struck and killed by a CSX train due to a lack of any pedestrian crossing signage.

So I want to work in good faith, in a bipartisan way, to figure out how to address things like this.

In an encouraging sign, and you mentioned this in your testimony, Mr. Jefferies, your written testimony, the city of Port Jervis, also in my district, just received one of the Railroad Crossing Elimination, RCE, Grants thanks to funding from the bipartisan infrastructure legislation.

This was another very problematic intersection where a few years ago someone was struck and killed, and this funding will be a game changer to help address that.

So my first question is to you, Mr. Jefferies, just to ask on that point of the RCE grants and other similar grants. Can you talk about the value of that? And I would ask your help to work at a local, tactical level in a constructive way to speed up all of these.

Mr. JEFFERIES. Absolutely. Thank you for the question.

So pedestrian and motor vehicle accidents at crossings are the toughest safety challenge we continue to face. We have seen dramatic decreases in every other type of accident. And so that starts, first of all, with every opportunity eliminating the crossing.

And so with the grant you referred to, that is huge. And while we wish we had endless sources of funds to separate all high-impact crossings, that the reality is we don't.

And so, secondary, we have got to have the best safety equipment there, warning devices, through the Section 130 Program. Driver education, public education through partners such as Operation Lifesaver, who, if you haven't done any work with them, would certainly love to get you involved with that. Making the pub-

lic aware when you see tracks, think trains. It is a commonsense statement, but not something that is always reality.

And I would love to work with you and your office to continue, one, to prioritize the two programs I mentioned, and, two, look for ways to further educate the public and get that out there, because it is an immensely avoidable tragedy that happens too often and something that we are invested in making further progress on.

Mr. RYAN. I appreciate that. And I think as we enter this new administration and the new moment we are in, I think it is very important to note grants like the RCE grants and other lifesaving funding in the Bipartisan Infrastructure Law should not be politicized.

And I hope—and many of you said this in both your spoken testimony and written—that we can at least agree that maintaining, if not bolstering funding to those programs benefits everyone, including the industry, so that they are not having to invest fully on their own in that regard.

I am an Irish Catholic. I am going to do the best with your name, sir. I know. I apologize. Mr. Daloisio.

Mr. DALOISIO. No, that was pretty good.

Mr. RYAN. All right, all right. I apologize.

In terms of your membership and yourself and your experience, what are the challenges that you all have faced in actually installing and driving through projects? Say we have funding, how do we drive through—oh, I am sorry, I apologize. I got too excited.

I am going to have to yield back, and would love to follow up with all of you on followup questions.

Mr. DALOISIO. I appreciate that, and please feel free. Afterwards I will give you my information. I am happy to talk to you. We are actually neighbors. I live in northern New Jersey, so I am not far from you.

Mr. RYAN. I am sorry to hear you are from New Jersey.

Mr. DALOISIO. Yes, I know.

Mr. RYAN. Thank you.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Mann, you are recognized.

Mr. MANN. Thank you, Mr. Chairman.

A lot different from New Jersey, I am from Kansas. But New Jersey, Kansas, California all rely on rail. And I appreciate you all and what you do.

In my State, we have 4,600 miles of rail track. It runs the gamut. My district is the western two-thirds of Kansas, except for the counties around Wichita. And so we need good rail networks, Class I's and short line, to get our ag products out of fields, out of packing plants, and to the mouths that are going to feed them. So I appreciate you all and what you do.

As you all know, this committee is beginning to work on the next surface transportation reauthorization, which is a big thing that we are going to focus on this year.

A pretty high-level question, but for you, Mr. Jefferies. Can you highlight the areas that you think we should be targeting for improvements to ensure that goods, people, or ag products are moved safe and in an efficient manner? How would you like—there are

going to be limited resources, but in your view, how should we be targeting those funds?

Mr. JEFFERIES. So I would say there are a few different things. One is maintaining these grant programs that do have such strong bipartisan support in allowing our public partners and our short lines to receive those funds on a merit-based basis to invest to create and expand capacity to serve customers like all the good folks in your community.

Two, I would say you can make those programs run better, either by Congress or the administration, by getting dollars out the door more quickly. We talked about delays. By permitting reforms, allowing projects and money to be put to work more quickly.

And then, on the operational side, creating a more outcomes-based regulatory environment. And I know there are differing views on this, but I think there is a lot of common ground about how do we achieve the best safety outcome in a way that allows for innovation, frees up the network, allows goods to continue to move, takes people out of risky situations.

And at the end of the day, promoting American competitiveness in a way that encourages investment, encourages goods to move, encourages products to move out of your State to other States and to other countries, at the end of the day.

So we are not looking for funds primarily, but the Highway Trust Fund sure is, and that needs to be fixed in a dramatic way.

Mr. MANN. That is right. Yes. Our whole transportation network, as we know it, is interconnected, which is important to this committee.

Next question is for you, Mr. Baker.

Kansas is served by 14 short line and regional railroads. We have 2,000 miles of track. Short lines play a vital role in the network.

In your opinion, what are the biggest barriers that our short line operators are facing right now?

Mr. BAKER. The biggest barrier short lines face is a lack of funds. And it goes back to the origin story. The reason there are so many short line railroads in Kansas is, if you go back a couple of generations, those were the unprofitable, unloved, kind of marginal branch lines of larger railroads.

Luckily, rather than being abandoned, they got sold to short lines. And those folks are hustling, scrapping, knocking on every door, working every day to try to keep those railroads in existence and let them survive and thrive.

And it is largely working, but we need help. We are not, like the Class I's, totally self-sufficient. We are not too proud to say we do need Congress' help. Blessedly, Congress has long been very supportive of short lines, particularly folks from Kansas. Now-Senator Moran has been a longtime, very aggressive supporter of short lines, and you have been, too.

The CRISI Program, again, is the single most important program under this committee's jurisdiction that really matters to short lines. The Nebraska, Kansas, and Colorado Railway, the South Kansas and Oklahoma Railroad, they have both benefited from CRISI grants and short lines. And there is more to come, as long as we can keep that program going.



Mr. MANN. Yes, which is incredibly important to support because when short lines don't function well, we can't get our ag products to the mouths that feed it. And it is going to cause food inflation because you can't move these fields. You can move the products if they grow and that matters.

I think about our family's farm 130 years ago. If you go back on the abstracts, our homeplace used to be owned by the railroad, that the Federal Government gave it to the railroad.

We and many other people settling Kansas purchased that, and that is what the railroad used to continue to fund, building more track. And so literally, the railroads were instrumental in us building western Kansas, building the Midwest, really the western part of this country. So we need to keep supporting you guys.

