

As Prepared Remarks for Juan D. Reyes III
Federal Railroad Administration Chief Counsel and Acting Deputy Administrator
Before the 2018 American Public Transportation Association Legislative Conference
General Session: Update from the FRA
March 19, 2018

Good afternoon. Thank you Doug (Allen) for the kind introduction, and to APTA for inviting me to join you today. I'm joined by Karl Alexy, our Deputy Associate Administrator for Railroad Safety and Paul Nissenbaum, our Associate Administrator for Railroad Policy and Development, both of whom will speak briefly after me. We are grateful for this opportunity to briefly describe FRA's priorities for the remainder of 2018.

Secretary Chao and FRA Administrator Ron Batory truly appreciate the role that APTA plays as "the leading force in advancing public transportation." In representing a highly diverse cross-section of stakeholders, APTA's multi-faceted advocacy, research and standard setting activities are vitally important. In fact, your work helps us ensure a safe, reliable, and efficient national transportation system, of which railroads are an indispensable part.

The continued success of rail is necessary to satisfy increasing demand for freight and passenger rail transportation-- that keeps pace with America's population growth. In major metropolitan areas nationwide, commuter rail and transit are the backbone of regional and local economies. And intercity rail provides an increasingly viable alternative to highway and air travel, especially in congested corridors. Despite some year to year variation, commuter and intercity passenger rail ridership is increasing overall.

In response to the traveling public's desire for more, and better transportation mobility options –

- new corridors are being developed;
- rolling stock is being procured; and
- operators are increasing the quality and frequency of service.

Efforts to promote seamless interconnectivity between intercity and commuter rail, transit systems, and airports reflect this reality.

Obviously, building America's 21st Century transportation system requires investment. Some estimates indicate the U.S. needs as much as \$4 trillion in overall infrastructure investment.

As most of you know, on February 12th, the White House released its highly anticipated Infrastructure Initiative, which coincided with the release of the Fiscal Year 2019 Budget proposal. 12 government departments collaborated to develop the plan which goes well beyond transportation infrastructure.

Our goal is to generate least \$1.5 trillion in infrastructure investment with a minimum of \$200 billion in direct federal funding. The Administration believes that the current transportation funding system in particular -- is not working.

Stated simply, the Federal Government cannot continue making inefficient investments in non-Federal infrastructure, especially if doing so requires deficit spending or borrowing. As the White House stated, “The flexibility to use Federal dollars to pay for essentially local infrastructure projects has created an unhealthy dynamic in which State and local governments delay projects in the hope of receiving Federal funds.”

The Administration is exploring if this arrangement still makes sense-- and whether transferring additional responsibilities to the States is appropriate. The key advantage of devolution is that it empowers decision making at the state and local level, by those who best understand their own infrastructure needs.

This is not an easy task because Federal rules, regulations, and mandates are applied to virtually all infrastructure investments and projects. The key principles enumerated in the Infrastructure Initiative can be summed up as follows:

- Make Targeted Federal Investments;
- Encourage Self-Help;
- Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment; and
- Leverage the Private Sector

The corresponding legislative plan based upon those tenets -- contains six principles:

- Stimulating infrastructure investment;
- Investing in rural America;
- Increasing State and local authority;
- Eliminating regulatory barriers;
- Streamlining the permitting process; and
- Empowering American workers

I want to briefly elaborate on a few of these principles. First, with respect to eliminating regulatory barriers, the President signed several significant executive orders at the beginning of his term.

As an outgrowth of those directives, Secretary Chao appointed a Regulatory Reform Task Force within the Department. Led by Deputy Secretary Jeff Rosen, the Task Force continues to oversee regulatory policy changes.

While many FRA rulemakings have been explicitly mandated by legislation, we have extended the effective dates of several new ones to reassess the need for them. In 2017, DOT reduced regulatory costs by \$312 million. Our goal for 2018 is to decrease the cost of regulations by more than \$500 million.

With respect to streamlining the permitting and environmental review process -- existing laws are well intended, but too often their application results in infrastructure projects costing more

and taking too long. The Administration's stated goal is to have One Federal Decision and to limit environmental and permitting reviews for major projects to two years, or less.

For its part, DOT issued new guidance on categorical exclusions for multi-modal projects to expedite the environmental review process. Also, heretofore, each DOT Operating Administration had its own approach to NEPA re-evaluations.

This was confusing and frustrating for project sponsors and the public. Consequently, we have standardized the NEPA re-evaluations process for FHWA, FRA, and FTA. This could lead to time and cost savings.

To be clear, regulatory reform and streamlining the permitting process does not mean we are degrading safety or compromising the environment. Instead, we're seeking to implement common sense reforms that minimize redundancy, eliminate duplication, and incentivize private sector investment, including the use of public-private partnerships when appropriate.

Some of you may know that my background is in P3s -- and you'll find that I'm extremely passionate about the subject. Consistent with these overarching policy priorities, DOT is seeking to make the grant programs more effective.

On the rail safety front, it goes without saying that implementation of positive train control is at the top of FRA's agenda. As Karl Alexy will explain, even before the spate of high profile passenger rail accidents in recent months, we've been intensely focused on hastening timely deployment of PTC.

Over the past few months, FRA leadership and technical staff met individually with all railroads subject to the statutory mandate. Through these candid exchanges, we have learned about the challenges and obstacles they are confronting.

In closing, I'd like to express our sincere appreciation to APTA and its members for allowing me to address you. We'll continue to seek opportunities to strengthen and expand our relationships, and welcome your input on all issues affecting the nation's intercity passenger and commuter rail network.

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