

# ADVOCACY: FAST Act Reauthorization Priorities

The Railway Supply Institute (RSI) is an international trade association representing more than 200 companies involved in the manufacture of products and services in the railcar, locomotive, maintenance-of-way, communications and signaling and passenger rail industries. RSI connects members to their customers and partners, drives improvements in the industry, assists members in the global marketplace and represents the industry in the regulatory and legislative process. Our members represent more than 100,000 rail supply industry employees located in 46 states and 273 congressional districts. Collectively, railroad suppliers contribute more than \$74 billion annually in economic value across all 50 states and our high-wage manufacturing jobs pay more than 40% above the national average.<sup>1</sup>

## Investment in Infrastructure

New investment in our transportation systems would vastly improve the efficiency and productivity of the nation's rail network. Increased public investments, coupled with policies that incentivize private investments, could relieve major bottlenecks and chokepoints and increase track, tunnel, bridge and station capacity across the passenger and freight rail system. The RSI Government and Public Affairs Committee has identified the following policy issues and recommendations for consideration by Members of the 116th Congress as you craft an infrastructure package and/or reauthorization of the Fixing America's Surface Transportation (FAST) Act.

## Specific Policy Issues and Recommendations:

### 1. High-speed, Intercity, Commuter, and Freight Rail Grants

To ensure that the rail sector can continue to provide good employment opportunities to American workers, RSI strongly supports an infrastructure package that **helps to improve the safety, reliability and productivity of the nation's transportation system**. The federal government should authorize a long-term surface transportation authorization act, with funding from predictable, dedicated and sustainable sources for the Highway Trust Fund (including the Mass Transit Account). This legislation should include increased capital investments in our intercity passenger rail system and with investments designed to improve the efficient movement of freight through public-private partnerships. More specifically, Congress should reauthorize the Consolidated Rail Infrastructure and Safety Improvements Grant Program, the Federal-State Partnership for State of Good Repair Grant Program, and the Restoration and Enhancement Grant Program at no less than Fiscal Year (FY) 2019 funding levels. In addition, there should be specific funding provided for commuter railroads for Positive Train Control (PTC) implementation and ongoing operations and maintenance costs incurred after completing PTC implementation under the Consolidated Rail Infrastructure and Safety Improvements and the Federal-State Partnership for State of Good Repair programs.

<sup>1</sup> *Tracking the Power of Rail Supply, The Economic Impact of Railway Suppliers in the U.S.: 5. September 2018*

Finally, Amtrak reauthorization was included as part of the FAST Act, which improved Amtrak's funding allocation method of capital and operating grants and provided funding that corresponds with Amtrak's main business lines – the Northeast Corridor and the National Network. Continued federal support of Amtrak is essential, particularly for the Northeast Corridor given it is the busiest railroad in North America. Congress should also provide funding to maintain operation of the long-distance passenger train network, which would help ensure that many states and regions are connected to the rail and transportation system to bring it to a state of good repair.

## **2. Digital Infrastructure:**

Digital infrastructure applications should be allowed and even incentivized as part of eligible public investments to provide better reliability, efficiency, and lengthen the life of rail assets. These applications should advance rail and transit automation for both commuter and intercity passenger rail. Today's rolling stock manufacturers offer Internet of Things (IoT) platforms to virtually monitor, analyze and predict rail operations for smarter, safer and more reliable systems. By incentivizing the increased deployment of the "Internet of Trains," commuter and intercity passenger rail operators can bring their operations into the digital era. Public benefits include reduced unplanned downtime, improved operational efficiency, better business planning, improved performance, as well as energy savings. Digitalizing rail operations that receive federal funds is the single best way to maximize the use of public funds granted to localities and take advantage of technologies that have already been widely deployed by America's privately-owned railroads.

## **3. Modal Equity**

The current federal gas tax of 18.4 cents per gallon and 24.4 cents for diesel fuel has not been increased for more than 25 years and is no longer enough to fund the nation's infrastructure needs. As a result, Congress has been forced to use \$143 billion of general taxpayer funds to supplement Highway Trust Fund revenues since 2008 and trucks are estimated to be paying only 80% of the damage they inflict on our nation's roads and bridges. We encourage Congress to restore modal equity while increasing federal investment in infrastructure.

## **4. No Increase in Truck Sizes and Weight**

**RSI opposes any efforts to increase truck sizes and weight on our nation's interstates.** Increasing either the allowable weight or lengths of trucks would divert freight traffic from the railroads to the nation's highways while reducing railroad resources available to invest in maintenance and capacity. This would have negative impacts on freight rail service as well as intercity passenger rail and commuter rail services that depend on freight rail infrastructure. Shifting freight from rail to highway would increase congestion, transportation-related fatalities and injuries, fuel consumption, harmful emissions, and highway maintenance costs, and worsen pavement conditions. It could also jeopardize many of the high-paying jobs that rail suppliers provide across all 50 states.