Thanks for being here. I appreciate we are having this hearing. And I yield back the balance of my time. Thanks.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mrs. Sykes, you are recognized for 5 minutes.

Mrs. SYKES. Thank you, Mr. Chair. And thank you, as well as the ranking member, for holding this hearing today, kicking us off for this rail subcommittee hearing.

As you all know, on February 3, 2023, a Norfolk Southern train carrying hazardous materials derailed in East Palestine, Ohio. To prevent a potential explosion, a controlled burn was also ignited, spewing these chemicals into the air and sparking health concerns for Ohioans and Pennsylvanians alike.

What occurred in the 2 years following, no one should have had to deal with the horror and the fallout of such a disastrous derailment, which has impacted this community and continues to impact this community.

So one of the things that I did after being a Member of Congress for less than a month was introduce a bill with my colleagues, a bipartisan bill from Democrats and Republicans in Ohio, the RAIL Act, which was a piece of legislation to address the needs of the community.

And we heard from folks in East Palestine, Ohio, we heard from labor unions, we heard from stakeholders. And we put this bill together, hoping that we could address the issue of rail safety.

And one of those provisions specifically came from our Governor, Mike DeWine, which was around the temperature threshold requirements for safety placards, because what we found in the subsequent report was the first responders went looking for the placards, but they had melted, and they had no idea what they were dealing with.

And I bring that up because the work that many of us have done, you heard from my colleague from Pennsylvania, our colleague from Texas, who have been trying to figure out a solution to this issue, yet we have no solution to this issue. And people in East Palestine are still wondering why Congress refused to act.

We heard a lot of criticism of the former President not showing up. The current President did show up. We still have no legislation that addresses the needs of the people, not only in East Palestine, Ohio, but all across the country who have been subjected to train derailments and had their lives turned upside down.

And I will briefly share a story, because I was speaking to a law school class earlier this week and they were asking me about the RAIL Act. And one of the students asked, "Well, with the fact that we now have a Vice President Vance who was the co-lead for the Railway Safety Act, do you think that we will see train safety in the future?"

And my response was no. And they waited for me to say something else. But my response was no, because after ruining these people's lives in East Palestine and constantly begging for hearings, having two or three or four or five different versions of the bill trying to find a solution that would ultimately address the needs of everyone, we still have nothing.

And as my colleague from Pennsylvania said, I find that to be wholly unacceptable. It is unacceptable to have not done anything for the people of East Palestine, Ohio, and all across this country who are concerned.

And so I was going to ask you, Mr. Jefferies, what could we do? What would you be okay with? But my colleague had already asked and you have answered the question, so now I know.

But I am going to ask Mr. Cassity, what are some of the things that you would suggest that we could do?

Because at this point, I just want you all to be on the record as expressing solutions that we can hear, that we can put to paper, and then we can implement and keep our community safe.

MR. CASSITY. Sure. Thank you for the question, Congresswoman.

East Palestine brought to light a lot of failures within the system of railroading, and defect detectors are kind of at the center point of that. And the purpose of the defect detector, it is a wayside detector. It lets you know if there are defects in the cars or the train, if there are trending indicators, to give a heads-up that something might be going wrong.

Now, like in a car when you have wheel bearings, if those bearings start to seize, the temperature, obviously you have metal on metal, friction takes place, and you have temperature that rises.

Historically, at least from when I hired on in 2005, these defect detectors gave you audible warnings. When you hit one or when you started to go over one, it gave you an introduction—CSX milepost, blah, blah, blah, defect detector—just to let you know it is on. And then as you went over, if there is a defect, it would sound an audible alarm, and then it would give you a closing announcement saying: CSX defect or milepost, blah, blah, blah, this is what the issues are.

Somewhere along the way we lost the priority of those communications. And defect detectors started turning off the entrance alarm, so you didn't know if they were working or they weren't working.

And then somewhere else along the way and the next step in the transition is that railroaders decided that they didn't want to give the operating crew that information about the defects, that they were better suited to determine whether there was a defect, it should be appropriate, it should be reported, or not.

And then we get into the temperature thresholds like you addressed. There should be a standard on those thresholds. There

should be a point at where we need to say: Hey, look, you have got to be notified of it.

But to Congressman Moulton's point earlier too, there is no reason we shouldn't be in a place where technology doesn't exist that is providing real-time information to the crew in the cab of the locomotive because that is who needs that information. We are not going to keep operating a train when we know there is a problem behind us.

Now, we are the ones that are responsible for its operation. We are the ones whose lives are at stake. And we are the ones that want to make sure that we get the job done the way we are supposed to.

If there is any one thing in East Palestine that we can fix, it is making sure that the defect detectors are communicating, that they are relaying the information to the crew, to the people that have to have it in real time, and getting those things done. But the Rail Safety Act, the Rail Safety Enhancement Act, did approach a lot of those issues.

Mrs. SYKES. Thank you, Mr. Speaker.

I know we are out of time, but I am on this committee to make sure that we figure out these solutions and implement them. And I look forward to working with everyone in order to do that.

Thank you for letting us go over, Mr. Chair. I yield back.

Mr. WEBSTER OF FLORIDA. The gentlelady yields back.

Mr. Burchett, you are recognized.

Mr. BURCHETT. Thank you, Mr. Chairman, Speaker.

Mr. Jefferies, what priorities or revisions would you like to see in the surface transportation reauthorization legislation?

Mr. JEFFERIES. To name a few, fix the Highway Trust Fund. Our competitors have gotten and are on pace to get over \$300 billion in public subsidy for the infrastructure they operate over—

Mr. BURCHETT [interrupting]. How would you suggest we fix it?

Mr. JEFFERIES. The VMT with the weight variance on it. Their initial pilot program is out there. It is very eminently doable right now and it is the most equitable way to do it.

Two, no truck size and weight increases.

Three, maintain multimodal competitive grant programs for our public partners and our short line colleagues.

Four, create an outcomes-, regulation-based paradigm that focuses on safety outcomes versus inputs, to name a few.

Mr. BURCHETT. All right.

Mr. JEFFERIES. Permitting reforms, sensible permitting reform.

Mr. BURCHETT. Sir, we are Government, we are not in the business of fixing things. We are in the business of making it worse.

Mr. JEFFERIES. Well, you asked.

Mr. BURCHETT. But I appreciate that. We will work on that.

The Highway Trust Fund, tell me how it impacts the rail industry.

Mr. JEFFERIES. As I mentioned, freight railroads, Class I railroads, we pay for almost 100 percent of our own funding of our infrastructure to the tune of, when you account for inflation, \$1.1 trillion of private funding since 1980.

