

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

49 CFR Part 243

[Docket No. FRA-2019-0095, Notice No. 2]

RIN 2130-AC86

Training, Qualification, and Oversight for Safety-Related Railroad Employees

AGENCY: Federal Railroad Administration (FRA), Department of Transportation (DOT).

ACTION: Final rule.

SUMMARY: In response to a petition for rulemaking, FRA is amending its regulation on Training, Qualification, and Oversight for Safety-Related Railroad Employees by delaying the regulation's implementation dates for all contractors, and those Class II and III railroads that are not intercity or commuter passenger railroads with 400,000 total employee work hours annually or more.

DATES: This regulation is effective December 30, 2019.

ADDRESSES: For access to the docket to read background documents or submissions received, go to <http://www.regulations.gov> at any time or to Room W12-140 on the

Ground level of the West Building, 1200 New Jersey Avenue, SE, Washington, DC, between 9 a.m. and 5 p.m. Monday through Friday, except Federal holidays.

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SUPPLEMENTARY INFORMATION:

I. Executive Summary

On November 7, 2014, FRA published a final rule (2014 Final Rule) that established minimum training standards for each category and subcategory of safety-related railroad employees and required railroad carriers, contractors, and subcontractors to submit training programs to FRA for approval. *See* 79 FR 66459. The 2014 Final Rule was required by section 401(a) of the Rail Safety Improvement Act of 2008 (RSIA), Pub. L. 110-432, 122 Stat. 4883 (Oct. 16, 2008), codified at 49 U.S.C. 20162. The Secretary of Transportation delegated the authority to conduct this rulemaking and implement the rule to the Federal Railroad Administrator. 49 CFR 1.89(b).

On May 3, 2017, FRA delayed implementation dates in the 2014 Final Rule by one year. On April 27, 2018, FRA responded to a petition for reconsideration of that May 2017 rule by granting the American Short Line and Regional Railroad Association’s (ASLRRRA) request to delay the implementation dates by an additional year.

On June 27 and July 12, 2019, ASLRRA and the National Railroad Construction and Maintenance Association, Inc. (NRC) (collectively Associations) filed petitions for rulemaking that were docketed in DOT's Docket Management System as FRA-2019-0050. The Associations' petitions request that FRA delay implementation and make several substantive changes to the part 243 regulation.

On November 22, 2019, FRA published a notice of proposed rulemaking (NPRM) describing the Associations' petitions and responding to the request to delay implementation. 84 FR 64447. FRA proposed to delay the implementation dates in the rule for all contractors, and those Class II and III railroads that are not intercity or commuter passenger railroads with 400,000 total employee work hours annually or more. In the NPRM, FRA explained how its response is specifically targeted to equalize the implementation dates for those employers most likely to adopt model programs rather than develop their own programs. FRA also announced that it is considering whether to initiate a separate rulemaking which would be limited to amending FRA's training regulation so that the regulatory text includes the latest guidance that is intended to help small entities and other users of model training programs. Although these two rulemakings would be separate, FRA explained in the NPRM that they would be complementary in that, without any changes to the implementation dates, the targeted employers might not understand that the regulation contains more flexibility than is commonly understood or they may not feel comfortable following the guidance believing there is regulatory uncertainty.

II. Discussion of Comments and Conclusions

FRA received six written comments in response to the NPRM. FRA did not receive a request for a public hearing and none was provided.

A comment was filed jointly by ASLRRA and NRC in support of finalizing the proposed rule. The Associations believe the extension and date alignment for Class II and III railroads and contractors will reduce confusion, especially for those companies with multiple operations. Additionally, the Associations express support for FRA to take up other aspects of their petitions for rulemaking and propose additional revisions to part 243 in future rulemakings.

Several comments from interested citizens were submitted. The most specific of these comments was against delaying the rule's implementation dates for refresher training citing the importance of the training. Other comments were more general in nature. A few commenters supported the NPRM, or did not express an opinion about the NPRM, while expressing a positive opinion about the part 243 training regulation generally. Another commenter supported the rulemaking, expressing that FRA should provide the flexibility necessary to best accommodate railroad workers.

FRA's Response

FRA initiated this rulemaking in response to ASLRRA and NRC's petitions for rulemaking, and the comment from the Associations, along with other commenters, expresses support for the NPRM. Moreover, none of the other comments raise

significant safety concerns which would dictate against finalizing the proposed rule.

Thus, FRA is amending part 243 as proposed.

As discussed further below, FRA is revising the part 243 regulation to reclassify those employers that FRA anticipates will likely adopt a model program so that they have the same implementation deadlines as the small entities subject to the regulation. In this regard, the Class II and III railroads and the contractors who will get relief provide training and operations in a manner more similar to that of a small entity than a Class I railroad. Treating this remainder group of employers in the same manner as the small entities would therefore reflect a more consistent approach to those employers adopting model programs, thereby justifying the delay in the implementation schedule.

The final rule's implementation date delays will not impact Class I railroads, and those commuter and intercity passenger railroads with 400,000 total employee work hours annually or more. Because the first implementation submission deadline for the entities affected by this rule is January 1, 2020, it is imperative for this final rule to become effective immediately, before that deadline is reached, to ensure the intended regulatory relief is provided.

