

**REMARKS FOR
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ADMINISTRATOR
FEDERAL RAILROAD ADMINISTRATION
BEFORE THE
CHICAGO UNION LEAGUE CLUB
CHICAGO, IL
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- Thank you, Milt, for having me here tonight.
- As you know, I spent my entire career here in Chicago on the Illinois Central and METRA, at the UTU, and as Mayor of Riverdale-- and it feels good to be home among those I have known for many years.
- I know we share a passion for railroading, and we're all very excited about the development of high-speed rail.
- I'll talk more about the Administration's historic investment in Amtrak and high-speed rail later, but let me first address FRA's main order of business-- safety.
- I come to FRA primarily with a safety background, and while we have so many railroads in the room today, this is a good opportunity to discuss some of the key issues affecting the industry.

- . Overall, I can report that employee-on-duty accidents are down slightly this year, but I wish I could say the same for fatalities, which remain far too high at 13 deaths in the first seven months of 2009.
- . FRA is very concerned about this increase, and we're working with the carriers, labor and the Occupational Safety and Health Administration (OSHA) to bring the number of fatalities down.
- . And, we continue to have concerns about the thoroughness of accident and injury reporting, as well as harassment and intimidation.
- . The worst practices and traditions of the past 100 years have to end. Employees should not feel their job is at risk if they are injured at work.

- FRA continues its efforts to foster a culture of safety in the railroad industry, and as we have said in private meetings with all stakeholders, charges of harassment and intimidation will be fully investigated.
- To that end, OSHA has strengthened its whistleblower protection rules; we are revising our accident reporting regulations, and we have provided added support to protect workers rights to medical assistance without interference.
- Since the train accident rate has remained relatively flat over the past ten years and we have to adopt new approaches to safety if we are to come closer to reaching our goal of zero accidents, injuries and deaths.
- So, we have launched an ambitious Risk Reduction Program to develop innovative methods and

technologies to address the underlying risk factors that result in train accidents and employee injuries.

- The Risk Reduction Program is an FRA-led, industry-wide initiative to reduce accidents and injuries and build strong safety cultures.
- It incorporates precursor or “upstream” predictive data management and confidential “close call” reporting systems to better identify and correct individual, localized and systemic factors that contribute to accidents. It is proactive – rather than reactive – because it focuses on prevention.
- The Rail Safety Improvement Act requires Class 1 and passenger railroads to implement risk reduction programs with three essential elements. They are an overall risk reduction strategy, fatigue management plans and a technology deployment plan.

- Thus, understanding the precursors to actual accidents using effective problem analysis techniques enables adoption of real corrective actions.
- Close Calls are, as the term suggests, incidents that could have resulted in an accident but did not.
- The key element to Close Call Reporting is the ability of an employee to voluntarily and anonymously call a toll free number and report a “close call” incident without fear of retribution or sanction from the railroad or FRA.
- Confidentiality is the keystone to this program’s success, and it’s something we take very seriously.
- The airline and mining industries have had similar programs for years, and it’s time railroad management and labor to get on the same page to

determine the root causes of accidents and injuries in a neutral and anonymous forum.

- Close Call agreements have been signed by labor and Union Pacific for its huge yard in North Platte, Nebraska; Canadian Pacific in Wisconsin; and New Jersey Transit.
- The data gathered will provide an indispensable opportunity to analyze 'close-call' events to correct potential safety problems across the industry.
- The cumulative knowledge gleaned from "close call" reporting is being studied to develop long-term that prevent and minimize their occurrence in the future. Any reports that require immediate action are being handled promptly.
- In addition to Close Call, FRA envisions a wide variety of projects that will come under the umbrella of our Risk Reduction Program. Some examples

include peer observation programs, management development systems, and the Collision Hazard Analysis which are currently in place on some commuter railroads.

- In addition, use of the Track Quality Index for predictive maintenance or capital investment and use of wayside equipment monitors and sensors. In fact, any innovative use of predictive data might be the basis of potential pilot project.
- In the meantime, railroads and employees must work together to develop and strengthen their safety cultures, so that risk-reduction becomes second nature.
- But not all safety improvements will come from Risk Reduction. The Rail Safety Improvement Act of 2008 will help on the regulatory side. Congress has tasked FRA with a very large number of projects

and initiatives, but there are some very welcome changes.

- Foremost among them is reforming the hours of service regulations; the first steps of which took effect nearly two weeks ago. This milestone marks the first time FRA has regulatory authority to apply modern, science-based, fatigue management processes to the railroad industry.
- Now I know this is a little controversial. The fact is that FRA is obligated by federal statute to enforce the new hours of service laws even though they may violate an existing labor agreement.
- We have limited powers to issues waivers, but we are reviewing waiver requests.
- And, the lawsuits will play themselves out in court. But in the meantime, the law will be enforced.