And we compete strongly against our trucking partners. They are partners, they are also competitors, and they operate over a public

highway system that is woefully underfunded by the user fee structure, and all that leads to is a competitive imbalance.

Look, I have heard the ATA advocate for paying more into the system. I have heard countless stakeholders advocate for paying more into the system. We haven't had a change since 1993. Think about how much inflation has occurred and how much less the dollar is worth now.

Mr. BURCHETT. I hear it every day, every day.

I had a question about new technologies, but I believe Mr. Cassity addressed some of those with the bearing indicators. I have packed a few of those Timken bearings in my life, big and small. It is something everybody ought to do at some point.

Have the Federal regulations slowed the implementation of these technologies, Mr. Jefferies? A simple yes or no.

Mr. JEFFERIES. Yes.

Mr. BURCHETT. Thank you.

Mr. Baker, how has the short line rail industry utilized the Consolidated Rail Infrastructure and Safety Improvements grants?

Mr. BAKER. Yes, sir. CRISI allows us to do projects that we just simply couldn't afford.

Mr. BURCHETT. And what is your biggest barrier for that, with that?

Mr. BAKER. The biggest challenge going forward is: Will CRISI continue to exist? Because the need exists. And so we need to make sure in the next surface reauth bill that the program continues with advance appropriations.

Once the grant has been given, the biggest barrier is just how slow it is to get from—the award date is incredibly exciting and everyone is happy and there is a press release and a press conference, and then the next couple of years is sort of a painful slog of getting it—actually getting money in the ground and ties and rail. And it just really doesn't need to be that slow.

Mr. BURCHETT. Okay. And that is how you think we should improve that, is to make it faster?

Mr. BAKER. Yes, sir.

Mr. BURCHETT. All right. Don't call me sir, it is just Tim. You will get nowhere showing me any respect in Washington, sir, I can assure you.

Mr. BAKER. Noted.

Mr. BURCHETT. Thank you.

Let me ask you one more question, Mr. Baker. You have been very helpful.

Has the bureaucratic redtape interfered with short lines' ability to build? And how can Congress remove those barriers? I don't need the lawyer answer, I need the "me and you sitting here talking" answer.

Mr. BAKER. The answer is yes, the redtape has slowed the process of building. And there are simple things—and I am not even a lawyer, so I won't give the lawyer answer. But—

Mr. BURCHETT [interrupting]. You work for a living, you choose not to steal, is what you are telling me.

Mr. BAKER. Things such as permit by rule, where if it is obviously—

Mr. BURCHETT [interposing]. Yes.

Mr. BAKER [continuing]. A rehabilitation in an existing right-of-way. The answer is obvious. There is going to be no significant environmental impact. It is going to get a categorical exclusion. There is no reason that process needs to take months or years. That should be essentially instantaneous.

Mr. BURCHETT. All right.

Mr. BAKER. Also pre-award authority. Let us spend our own money at risk and then we can get the project going. And then, if you want to spend a few months arguing over paperwork, it is not as painful, because at least we are making progress.

Mr. BURCHETT. Would either of you two gentlemen like to add anything to that in the next 12 seconds?

Mr. DALOISIO. I would just like to add that I agree. I spoke a little bit earlier about sometimes the process is like as a contractor we want to give our partners those budget prices. Sometimes years later they get the funding, and now that budget price we gave 3 years ago, really it doesn't pay for the project anymore. So we have to go for change orders and things of that nature. So the timing really is an important thing.

Mr. BURCHETT. Thank you, Mr. Chairman. I yield back.

Mr. Chairman, I would like to say for the record that I have an intern with me named Emma Grace from Nashville, Tennessee, and she is wonderful. We hear a lot of bad things about what is going on with our young people in this country, and around a young person like that it makes me feel a whole lot better about where our country is headed.

Thank you, Mr. Chairman.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Ms. Friedman, you are recognized for 5 minutes.

Ms. FRIEDMAN. Thank you, Mr. Chair.

We have heard a lot about the importance of rail investments on farms and on freight, and that is wonderful and true. And we have also heard about the need to find ways of really funding our rail infrastructure, both for safety and for economic development. And I want to bring up another facet of this that is very important to my district, which is housing.

I represent Los Angeles. As you know, we have been devastated by recent wildfires that have left maybe 12,000 people or more homeless. That is running straight into an existing housing crisis in Los Angeles that already had tens of thousands of people homeless in our community and many others facing severe overcrowding and thousands of people who can't afford their rent because of the housing shortage driving up the price of rent.

To me, it has been obvious for many years working on transportation issues that we are not going to solve our housing crisis in Los Angeles or many parts of our country without figuring out mobility. Because the first thing that neighbors always say when anyone wants to add new housing in Los Angeles and in many parts of the country is that they are concerned about the impact on parking and traffic congestion, which makes sense because we don't always give people other options for good mobility.

And that means that for us to fix housing we have to fix transit and better invest in transit. And rail, of course, plays a huge role in that, in getting people to and from work, which sometimes in

Los Angeles can mean traveling many miles because people are priced out or are working in areas where they can't find housing.

So that is the lens that I am looking at transportation investments through, that it is not just about moving freight, it is not just about moving maybe from region to region, but also solving our housing crisis, which makes it even more important.

Now, the FTA's Pilot Program for Transit-Oriented Development, or TOD, Planning, helps to create communities that are walkable and bikeable and more connected, and the Bipartisan Infrastructure Law provided a 38-percent increase for TOD programs.

But transportation costs are still one of the highest consumer costs that we see. And in 2023, L.A. area households spent 16 percent of their budget on average on transportation, totaling almost \$15,000 a year.

And for people who are transit dependent, people who can't afford a car or for a variety of reasons can't have a car, we actually give them a pretty miserable experience because we don't invest enough in transit, partially because our formulas from the Federal Government don't reflect the real need.

So I am wondering—and I guess I am going to direct this to Mr. Cassity but it really can be any of you—how can the Federal Government be a better partner? I know that, of course, funding is a part of it. But I am looking for ways to help support rail, rail expansion, upgrading rail, faster headways.

And so is there something I should be looking at, certain programs that I should be fighting for, or policy changes that I can help push forward to help with transit in Los Angeles and across the country?

MR. CASSITY. Sure. Thank you for the question, Congresswoman. I wish I was better equipped to really speak to this and the funding nature of it.

What I will say, one, I want it to be understood that labor is fully on board with helping to rebuild the L.A. community. And anything that we can do to encourage the growth or new introduction of transit and rail, we are 100 percent on board.

The one critique I would offer about Government and its role and how we do that is just having an open communication and an honest conversation about what we can do to make things better, especially in the rail space.

Safety for us is not a partisan issue. It should not be "us versus them." It is simply one of those things that we must accept and we must drive towards.

