



FREIGHT RAIL SECURITY BRIEFING



ASSOCIATION OF
AMERICAN RAILROADS

TOMORROW. ARRIVING BY TRAIN.

America's Freight Railroads are Serious About Security

- ◆ Created a comprehensive security plan immediately after 9/11, on our own initiative
- ◆ Comprehensive plan evolves and improves based on Top Secret intelligence
- ◆ Plan is put into action every day throughout the rail network, at every level of operations
- ◆ Vital transport link kept open and flowing on national basis



Freight Railroads Reacted Swiftly to 9/11

- ◆ Immediately tightened security and intensified inspections
- ◆ Restricted access to facilities
- ◆ Full service restored as quickly as possible in hard hit areas



We Developed a Comprehensive Security Plan

- ◆ Initiated a post-9/11 security plan, based on actionable intelligence to protect our more than 142,000-mile rail network
- ◆ Conducted a comprehensive risk analysis covering the entire industry
 - ◆ Train operations
 - ◆ Communication and cyber-security
 - ◆ Identifying and protecting critical assets
 - ◆ Transportation of hazardous materials
 - ◆ Military liaison
- ◆ Worked closely with the federal intelligence community and security experts
- ◆ Identified and prioritized more than 1,300 critical assets



We Put Our Robust Security Plan into Action

- ◆ Comprehensive 24/7, priority-based blueprint of actions
 - ◆ Four progressively higher alert levels, each with a set of countermeasures to be activated based on perceived need
- ◆ More than 50 permanent changes to procedures and operations, including:
 - ◆ Restricted access to facilities
 - ◆ Increased tracking of certain shipments
 - ◆ Enhanced employee security training
 - ◆ Cyber-security improvement