## 5. Section 130 Railway Highway Crossing Program

RSI encourages continued investment in rail safety by continuing to provide funds for the elimination of hazards at railway-highway crossings. The FAST Act authorized \$305 billion over Fiscal Years 2016 – 2020. The Section 130 Program has been correlated with a significant decrease in fatalities at railway-highway grade crossings and from 1987 through 2014, fatalities at these crossings have decreased by 57 percent. RSI supports the American Association of State Highway and Transportation Officials recommendations that Section 130 funds:

- A.** Increase federal match for Section 130 program to 100% federal share similar to many other highway safety programs.
- B.** Incentive Payment: States and railroads currently may make incentive payments of up to \$7,500 for the permanent closure of railway-highway grade crossings. Although there are funds set aside to help incentivize communities to close grade crossings, the \$7,500 limit is not enough to convince officials to support closing as these projects are substantially more expensive. Congress should increase the limit on incentive payments from \$7,500 to \$100,000 for the closing of a railway-highway grade crossing.
- C.** Eligible Activity: Section 130 funding is not allowed for the replacement of functionally obsolete warning devices. It is imperative to include funds for their replacement because these devices are critical to the safe and efficient operation of railway-highway grade crossings.

## 6. Operation Lifesaver

Operation Lifesaver (OLI) is a nonprofit public safety education and awareness organization dedicated to reducing collisions, fatalities and injuries at railway highway crossings and trespassing on or near railroad tracks. OLI is funded by a combination of federal and private funding. With a nationwide network of volunteers, OLI provides free safety presentations and creates education programs and public awareness campaigns to reach audiences of all ages. In 2017, the organization reached 2.1 million people directly via 21,226 safety presentations, 245 training sessions and 1,821 special events conducted by state programs nationwide in 2017. In addition, 333 CDL drivers and 1,912 school bus drivers were exposed to OLI's online eLearning safety programs during the year. Section 1418, Consolidation of Programs, of FAST Act authorizes not less than \$3.5 million from Highway Safety Improvement Program for fiscal years 2016-2020 distributed among four activities: Operation Lifesaver, Work Zone and Guardrail Safety Training, the National Work Zone Safety Information Clearinghouse, and the Public Road Safety Clearinghouse. RSI recommends reauthorizing OLI.

## 7. Enforcement of Buy America

The Buy America program was created to promote U.S. manufacturing and help the domestic economy by creating jobs for Americans. By design, Buy America laws were written to ensure that public transportation funds are used to create American jobs, constructing and manufacturing our public transportation systems, rail cars, and buses. Over the past several years, a state-owned rail company has established a heavy foothold that spans the United States. The U.S. Department of Transportation should be directed to ensure that strict enforcement of existing Buy America provisions is occurring to help keep grant funding in the United States and spur more domestic jobs. It is critical to American manufacturing.

## 8. Restrict State Owned Enterprises

There has been an increase in state-owned foreign involvement in the U.S. passenger and freight rail market, which has become a high priority for RSI members. It has the potential to change the entire dynamic of \$74 billion dollar industry with current American rail supply manufacturers concerned that more state-owned enterprise (SOE) involvement could lead to price dumping, loss of domestic parts manufacturing and a reduction in American jobs. This also has long term national security impacts as demonstrated in Australia with the complete takeover by an SOE of the Australian domestic market and capability to build freight rail cars. America's rail system covers more than 140,000 miles and carries forty percent of America's intercity freight, including 111 million tons of hazardous materials. Allowing a foreign, state-backed entity to increase direct investment in our nation's critical infrastructure without appropriate review creates significant economic and national security concerns. RSI supports inclusion of S. 846, the Transit Infrastructure Vehicle Security Act in the reauthorization of the FAST Act. S. 846 would prohibit transit agencies from using federal dollars to acquire rolling stock produced by a company that is owned, controlled, or subsidized by any country with a non-market economy. In addition, it would ensure that transit agencies develop and execute a cybersecurity plan.

## 9. Short Line Tax Credit

Congress must extend or make permanent the expired short line tax credit to ensure that the public safety and economic benefits of this successful policy continues into 2019 and beyond. Expired since December 2017, the Short Line Tax Credit allows a credit of 50 cents for each dollar railroads invest in track and bridge improvements, capped at \$3,500 per mile. The Credit has spurred \$4 billion in infrastructure investment since 2005 – investment that would not have been possible without the Credit.



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