Improving communities is one of those things that we have got to be talking about real-world solutions that are doable and then not worrying about what party might do what. We have just got to get down to the fact that, hey, we need to do what is right for the American public. We need to do what is right, make sure they have the opportunity to get to work.

And I know this effect all too well. I will be really honest here. I lived in the Huntington, West Virginia, area for the last 15 years. When I was elected to this position and moved here, never was I smacked so hard in the face about the difficulties of transportation than living in Washington, DC.

And I understand the realities and the challenges. So I can't necessarily recommend the fundamentals. But what I can tell you is that Congress has got to step in. You have got to figure out how to work together and just realize this is something we need desperately, to make sure we get it done and then let it roll. And we are fully on board to make sure we get over the finish line with that.

Mr. JEFFERIES. I would just add—well, first and foremost, my condolences to the entire L.A. community. I have family who has lost a home, friends, no doubt you do as well, and an absolute tragedy.

I think a lot of it comes down to southern California is another one of those parts of the country that has so many different governments. And we talked about a program earlier in Chicago called the CREATE Program, where the city, county, State, freight rail, passenger rail, commuter rail have all worked together to talk about investments to be made to free up capacity to create more service.

And I think there was a real opportunity there to coordinate and identify shared priorities that will have the biggest impact for the whole community versus community by community.

And so I would encourage you to take a look at that program and how we might be able to work to be part of that sort of establishment moving down the road.

Mr. BAKER. I would also note we have talked about the Highway Trust Fund a few times. And Ian and I tend to approach that from the concept of freight and freight rail competing against trucks. But I think our transit friends would have a similar vantage point on rail transit or even bus transit versus roads.

And the reality is L.A. is very different than perhaps a rural area. In a rural area perhaps the money is best used to expand the county road. But in L.A., New York, Chicago you cannot build your way out of traffic congestion by more roads. It doesn't work. You need to invest more in rail transit.

Ms. FRIEDMAN. Thank you so much. I yield.

Mr. WEBSTER OF FLORIDA. The gentlelady yields back.

Mr. Taylor, you are recognized for 5 minutes.

Mr. TAYLOR. Thank you, Chairman Webster and Ranking Member Titus, for holding this meeting.

And thank you, witnesses, for being here with us today. I appreciate it very much.

As it stands, Ohio has 44 operating railroads and over 5,000 miles of track, making Ohio the third largest rail infrastructure State in the Nation. Manufacturing, steel, agriculture, and international trade all depend on railways to connect Ohio products with national and global markets.

As one of two Ohioans serving on the Transportation and Infrastructure rail subcommittee, ensuring rail safety after the incident in East Palestine is one of my top priorities.

Mr. Daloisio, in your testimony you mentioned how railroads across the country following East Palestine created and implemented new safety measures to ensure derailments like this didn't occur again.

Can you go into further detail about specific safety measures that the National Railroad Construction and Maintenance Association has taken to this point?

Mr. DALOISIO. Thank you, Congressman.

So our association of contractors and engineers and suppliers, they are constantly looking at new technologies, like these hot box detectors, like signaling information, data processing things.

Our contractors are constantly looking at safer and better and more efficient ways to fix the tracks and also to work with the railroad, the operating railroads.

I mean, our association, we started, we have a robust safety committee which talks constantly about safer railroads, safer way to do things, safer procedures.

While we don't get into the actual operations of the trains, our contractor members help our Class I and our short line partners in making things safer.

So when it's insulation [inaudible] detectors or whatever new technology comes out there, we are definitely on board to try to help them and support them and be a sounding board for them to try to advance some of these technologies.

Mr. TAYLOR. Thank you.

Mr. Jefferies, we have heard conflicting statements over the course of today about derailment statistics over the last 3 years.

Would you mind sharing some of the underpinnings of your testimony earlier that the rate of derailments is going down over the last few years?

Mr. JEFFERIES. Sure. I would be glad to. And just to add on to my colleague's comments, freight rail has taken a number of steps as well. Increased the number of wayside detection, whether it is hot box, whether it is acoustic bearing, whether it is machine inspection portals, whether it is reducing absolute threshold on bearing increases, whether it is establishing new trending algorithms for troubling trends and increasing temperatures on bearings, or whether it is making sure first responders have real-time information; 2.3 million first responders now have access to our real-time app.

Shifting to the safety numbers. So we saw in 2023 the employee injury rate was at the industry's all-time low. We are a 200-year-old industry. All-time low. Final 2024 numbers haven't come in yet. We are neck and neck with that, slightly below, but that is through 10 months. So hopefully the last 2 months of the year will bear that out. Of course, any number above zero, we have got a lot more work to do.

On the derailment rate, rate is the key measure, rate. In 2023, the rate was 3.46 incidents per million train-miles. So far in 2024, the number is 2.77 per million train-miles. Again, that is above zero. That is not acceptable. We have got a lot more work to do.

But the vast majority of those incidents occur within the yard or on industry track, not on the mainline, the mainline being the interstate highway of the rail network.

That does not diminish those incidents. They can absolutely result in tragedy, and do. And so we have got to minimize those in-yard incidents. We have seen a significant downtick there. Those



incidents also largely include a wheel coming off a rail during the switch. So we cannot equate all derailments.

Mr. TAYLOR. Thank you for that.

Many short line railroads across Ohio and the United States operate on decades-old or century-old existing infrastructure. I support investing in infrastructure, but we also have to be mindful of the deficit.

Consolidated Rail Infrastructure and Safety Improvements—or CRISI—grant programs seem to be transformative in repairing outdated infrastructure without wasting taxpayer dollars.

What is the biggest barrier for short line operators when they consider or apply for a CRISI grant at this time?

Mr. BAKER. Right. Well, I appreciate the underpinning of the question. Short lines, we take a lot of pride in the fact they are very, very lean, there is almost no bureaucracy. If a short line gets \$10, \$12, even \$5 million from the FRA in a CRISI grant, that money goes right into the track. There is not a big engineering study, there are not layers of management to process it through. So we feel very happy that we can deliver Government a good bang for the buck.

The delays, from announcement to obligation, that is really the biggest hurdle to overcome, and then, of course, just making sure that the program continues to exist, because we have a lot more to go in Ohio. We have made great progress, but there is a lot more to do.

Mr. TAYLOR. Thank you again, Chairman. I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

Mr. Nadler, you are recognized for 5 minutes.

Mr. NADLER. Thank you.

Let me start by thanking Chairman Webster and Ranking Member Titus for holding this hearing and the witnesses for appearing.