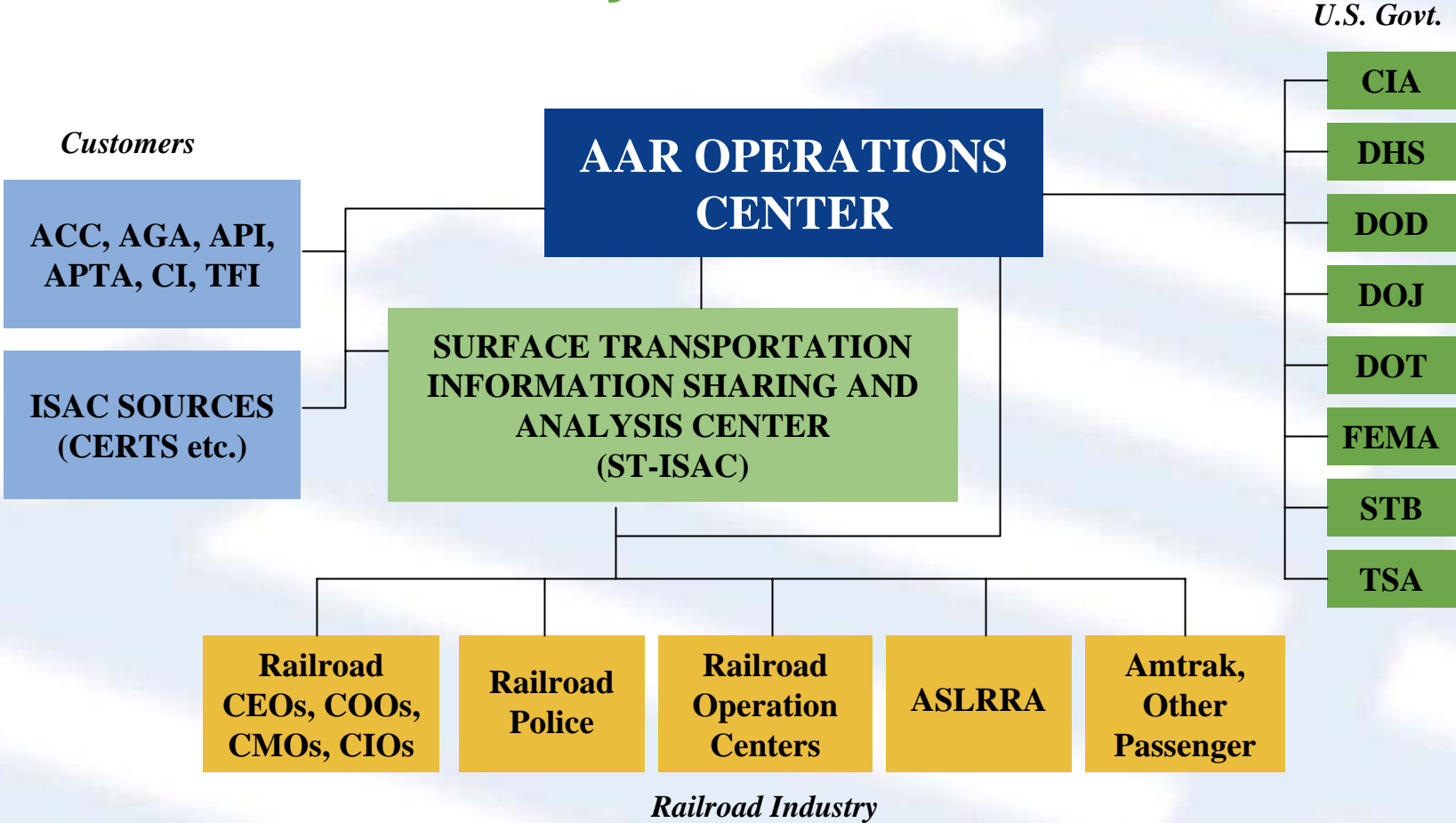


We Established a System to Gain Quick Intelligence and Respond Rapidly

- ◆ Rail police officer sits on the FBI's National Joint Terrorism Task Force and rail analysts sit in two Department of Homeland Security intelligence offices to help evaluate data at the Top Secret level
- ◆ Created a DOD-certified, 24/7 Operations Center, working at the Secret level to monitor and evaluate intelligence on potential threats and communicate with railroads through the Railway Alert Network (RAN)
- ◆ Created the Surface Transportation Information Sharing and Analysis Center (ST-ISAC) – operating at the Top Secret level – to collect, analyze and disseminate information on physical and cyber-security threats



Summary of the Railway Alert Network



We Enhanced Security-Related Employee Training

- ◆ Employees are the industry's "eyes and ears"
- ◆ Security is now part of daily employee briefings
- ◆ Supplemental measures include:
 - ◆ Videos with examples of suspicious activities and how to report them
 - ◆ Rewards for useful tips and ideas
- ◆ Additional communications via emails, brochures, posters, newsletters and individual contact



We Safely Transport Hazardous Materials

- ◆ Chlorine necessary to purify water supplies and manufacture pharmaceuticals
- ◆ Chemicals critical to refining petroleum, processing metals, producing fertilizer and manufacturing paper
- ◆ Weapons and munitions required by the military



We Safely Transport Hazardous Materials

- ◆ Rail is the safest method of shipping hazmat
 - ◆ Risk of accident-related spill by trucks is 16 times greater than by rail
 - ◆ Railroads transport 1.7 million carloads of hazmat each year, and 99.99 percent of these reach their final destination without a release caused by an accident
- ◆ Tank cars are specially designed to minimize the risk of a release of hazardous materials
 - ◆ Rigorous tank car quality assurance programs
 - ◆ Field testing
 - ◆ Inspection of chemical loading facilities
 - ◆ Emergency response assistance
 - ◆ Hazmat training
 - ◆ Stringent U.S. DOT specifications for tank cars used to transport hazmat
 - ◆ Tank Car Safety Research and Test Project



Mandatory Hazmat Rerouting is Not the Way to Improve Safety and Security

- ◆ Rerouting doesn't end the risk and could cause unintended consequences to our health and economy
- ◆ Optimal routes could be foreclosed, lengthening time of exposure of dangerous materials
- ◆ Shifts the risk from one community to another
- ◆ Diverting more hazmat shipments to trucks is a greater security and safety risk
- ◆ Would prevent functioning of an effective, integrated national network



We Help Protect Borders

- ◆ Work closely with federal agencies to provide notification of shipments coming from abroad
- ◆ Work with Customs on the implementation of VACIS (Vehicle and Cargo Inspection System) examinations of freight cars crossing Mexican and Canadian borders
- ◆ Work with Customs and the Coast Guard at ports
- ◆ Work with the military to ensure the security of military shipments

“What we don’t want is for our checkpoints to become chokepoints.”

-Secretary of Transportation Norman Mineta



Our Actions Have Drawn Praise by Experts

“I can say how impressed I am by the scope of the analysis, the sophistication of the analytical framework, and the manner in which rail carriers have devoted substantial resources – both funding and senior leadership – to the completion of this important task (enhancing security). Railroads have done remarkable work.”

— **Allan Rutter, former Federal Railroad Administrator**

“The railroads’ execution of a voluntary, intense, and robust risk and vulnerability analysis has absolutely supported the security of our nation. The National Railroad “Terrorism Risk Analysis and Security Management Plan” is a model plan of action. The public and private sector should consider your security initiatives and efforts for wider adoption throughout the nation.”

— **Major General H. Steven Blum, Chief of Staff, NORTHCOMM**



Our Actions Have Drawn Praise by Experts

- ◆ “They (aviation) really need to take a lesson from the rail industry. The rail industry went out and said that we...have a potential problem as far as vulnerability and that it could severely impact us economically. So they took it upon themselves to do a security check, they determined their vulnerabilities, spent the money and implemented security procedures which they abide by, not only as an independent organization, but as an industry.”

— **Greg Feith, former accident investigator with the National Transportation Safety Board, on CNBC's News with Brian Williams**

- ◆ Railroads “have been terrific in coming to the plate and helping us figure out” strategic plans for the transportation sector.

— **Admiral James Loy, Deputy Secretary of Homeland Security**

- ◆ “A”

— **Grade received by the rail industry for its security efforts in an in-depth security assessment by *The Washington Post* on the response of private industry to 9/11. (Only a few industries received this grade.)**



We Received the 2003 James S. Cogswell Award for Industrial Security

- ◆ Awarded by DOD's Defense Security Service
- ◆ Most prestigious award in the industrial security field
- ◆ Of nearly 11,000 cleared contractors, only 15 were selected for the award in 2003
- ◆ Based on overall quality of security program, level of top management support, excellent review results, knowledge and professionalism and other factors



The Rail Industry is Committed to Security

- ◆ The rail industry is committed to providing appropriate security measures to protect its employees and infrastructure, as well as the safety of the nation, while providing a vital link in America's economic engine
- ◆ Our security plan continues to evolve and improve based on intelligence, research and technology; we act on it everyday

