

Freight Rail and Operational Regulation

Freight Rail Policy Stance: In the 21st Century, freight railroads require a modernized approach to federal regulations that allow them to innovate with new technologies and processes for an even safer and more efficient rail network.

Why This Matters: The current regulatory approach is largely prescriptive and does not easily allow for the incorporation of the best technologies to improve safety and performance.

Today's railroads are a safety success story. According to the Federal Railroad Administration, 2016 rail safety statistics continue a string of record-setting years, showing this period has been the safest ever for the rail sector.

The railroads' improving financial health — not excessive regulation — helps make this network safety record possible. Financial health brings with it the ability to invest in improving and maintaining rail infrastructure, as well as to develop new technologies and approaches that enhance safety and deliver meaningful results. Running a safe railroad is good business; the high cost of even one derailment is a heavy enough incentive for railroads to operate with safety as a top priority.

However, the current safety regulatory approach has resulted in a huge cost to railroads and their customers. While excessive economic regulation was curtailed by the 1980 Staggers Act, operational regulation of the railroads has worsened. Analysis of FRA data indicates the railroad industry's regulatory paperwork costs have increased by more than 500% over the last 30 years, an annual burden of \$1.7 billion.

Railroads urge the government to embrace an approach to safety regulation that appropriately holds the industry accountable for its safety performance, while at the same time enabling and incentivizing it to develop even safer and more efficient practices and approaches.

At a Glance

- **Performance-based Regulations**

To allow new technologies that enhance safety, the government should specify performance objectives rather than mandate specific manners of compliance that railroads must adopt.

- **Crew Size**

A proposed federal rule would require at least two crew members for most train operations. The FRA concedes that it has no data to suggest that two-person crews are associated with higher levels of safety than one-person crews.

- **Hazardous Materials/Tank Cars**

Today, more than 99.999% of all hazmat shipments moved by rail reach their destination without incident. To continue this safety success, freight railroads support making those responsible for producing and selling highly hazardous materials, as well as those who benefit from their use, share in the added liability and costs associated with transporting them.