Before I go into my questions, I want to express my concern again about President Trump's hastily and poorly drafted Executive order that froze a substantial portion of critical Bipartisan Infrastructure Law funding. Despite the White House drafting memos and OMB trying to clarify, States are still being told that their approved funding for bridges and highways is on pause.

I remain concerned that the White House triggered an entirely avoidable crisis, and I urge the White House to finally clean up this mess.

Mr. Jefferies, your testimony underscored the many advantages of rail freight compared to trucking, particularly in terms of safety, efficiency, and infrastructure sustainability. Studies suggest that increasing truck size and weight limits could divert as much as 20 percent of freight from rail to roads.

Could you elaborate on the potential consequences of such a shift for the communities we serve, including the strain on the Nation's road and bridge infrastructure?

Mr. JEFFERIES. Thank you for the question. Welcome back to the committee. And thank you for your longstanding championship of this issue.

The impact would be immense, to put it lightly. We already have a Highway Trust Fund that is underfunded by hundreds of billions of dollars. We have long since abandoned the user pays fee. Our

trucking partners operate over infrastructure of which most estimates say they pay, max, 60 percent to cover the cost of the infrastructure damage.

Increasing truck weights would only exacerbate infrastructure damage, exacerbate congestion. That is more trucks moving up and down the I-95 corridor, the I-81 corridor, which every time I am on it, I feel like I am the only car driving on it. Increase emissions.

It is not good for customers, consumers, communities. It is not good for, frankly, society.

And at the end of day, from my perspective—and, oh, by the way, I know we have had our differences today, but this is an issue I guarantee you every single one of us sees eye to eye on and supports. So at least there are a few things out there.

But from my perspective, look, we are just looking for a level playing field here. We pay for our infrastructure and we expect our competitors to pay for their infrastructure and then let the chips fall where they may.

But when you are subsidizing infrastructure to the tune of hundreds of billions of dollars, that just flips the scale on its side and pushes freight where it is going to go to the cheapest level, which is going to be the highways if it is allowed to increase weights at, in addition to that level of subsidy.

Mr. NADLER. Does everybody on the panel in fact agree with Mr. Jefferies on this?

Mr. BAKER. I do, for sure.

I would also note there is a huge safety concern, which you all have pointed out. There are 40,000 people dead last year on the Interstate Highway System. We are used to that as a country because it happens every year, for decades, but that is a horrifying number. And the fact that anybody could look at that scenario and say what we ought to do is add bigger and heavier and more trucks to that, I just don't think that makes a lot of sense.

Mr. NADLER. Thank you.

Mr. Jefferies, your testimony also mentioned the disparity in funding between rail and trucking. What policy changes could Congress implement to address this imbalance while ensuring a fair and competitive freight transportation market?

Mr. JEFFERIES. Well, first of all, don't make any changes to truck size and weight. And second of all, we have to get ahold of how the highways are funded. It has got to be done by the user.

And I would just say it is not just the folks on this panel that share our concerns. It is truckdrivers. There are a lot of trucking companies. To my knowledge, the ATA is not advocating for this. This is a select group of shippers advocating for this.

And so we believe the citizens don't support it. So we believe the vast majority of this country opposes any sort of change.

Mr. NADLER. Thank you.

Finally, your testimony highlighted the importance of programs like the Infrastructure for Rebuilding America, which I was proud to help create a decade ago, and the Mega Grant Program. These initiatives have been instrumental in addressing critical infrastructure challenges nationwide.

They also represent vital funding opportunities for transformative projects like the Cross-Harbor Freight Tunnel project,

which has the potential to significantly divert freight from trucks to rail, enabling the more efficient movement of millions of tons of goods each year through New York and New Jersey.

Mr. Jefferies, in your view, what steps can Congress take to improve these grant programs to support even more transformative projects, particularly in high-need areas?

Mr. JEFFERIES. I will be quick.

Keep funding them, get the money out quicker, and make sure that distributions and awards are merit based.

And finally, one application, one central application for all these different programs so that folks don't have to reinvent the wheel every time they are applying for funding from a different program.

But fully support.

Mr. NADLER. Thank you. I yield back.

Mr. WEBSTER OF FLORIDA. The gentleman yields back.

And I don't see anybody else who hasn't been recognized. So I thank the witnesses. Thank you for coming, staying until the end, giving us great, direct answers on all kinds of issues.

And with that, the meeting is—yes, go ahead.

Ms. TITUS. Thank you.

I just heard several mentions of cargo theft. We have been working on retail theft, and that is much more than stealing a candy bar now. I suspect there is some overlap between these circles that are involved in this. Maybe we need to put a roundtable together with some of the stakeholders and look at how we can do a concerted effort on this issue.

Mr. JEFFERIES. We would be happy to.

Ms. TITUS. Thank you.

Thank you, Mr. Chairman.

Mr. WEBSTER OF FLORIDA. Now, no one else is asking to be recognized, so the meeting stands adjourned.

[Whereupon, at 12:46 p.m., the subcommittee was adjourned.]



## SUBMISSIONS FOR THE RECORD

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### **Statement of Rob Benedict, Vice President, Petrochemicals and Midstream, American Fuel & Petrochemical Manufacturers, Submitted for the Record by Hon. Daniel Webster**

The American Fuel & Petrochemical Manufacturers (AFPM) is a trade association representing high-tech American refiners and petrochemical manufacturers. AFPM members produce and deliver the fuels and petrochemicals that make modern life possible and enable people and the U.S. economy to thrive.

On behalf of the AFPM, we want to thank you for your leadership ensuring our United States freight rail system remains competitive and operates efficiently, ensuring economic prosperity.

Railroads are an integral part of our nation's infrastructure, and all stakeholders benefit from a healthy, competitive, and dependable freight rail system. The economic contributions and planned growth associated with the refining and petrochemical industries are dependent on the ability to move products and feedstocks reliably and efficiently to, and from, their facilities. Refineries and petrochemical manufacturers rely on a healthy rail network as a vital part of their supply chains and in turn our industry's growth strategy. Annually in the United States, over 2.3 million carloads of our members' feedstocks and products are transported by rail.

We appreciate the attention the subcommittee's hearing brought to important rail issues and railroad's role in a thriving economy. AFPM members were disappointed the witness list failed to include a key stakeholder rail customer and shippers. Rail shippers have important perspectives on the state of the freight rail network and these views were absent from the hearing. With that absence, key perspectives were raised on critical rail service issues, rail competition and rail safety from only the invited witness's perspective, and thus only provided one, unchecked side of the story. AFPM urges the subcommittee to include rail shippers in future hearings to obtain a balanced, comprehensive hearing record.

While AFPM members support many of the points made by the witnesses regarding infrastructure investments, permitting reform, rail inspections and the need for innovation, we would like to provide the following rail shipper perspective on two important topics covered at the hearing.