- . The Safety Act limits the number of hours worked and limits limbo time for train crews as well as adding contract signal maintainers to covered service.

- . We recently issued an Interim Statement of Agency Policy and Interpretation to help everyone understand the new law, and as time goes on and fatigue management is better understood, it will make for a safer operating environment.

- . Other provisions of the Safety Act will increase safety for workers, passengers and the public. Some of these include:
 - . Hiring additional FRA safety inspectors; the legislation authorizes 200 employees over five years, subject to appropriations;

 - . Explicitly prohibiting railroads from denying, delaying, or interfering with the medical or

first aid treatment of employees injured on the job and from disciplining workers for requesting such treatment.

- . Enacting regulations on bridge safety;
 - . Establishing conductor certification standards that correspond to those for locomotive engineers;
 - . Conducting studies on track inspection intervals and the use of concrete ties;
 - . Issuing model state laws on sight distance at passively signed highway-rail grade crossings and motorists' violations of grade crossing warning devices.
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- . In addition to the Safety Act, there are several other areas of safety I want to briefly update you on:

- Efforts to implement Positive Train Control technology continue. We just issued a proposed rule for PTC implementation, and we are holding to the 2010 deadline for railroads to submit their plans.
- This is a critical rulemaking for us, and we look forward to the comments we receive through the docket so we can propel this program forward.
- It's important to note that PTC is an eligible expense in the Recovery Act, which will certainly help in its implementation as states and regions develop high-speed rail lines that share track with freight railroads.
- We continue to encourage the use of Electronically Controlled Pneumatic (ECP) brake technology, which is being successfully used, at least preliminarily, by the BNSF Railway and Norfolk Southern. And we're eager to see other railroads

adopt this energy-saving technology on a widespread basis.

- And, we're developing medical fitness for service standards derived from NTSB concerns over sleep disorders and prescription drug use.
- And while safety will continue to be my highest priority, job creation and economic development are vitally important now more than.
- Under the American Recovery and Reinvestment Act, FRA has already given \$1.3 billion to Amtrak for capital investments, and coming soon is an \$8 billion down payment to advance development of high-speed rail networks; for which the president has proposed an additional \$1 billion per year in annual appropriations.
- We are currently reviewing the 278 pre-applications we received two weeks ago from 40 states and the

District of Columbia totaling \$102 billion...more than ten times the amount provided for under the Recovery Act.

- We are working cooperatively and closely with the states in fine-tuning their applications. We expect that final applications, due by August 24, will be based upon strong and sustainable partnerships, backed by sound financial management capabilities, and can be realistically ready to ramp up according to where they are in the development stage. In other words, we only want projects that are likely to be successful.
- The overwhelming response we have received demonstrates the pent up demand for high-speed and intercity passenger rail. It also puts FRA in the spotlight as never before, and we know the pressure is on to get this done right at the outset by selecting the best projects that yield quick and tangible benefits.

- This new focus on FRA is also bringing much needed and deserved attention to the rail transportation sector as a whole. The nation's future passenger rail network will connect people across America, signaling a new chapter in our nation's public transportation system.
- This is a large part of what I call the Rail Renaissance in America, which will more fully integrate the passenger rail network. And our freight rail system—recognized as the best in the world— will achieve even greater interconnectivity, reducing fuel consumption, traffic congestion and air pollution.
- This a historic time, and I know I speak for many when I say how fortunate we are to directly participate in transforming our rail system for generations to come.

- 20 years from now you can tell your children and grandchildren how you played a part in developing high-speed rail in America. It's something we will all be proud of.
- This is also a historic time in the sense that President Obama has taken such a keen interest in creating a rail system that will revolutionize the way we travel in America.
- You all know what past Presidents have tried to do...or maybe I should say didn't do...with Amtrak and commuter rail. In President Obama, we have a leader with the foresight and vision to realize the true potential of passenger rail.
- For the first time, we're going to integrate passenger rail corridors of 100 to 600 miles with the rest of our transportation network -- and bring rail into the 21st century.

- These corridors will be built on a regional basis, so that one day, millions of Americans will have seamless access to airports and transit stations, creating livable cities and inspiring new development.
- Plus, we will continue to upgrade the reliability, frequency and service on existing intercity routes. As I mentioned previously, the first installment for this effort already came in the form of \$1.3 billion in Recovery Act funds to Amtrak for infrastructure repair-- the visible signs of which are already happening at stations and in refurbished rolling stock-- and there will be more to come.
- I ask you to work with us, Congress, the states and all stakeholders to ensure continued funding for these crucially important investments, and that passenger rail is part of the solution for future job creation and economic growth.

