

ADVOCACY:

FAST Act Reauthorization Priorities

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- 1. Intercity, commuter, Freight Rail and Multi-Modal Grants**
- 2. Digital & Innovative Infrastructure Investments**
- 3. Modal Equity**
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- 5. Section 130 Railway Highway Crossing Program**
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Investment in Infrastructure

Increased investment in our rail and public transportation systems will vastly improve the safety, efficiency and productivity of moving goods and people across the United States. Greater 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. Such enhanced investments will also encourage greater use of rail in moving both people and goods, thus reducing harmful emissions and growing congestion on our nation's roadways. These investments also will help directly support and sustain the more than 125,000 jobs tied to the rail supply industry, including high-value manufacturing jobs spread across all parts of the country. RSI has identified the following policy issues and recommendations for consideration as the 116th Congress crafts an infrastructure package and/or reauthorization of the Fixing America's Surface Transportation (FAST) Act.

1. Intercity, Commuter, Freight Rail and Multi-Modal Grants

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 and commuter passenger rail system and with investments designed to improve the efficient movement of freight through public-private partnerships. Continuation of policies helping to sustain significant private sector investment in our nation's privately-owned freight rail systems is also vital.

Ongoing and increased federal investment in rail should be accomplished through:

- the Consolidated Rail Infrastructure and Safety Improvements Grant Program;
- the Federal-State Partnership for State of Good Repair Grant Program;
- the Restoration and Enhancement Grant Program;
- Capital Investment Grants;
- INFRA Discretionary Grants and;
- BUILD Discretionary Grants

In addition, commuter railroads should also continue to receive ongoing investment needed for Positive Train Control (PTC) under the Consolidated Rail Infrastructure and Safety Improvements and the Federal-State Partnership for State of Good Repair programs.

In order to help provide funding for surface transportation projects, RSI also supports increasing the national cap on Private Activity Bonds (PAB) from \$15 billion to \$25 billion. RSI further recommends amending 26 U.S.C. to create more consistency throughout the code to allow for the use of PABs on high speed rail projects up to 125 miles per hour. Currently, three different distinct statutory definitions of high-speed rail in the U.S. lead to confusion and impedes the use of innovative technology and equipment.

Finally, Amtrak reauthorization was included as part of the FAST Act, and Amtrak investment should again be an integral component of new surface authorization/infrastructure investment. Amtrak's current authorization 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 & Innovative Infrastructure Investments

Congress should explicitly recognize and incentivize digital infrastructure applications 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, and intermodal applications including seaport-rail network connections where appropriate. Today's rolling stock manufacturers and rail technology suppliers 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 with full eligibility for rail and public transportation investments in recognition of the substantial non-user fee contribution to the Highway Trust Fund over the past decade, and overall increase the federal commitment to and 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. Any such destabilizing changes negatively affect freight rail service as well as intercity passenger rail and commuter rail services depending 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. Longer and heavier trucks 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 Section 130 Railway Highway Crossing Program has been correlated with a significant decrease in fatalities at railway-highway grade crossings and from 1987 through 2018, fatalities at these crossings have decreased by 58 percent. RSI supports and makes the following recommendations regarding the Section 130 program:

- A.** Increase federal match for Section 130 program to 100% federal share similar to many other highway safety programs.
- B.** Update the Incentive Payment Cap: 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 incentivize 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.** Modernize Eligible Activity: There is confusion among the states as to whether Section 130 funds can be used for the replacement of functionally obsolete warning devices. It is imperative to make clear that these funds can be used for their replacement because these devices are critical to the safe and efficient operation of railway-highway grade crossings.
- D.** In Section 130(f)(3) of S. 2302, the Senate Environment & Public Works Committee approved bill, the measure directs GAO to perform a study of the effectiveness of the Section 130 program. RSI recommends adding an additional requirement that the railroad and rail supply industry be consulted as party of this study.

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 continuing or expanding federal investments in OLI given its demonstrated track record in enhancing safety awareness nationwide.

7. Fully Enforce Buy America

The Buy America program was created to promote U.S. manufacturing and help the domestic economy by creating jobs for Americans and maximizing the use of American-made materials. By design, Buy America laws were written to ensure that taxpayer dollars made available for constructing and sustaining our public transportation systems would flow back into the U.S. economy and discourage the outsourcing of these manufacturing jobs to other countries. Unfortunately, RSI believes that the U.S. Department of Transportation currently lacks adequate resources to ensure strict compliance with Buy America provisions. Congress should direct USDOT to exercise stricter oversight to help keep grant funding in the United States and spur the domestic jobs critical to maintaining a strong American manufacturing base. Allowing FTA to conduct audits in-house would help ensure better consistency and efficacy of this important program.

8. Restrict State Owned Enterprises

In recent years we have seen a dramatic increase in state-owned foreign involvement in the U.S. rail supply sector, which has become a high priority for RSI members. Such unfair foreign competition has the potential to change the entire dynamic of a \$74 billion dollar a year industry, with ample evidence suggesting that continued state-owned enterprise involvement in this industry leads to price dumping, loss of domestic parts manufacturing and a reduction in American jobs. The complete takeover by an SOE of the Australia rail supply infrastructure and domestic rail freight car manufacturing capacity demonstrates the long term economic and national security impacts. America's rail system covers more than 140,000 miles and carries forty percent of America's intercity freight, including sensitive military shipments and 111 million tons of hazardous materials each year. Allowing a foreign, state-backed entity to directly own, operate, or invest in our nation's critical infrastructure creates significant economic and national security risks. In order to protect the security interests of the United States, RSI supports swift implementation of the National Defense Authorization Act of 2020 provision barring mass transit agencies from using federal funds for purchasing rail cars or buses from Chinese-owned or Chinese-domiciled companies and requiring that any transit operator must develop and execute a plan for identifying and reducing cybersecurity risks, should they receive federal dollars. Any increased reliance on China-based manufacturing and strategic materials would worsen U.S. vulnerabilities to a supply disruption and Chinese government tampering with delivery of critical products and services.

9. Short Line Tax Credit

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. This credit was extended retroactively from 2018 through 2022 and has spurred \$4 billion in infrastructure investment since 2005 – investment that would not have been possible without the credit. Congress must make permanent the short line tax credit by passing the BRACE Act (H.R. 510 and S. 203) to ensure that the public safety and economic benefits of this successful policy continues for the foreseeable future.

10. Maintain FAST Act Deadlines for the Modification of Tank Cars in Flammable Liquid Service

The FAST Act set aggressive deadlines for the modification of the rail tank car fleet in flammable liquid service to reduce the risk of transportation. RSI and its members have been actively working to implement these new standards and meet all deadlines, leading to a dramatic reduction in the probability of flammable liquid release in the event of an incident. All tank cars in flammable liquids service are currently on track to comply with these deadlines and we project that they will be met on schedule. RSI recommends maintaining these deadlines to avoid creating disruptions to the fleet that could impair safety by forcing more flammable liquids onto trucks to meet demand.

About Railway Supply Institute

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.¹



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



Support, Connection, Advocacy