#### IMPROVING RAIL SAFETY IS A SHARED RESPONSIBILITY

Rail safety is a shared responsibility that includes railroads, rail shippers, emergency responders and the regulatory agencies responsible for oversight. AFPM members prioritize the safety of our people, communities, and products above everything else, and that includes the safety of our products in transit.<sup>1</sup> As rail shippers, we control the tank cars we own and lease up to the point when we hand them over to the railroads. To date, shippers have replaced nearly 110,000 tank cars on the tracks with new or retrofitted cars, substantially reducing the probability of tank car breaches in the event of a derailment.<sup>2</sup>

The primary goal of rail safety policy is to reduce or eliminate the risk of derailments in the first place. To this end, Wayside detectors and telematics are valuable diagnostic tools for the rail industry that can help prevent derailments. Wayside detectors collect information on the health of passing rail cars, transmit that data back to railroad personnel who then can identify rail safety issues and poten-

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<sup>1</sup>See AFPM Blog: Transporting fuels and chemicals by rail: What AFPM members do to keep rail shipments safe.

<sup>2</sup>These massive investments by shippers have resulted in significant rail safety improvements. According to the Association of American Railroads, since 2013 the U.S. flammable liquid fleet has realized a 60 to 80% reduction in Conditional Probability of Release, a common measure of tank car puncture resistance as a result of fleet upgrades. See Tank Car Resource Center—Progress.

tially mitigate issues and prevent derailments. Similarly, rail telematics can provide information on the health and location of tank car assets to the shippers that own them.

Installing more Wayside detectors across freight rail routes that frequently transport hazardous materials would improve the frequency of real-time data transmissions, enhance safety warning systems by helping to identify escalating problems early, enable immediate response measures, and prevent derailments.

Currently, the frequency and placements of wayside detectors is not regulated by the United States Department of Transportation (US DOT). In addition, the protocols related to when a wayside detector reading would require action from a train crew (such as additional inspection, reducing train speed or even stopping a train) are left to rail industry developed standards. More wayside detectors and clear protocols to identify potential dangers would also enhance safety warning systems by helping to identify escalating problems early and hopefully the prevention of rail incidents.

To this end, AFPM supports efforts to establish requirements for the installation, maintenance, and placement of wayside defect detectors. Similarly, AFPM is open to further researching the role telematics can play in improving safety.

#### REDUCED RAIL COMPETITION HAS HARMED RAIL EFFICIENCY

During the hearing the Staggers Act of 1980 was referenced, and it was noted that freight rail transportation has become “cheaper and more efficient.” The rail industry has made significant improvements, particularly in safety, since 1980. From a rail shipper perspective today, the consolidation within the rail industry, particularly over the past 15 years, has decreased competition, led to increased shipper costs, and had negative impacts on the rail network.

Rail shippers, including AFPM member companies, face escalating rates, service challenges, a lack of competitive options, and ineffective means to resolve commercial disputes with railroads. With limited competition, freight rail rates continue to increase whereas railroad costs have remained relatively flat. Approximately 75% of refiners and petrochemical manufacturers are only served by a single railroad (i.e., are captive) and thus have been negatively impacted by the lack of competitive rail service for far too long.

Further, the widespread introduction of Precision Scheduled Railroading—a railroad operational method focused on maximum asset utilization and reduction of operating ratios—exacerbated rail competition issues and has caused a shift in railroads’ focus from serving rail customers to maximizing profits.

To this end, when considering rail policies, AFPM asks Congress to consider reforms that promote greater access to competitive rail services wherever possible, reform the outdated policies of dispute resolution processes and the definition of the common carrier obligation, and equip the surface transportation board with more data to identify rail network issues prior to them becoming an emergency.<sup>3</sup>

AFPM thanks the subcommittee for its time and consideration of all stakeholder viewpoints. AFPM shares Congress’s goal of ensuring the safe and efficient flow of commerce on our nation’s rail system and looks forward to continued collaboration. AFPM and our members appreciate your consideration of perspectives and urge you to include rail shippers in future discussions on freight rail topics.

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#### **Statement of the Wabtec Corporation, Submitted for the Record by Hon. Daniel Webster**

##### INTRODUCTION

Wabtec Corporation submits this statement for the record to the Committee on Transportation and Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials to provide insight into the company’s role in rail technology, innovation, and safety. Wabtec is the leading provider of advanced technologies that improve rail safety and efficiency, building on our 150-year legacy of innovation to design and manufacture the most competitive locomotives, digital technologies that support a safer and more efficient rail network, and rolling stock components for passenger and freight rail fleets.

<sup>3</sup> See AFPM Blog: Freight Rail in America: Can a Market Be ‘Free’ if There’s Almost No Competition?

Wabtec is a rail technology partner that works with a broad range of stakeholders—both private and public—to advance safety, efficiency, and the long-term competitiveness of the freight and passenger rail sectors. As the industry continues to evolve, federal investment in infrastructure and technology remains vital to ensuring the competitiveness of U.S. rail manufacturing and the continued modernization of rail operations. Public-private partnerships, such as the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program and other federal initiatives, provide essential funding that enables rail operators to adopt next-generation technologies, enhance safety, and improve operational performance. Continued support for these programs is critical to Wabtec’s ability to innovate, expand domestic manufacturing, and contribute to a stronger, more resilient rail network and national economy.

#### WABTEC’S LEGACY AND GLOBAL IMPACT

Wabtec’s history is deeply rooted in innovation, dating back to its founding in 1869 by George Westinghouse. The development of the air brake system revolutionized rail safety and efficiency, and the company has maintained its leadership in the industry by continually introducing advanced rail technologies. Today, Wabtec operates in over 50 countries with a workforce of 29,500 employees, including 12,000 in the United States. The company primarily serves the global freight rail and passenger transit industries, including locomotives, braking systems, digital solutions, and propulsion technologies that enhance the performance of rail networks worldwide.

As a global leader, Wabtec’s impact extends beyond manufacturing and technology development. The company plays a key role in advancing rail infrastructure through strategic partnerships, acquisitions, and investment in emerging technologies. Wabtec’s commitment to research and development ensures that the rail industry continues to evolve to meet the needs of modern transportation.

Beyond North America, Wabtec has a significant presence in Europe, Asia, Africa, South America, and Australia. This international footprint enables Wabtec to leverage global best practices and collaborate with rail operators worldwide to drive advancements in transportation systems and rail networks. Despite increasing competition from foreign manufacturers, Wabtec remains a leader in locomotive and transit solutions by investing in proprietary technology and maintaining strong partnerships with international rail authorities. In an era where global rail infrastructure is rapidly evolving, Wabtec continues to provide innovative solutions that keep it at the forefront of the industry.