- We know American workers have the knowledge, expertise, and wherewithal to help successfully realize this grand vision; and I would be remiss by failing to mention the role of the private sector in achieving it.
- There is a consensus that high-speed and expanded intercity passenger rail must involve the private sector. This may take the form of investment and in all likelihood public-private partnerships. As this overall program advances, this will become clearer.
- Just look at our interstate highway system which has long been the envy of the world. But when it comes to modern high-speed rail – we've had to look elsewhere for success.
- It's time to turn that around and rebalance our entire transportation network.

- It's time to give more Americans more transportation options. And in doing so, reducing highway and airport congestion, saving energy, helping revitalize urban areas and heavy industry.
- I recently accompanied Secretary LaHood on a trip to Europe, where we were impressed and inspired by what we while riding the high-speed TGV rail system in France and the AVE system in Spain.
- Spain opened its first high-speed rail line in 1992-- and now they've got 2,300 miles in operation or planned, stretching from the southern coast up to Barcelona in the northeast. Fully forty percent of the Spanish population now lives within 30 miles of a high-speed rail station.
- Simply by virtue of being on the rail line, cities once off the beaten track have become high-profile destinations spawning economic development.

- . And the Madrid-to-Barcelona spur alone keeps 250,000 tons of CO₂ out of the atmosphere each year. These public benefits are there for all to see.

- . Right now here in the U.S., I know everyone involved with rail wants to know about our selection process, plans, and who will be granted funds.

- . What I can tell you, is that projects will be selected based on merit. And to be successful, they must help achieve the Administration's strategic transportation goals of:
 - Ensuring safe and efficient transportation choices.

 - Building a foundation for economic competitiveness.

 - Promoting energy efficiency and environmental quality.

- Supporting interconnected, livable communities.
- FRA is also committed to ensuring that projects selected yield tangible public and benefits; and that project sponsors take the necessary steps in order to minimize and mitigate risks in order to achieve project success.
- I have to tell you how pleased and gratified we were that more than 1,100 people attended our seven stakeholder outreach workshops.
- Everywhere we went elected officials, representatives of state DOT's, railroad employees, labor unions, urban and regional planners, environmental advocates, consultants and engineering firms shared valuable input on how to make high-speed and intercity rail service a success.

- . Judging by the level of interest and enthusiasm we've witnessed, there is good cause for hope that this unprecedented enterprise will succeed.

- . For our part, we have emphasized the need for :
 - o strong and enduring partnerships between host freight railroads and states, project sponsors and passenger carriers;

 - o strong technical, financial and management oversight capabilities;

 - o political and community support;

 - o and realistic expectations that that will help achieve all of these objectives.

 - o The first point deserves special emphasis because the freight railroads and Amtrak will

most certainly be heavily involved in specific projects and the overall larger efforts.

- . Stakeholders shared their concerns which included the need for:
 - public outreach and education;
 - sustainable state and federal funding;
 - a resolution to liability issues;
 - coordination with freight railroads;
 - national equipment, operations and safety standards;
 - interoperability of Positive Train Control systems;

- and, supporting goals for livable and interconnected communities
- We took that feedback to heart and addressed them in the Interim Guidance we issued roughly six weeks ago.
- I believe the workshops helped clarify our mutual responsibilities, and as we prepared to receive the first applications for the \$8 billion in Recovery Act funds, we must keep in mind that it is just a down payment in achieving our larger, overarching goals.
- And based on the pre-applications we received, we have an exciting challenge before us to pick the very best from a field which will no doubt include many worthwhile proposals.
- That is our charge. And to make this work – and address our transportation challenges – we have to

look beyond our geographic and political boundaries.

- In order to make this work – and address our transportation challenges – we have to look beyond our geographic and political boundaries.
- Here in Chicagoland,,we know how important freight mobility and congestion relief is. In particular, the Chicago Region Environmental and Transportation Efficiency program, more commonly known as CREATE must be addressed.
- It's abundantly clear to anyone familiar with the Chicago region that the undertaking the 50 plus rail connection projects, and 25 grade separations that comprise CREATE is essential to the nation's freight rail system.
- I assure you that the Secretary and I fully appreciate the national significance of this program and are committed to working with all the

stakeholders and Congress to move the program forward.

- Before I conclude my remarks, I want to thank you for inviting me to join you this evening. It is a privilege to appear before you in my new capacity of FRA Administrator.
- I hope you leave here today with a renewed sense of purpose – and an even greater willingness to collaborate with others in fulfillment of improved railroad safety, efficiency and mobility.
- Your involvement in helping shape the nation's future transportation system is both necessary and desired.
- Again, please accept my appreciation for hosting me tonight. It is with great anticipation that I look forward to working with you in the future. Thank you.

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