#### LOCOMOTIVE TECHNOLOGIES

Freight and passenger rail operators across North America rely on Wabtec locomotives to deliver a safe and reliable operation for their customers. Continuing to invest in new and modernized locomotives, along with the development of a portfolio of alternative fuel capabilities to meet a variety of operator needs, will be vital to the continued competitiveness of freight rail relative to other modes.

- *Freight Locomotives:* Wabtec’s Tier 4 locomotives represent the most advanced, fuel-efficient, diesel-electric locomotives available today. These locomotives meet the Environmental Protection Agency’s (EPA) stringent Tier 4 emissions standards, which require a 76% reduction in nitrogen oxide (NOx) and a 70% reduction in particulate matter (PM) emissions, compared to previous generations. With over 1,000 Tier 4 locomotives in operation, Wabtec continues to set the standard for sustainable rail transportation. Railroads adopting these locomotives benefit from improved fuel efficiency, lower maintenance costs, and a reduced environmental footprint.
- *Locomotive Modernization Programs:* Wabtec modernizes aging locomotive fleets to extend their operational life while incorporating the latest efficiency and safety enhancements. These efforts have resulted in up to 30% improvement in fuel efficiency and a more than 50% increase in haulage ability.
- *Hybrid and Alternative Fuel Technologies:* Wabtec is investing in hybrid-electric and alternative fuel technologies to support a range of next-generation propulsion technologies. The development of fuel-agnostic, battery-electric and hydrogen internal combustion engine locomotives represents a significant step toward implementing innovative technology solutions and increasing energy efficiency within the rail sector.

## LEADERSHIP IN POSITIVE TRAIN CONTROL (PTC) AND WAYSIDE SAFETY SYSTEMS

Wabtec is at the forefront of rail safety through its leadership in Positive Train Control implementation. A federal requirement, PTC is designed to prevent train-to-train collisions, over-speed derailments, and unauthorized train movements. Since the passage of the Rail Safety Improvement Act of 2008, Wabtec has deployed PTC solutions on more than 24,000 locomotives across North America, significantly enhancing safety and operational efficiency.

In addition to PTC, Wabtec is a pioneer in the inspection and monitoring of rail assets to improve safety through our KinetiX Inspection Technologies portfolio. These wayside systems evaluate the condition of key railcar components, including wheels, brakes, bearings, and pantographs, delivering a detailed overview of the train's overall health. Integrating machine vision, laser scanning, remote sensing with acoustic and thermal technology, load monitoring, and AI-driven analytics, the technology sets the standard for automating inspection processes, enhancing asset availability and life, significantly reducing operational costs and service disruptions.

## ADVANCEMENTS IN RAIL TECHNOLOGY AND DIGITAL INFRASTRUCTURE

Wabtec is driving innovation in rail technology through the development of digital solutions that enhance visibility, optimize train operations, and enable real-time decision-making. These advancements improve network capacity, reduce congestion, and support precision scheduling, leading to a more efficient and resilient transportation system.

Wabtec's artificial intelligence capabilities facilitate predictive maintenance, minimizing unplanned downtime and improving asset utilization. By integrating AI-driven diagnostics with real-time monitoring, the company helps railroads reduce mechanical failures and increase train reliability. For example, our Railcar Telematics portfolio includes state-of-the-art sensors that turn freight cars into smart connected assets that allow operators and shippers to see the GPS location of freight and better manage the safety and maintenance of the fleet.

Wabtec's Trip Optimizer is a smart cruise control system for trains that is certified by the U.S. EPA to deliver 10% fuel savings. By taking into account the terrain, train make-up, speed restrictions, and operating conditions, it calculates an optimum speed profile and can automatically control the locomotive throttle and dynamic brakes to reduce fuel burn and provide efficient train handling onboard locomotives. The system is installed on over 11,000 locomotives globally and has saved more than 400 million gallons of fuel, cutting carbon emissions by over 500,000 tons annually. Based on the typical price for No. 2 diesel fuel, Wabtec has saved customers hundreds of millions of dollars in fuel expenses.

Similarly, Movement Planner is a real-time planning solution that optimizes train scheduling, improving network throughput while reducing congestion and energy use. By leveraging predictive analytics and AI-enhanced decision-making, Movement Planner enables freight and passenger trains to operate more efficiently within existing infrastructure.

## CRISI GRANTS

The Consolidated Rail Infrastructure and Safety Improvements (CRISI) program is a critical funding mechanism that supports rail safety, efficiency, and infrastructure modernization across the United States. This program plays an essential role in enabling short line and regional railroads to make necessary investments in modern rail technologies, safety enhancements, and operational improvements.

Short line and regional railroads, which provide crucial first- and last-mile connectivity for freight shipments, often lack the financial resources needed to upgrade their aging fleets and infrastructure. CRISI grants bridge this gap by providing the investments necessary to acquire advanced locomotive technologies, implement digital safety solutions, and improve fuel efficiency.

Wabtec has actively supported CRISI grant applications for various railroads, assisting them in securing federal investments for innovative rail technology acquisitions. As a result, rail operators have been able to invest in innovative technology that enhances safety and operational performance. The ability of railroads to access CRISI funding directly impacts their capacity to improve network efficiency and reliability and ensure compliance with evolving safety standards.

Continued investment in the CRISI program is essential for fostering a more resilient and competitive rail network. By supporting smaller railroads in adopting cutting-edge solutions, these investments contribute to the overall strength of the U.S. transportation infrastructure while promoting sustainable rail operations. Wabtec remains committed to collaborating with rail partners and policymakers to



maximize the impact of the CRISI program and advance the future of rail technology.

#### WABTEC'S WORK WITH TRANSIT AGENCIES AND AMTRAK

Funding for passenger rail and transit allows operators to make critical investments in infrastructure and systems that enable safer and more efficient travel throughout the country. Wabtec supplies many of the critical components and systems to deliver safe and reliable service to passengers, such as locomotive maintenance, PTC, dispatching, and components for the fleet like brakes, doors, HVAC, and pantographs. Wabtec offers Amtrak and transit agencies proven technologies that have been deployed in the United States and globally because they deliver a return on investment for funding partners. Wabtec's team members manufacture these technologies and components for passenger rail in several locations across the country, including in South Carolina, upstate New York, and western Pennsylvania.

#### ADVANCING THE FUTURE OF RAIL

Wabtec remains dedicated to delivering innovative transportation solutions that support a safe, efficient, and sustainable rail network. Wabtec looks forward to continued collaboration with Congress, transit agencies, Amtrak, and freight rail operators to drive technological advancements and strengthen rail infrastructure. Ongoing investment in research and development will ensure that the rail industry remains a cornerstone of the U.S. transportation system, driving economic growth through advanced manufacturing, job creation, and the expansion of efficient transportation networks that strengthen supply chains, commerce, and the travel experience.

Wabtec appreciates the opportunity to submit this testimony and looks forward to working with the Committee to support the future of rail transportation in the United States.

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**Action Plan, "An Action Plan for Rail Energy and Emissions Innovation," U.S. Department of Energy, U.S. Department of Transportation, U.S. Environmental Protection Agency, U.S. Department of Labor, and U.S. Department of Housing and Urban Development, December 2024, Submitted for the Record by Hon. Christopher R. Deluzio**

The 158-page action plan is retained in committee files and is available online at [https://www.energy.gov/sites/default/files/2024-12/doe-eere-modal-reports\\_rail-energy-emissions-action-plan.pdf](https://www.energy.gov/sites/default/files/2024-12/doe-eere-modal-reports_rail-energy-emissions-action-plan.pdf)



## APPENDIX

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### QUESTIONS TO IAN JEFFERIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS, FROM HON. TROY E. NEHLS

*Question 1.* You have stated that the railroads will meet the September 2025 move-off date for the legacy 900 MHz network, as agreed upon by the AAR and the FCC. However, to date, the AAR has not communicated to the FCC how the railroads plan to accomplish this transition. Please provide a detailed explanation of how each AAR member railroad is addressing this task, including the specific technologies being implemented.

*ANSWER.* During the 5-year transition period, which encompassed a global pandemic and significant supply chain challenges, the railroad industry has been diligently progressing towards the completion of its 900 MHz transition in a manner consistent with the requirements of the FCC's 2020 Order. AAR members will meet their deadline of removing six legacy channel pairs from its 900 MHz license (WPSF894) on or before September 14, 2025. AAR has conveyed this information to the FCC on multiple occasions, including most recently in a letter submitted to the agency on February 2, 2025.

Exiting the legacy 900 MHz channels has been a significant effort, requiring the clearing of six legacy paired channels from approximately 9,500 radio locations along nearly 140,000 miles of track spread out across the contiguous United States. As of March 10, 2025, the rail industry has cleared over 75% of those 9,500 radio locations, with the remaining facilities on track to be cleared from legacy frequency use on or before the September 14, 2025 deadline.

Railroad expenses for this transition were initially estimated at \$70 million, but total industry costs are expected to exceed \$110 million upon completion. Of this amount, approximately \$41 million will be spent solely on the clearing effort to accommodate the new paired 3 MHz broadband segment over the five-year transition period. Post-transition, additional time, funding, and effort will be required for the development and deployment of next-generation rail-safety applications and technology.

*Question 2.* The agreement between the AAR and the FCC requires a substantial build-out of the A Block of the 900 MHz spectrum by April 2026. To date, to the best of my knowledge, the AAR has not communicated to any stakeholders, including the FCC and this committee, how the railroads intend to meet this requirement. Please provide a detailed description of how each Class I railroad plans to accomplish this build-out, including the intended timelines.

*ANSWER.* The rail industry has used and will continue to use its 900 MHz license to support both legacy and future train safety applications in a manner consistent with its FCC license authorization. How the railroads will continue to utilize their post-transition license will vary by railroad depending on their needs, including:

1. Continued support of legacy operations retuned during the transition effort,
2. Capacity needs of other railroad frequency bands on an interim transition basis, and
3. Future rail-safety applications and deployments.

Currently, the rail industry utilizes its 900 MHz spectrum for centralized train control (CTC), Advanced Train Control Systems (ATCS), communications at interlockings, and remote monitoring, among other critical rail safety applications. The industry continues to evaluate and seeks to develop new technologies to enhance rail safety.

*Question 3.* Moving to the A Block of the 900 MHz spectrum presents a unique opportunity for railroads to enhance both safety and operational efficiency. Please provide a detailed explanation of the specific safety and operational use cases the

railroads aim to address by transitioning operations to the A Block. Additionally, describe the specific technologies and applications that will be implemented to leverage the additional capacity provided by the A Block. How do these technologies and applications integrate with existing railroad operating systems such as Centralized Traffic Control (CTC), Advanced Train Control Management Systems (ATCMS), Positive Train Control (PTC), and others?

*ANSWER.* The railroad industry has made significant time and financial investments in rail safety innovation, exploring new technologies and waveforms to enhance spectral efficiency, address network capacity constraints across its narrowband assets, interconnect or federate application-specific deployments, and support new safety applications. By the end of 2024, AAR had already invested more than \$2 million in testing and adapting the recently developed, open IEEE 802.16t standard to meet the unique operational requirements of the freight rail industry. Further research into the 802.16t protocol is planned for 2025 and 2026 to evaluate its applicability to railroad operations and overall industry needs. However, the railroads' spectrum use is not necessarily tied to—or contingent upon—the railroad industry's potential adoption of specific technology or protocols. As noted in the answer to Question 2, railroads continue to utilize and expand their 900 MHz narrowband channels for critical operations, including centralized train control (CTC), Advanced Train Control Systems (ATCS), communications at interlockings, and remote monitoring, among other critical rail safety applications.

**QUESTIONS TO IAN JEFFERIES, PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASSOCIATION OF AMERICAN RAILROADS, FROM HON. CHRISTOPHER R. DELUZIO**

*Question 1.a.* What investments or actions are the Class 1 railroads planning to take to reduce their air pollution and greenhouse gas emissions?

*Question 1.b.* What investments or actions have the Class 1 railroads made towards electrification and achieving zero emissions?

*ANSWER to 1.a. and 1.b.* Railroads have deployed new technologies, invested in next-generation locomotives, and modernized the existing locomotive fleet all with the aim of reducing emissions. Examples of these efforts include:

- Initiated extensive research and development efforts aimed at developing more environmentally friendly locomotives, including those powered by both batteries and hydrogen;
- Introduced pioneering technologies, such as highly advanced fuel management systems;
- Modernized thousands of locomotives in the existing fleet to improve fuel efficiency and reduce emissions;
- Installed idling-reduction technologies, such as stop-start systems, and expanded the use of distributed power to reduce fuel consumption;
- Introduced zero-emission equipment such as cranes to rail yards; and
- Adopted approved targets with the Science Based Target Initiative.

*Question 2.* Furthermore, how many locomotives do the Class Is currently have in operation and how many meet Tier 4 emissions standards?

*ANSWER.* As of 2023, 6.7% of the Class I locomotive fleet is Tier 4, over 1,700 locomotives in total.