III. Section-by-Section Analysis

Subpart B – Program Components and Approval Process

Section 243.101 Employer Program Required

FRA is amending the implementation date in § 243.101(a)(1) so that it is limited to Class I railroads, and those intercity or commuter passenger railroads with 400,000

total employee work hours annually or more. Also, FRA is amending this section so that all employers not covered by § 243.101(a)(1) will now be covered by § 243.101(a)(2), unless the employer is commencing operations after January 1, 2020, and will be covered by § 243.101(b). In other words, § 243.101(a)(1) will specifically except all contractors, and those Class II and III railroads that are not intercity or commuter passenger railroads with 400,000 total employee work hours annually or more, from complying with the January 1, 2020, training program submission implementation deadline. Instead, under § 243.101(a)(2), all contractors, and those Class II and III railroads that are not intercity or commuter passenger railroads with 400,000 total employee work hours annually or more, will be required to comply with a training program submission deadline of May 1, 2021; these entities will thus have an additional 16 months to submit a training program for their safety-related railroad employees.

Nonetheless, FRA understands that many regulated entities are on schedule to meet the earlier, January 1, 2020, deadline, or submit training programs well within the additional 16 months granted by this final rule. For those regulated entities that are prepared to move forward in advance of any deadline in part 243, there is certainly no prohibition against doing so. FRA recognizes that implementing a compliant training program earlier than required should benefit the overall safety of those employers' operations.

Subpart C – Program Implementation and Oversight Requirements

Section 243.201 Employee Qualification Requirements

FRA is amending the implementation dates in § 243.101(a)(1) and (e)(1) so that they are limited to Class I railroads, and those intercity or commuter passenger railroads with 400,000 total employee work hours annually or more. Also, FRA is amending this section so that all employers not covered by § 243.201(a)(1) and (e)(1) will now be covered by § 243.201(a)(2) and (e)(2). Please note that an employer commencing operations after January 1, 2020, will still be covered by § 243.201(b) and will be expected to implement a refresher training program upon commencing operations.

IV. Regulatory Impact and Notices

A. Executive Order 12866 and DOT Regulatory Policies and Procedures

This final rule is a non-significant regulatory action within the meaning of Executive Order 12866 and DOT policies and procedures. *See* <https://www.transportation.gov/regulations/2018-dot-rulemaking-order>. This rulemaking is a deregulatory action under Executive Order 13771, “Reducing Regulation and Controlling Regulatory Costs.” *See* 82 FR 9339, Jan. 30, 2017.

As explained in the Supplementary Information section, FRA published the 2014 Final Rule to fulfill a statutory mandate. On May 3, 2017, FRA delayed implementation dates in the 2014 Final Rule by one year. On April 27, 2018, FRA responded to a petition for reconsideration of that May 2017 rule by granting the ASLRRRA’s request to delay the implementation dates an additional year. FRA is issuing a final rule targeted to equalize the implementation dates for Class II railroads, Class III railroads, and contractors regardless of their annual employee work hours, with the exception of those

intercity or commuter passenger railroads with 400,000 total employee work hours annually or more. With adoption of this final rule, these employers will have until May 1, 2021, to submit a training program to FRA instead of the previous January 1, 2020, deadline that was applicable to railroads (regardless of whether they were Class II or III railroads), and contractors with 400,000 annual employee work hours or more.

FRA believes that the final rule will reduce the regulatory burden on the railroad industry by delaying the rule's implementation dates. This final rule will extend the implementation deadlines for some regulated entities by a total of 16 months. This final rule will be beneficial for regulated entities by adding time for some railroads and contractors to comply.

FRA is amending the training rule in part 243 to reclassify those employers that FRA anticipated in the 2014 Final Rule's Regulatory Impact Analysis would likely adopt a model program so that the regulation will reflect a more consistent approach to those employers adopting model programs. Until the petitions for rulemaking were filed, FRA did not appreciate that the Class II and III railroads and the contractors who were not identified as small entities could be expected to encounter the same types of obstacles to training program implementation as that of a small entity. The final rule's implementation date delay will not impact Class I railroads, and those commuter and intercity passenger railroads with 400,000 total employee work hours annually or more. However, this final rule will provide all contractors, and those Class II and III railroads that are not currently identified as small entities in part 243, or are not commuter or

intercity passenger railroads with 400,000 total employee work hours annually or more, with an additional 16 months to submit a training program for their safety-related railroad employees. FRA is also amending part 243 so that those same employers get an additional 16 months to designate each of their existing safety-related railroad employees by occupational category or subcategory, and only permit designated employees to perform safety-related service in that occupational category or subcategory. In addition, the final rule will provide those same employers with one additional year to complete refresher training for each of their safety-related railroad employees. With this final rule, the training program submission date for Class II railroads, Class III railroads, and contractors regardless of their annual employee work hours, with the exception of those intercity or commuter passenger railroads with 400,000 total employee work hours annually or more, will be delayed from January 1, 2020, to a new implementation date of May 1, 2021; the designation of employee date will be delayed from September 1, 2020, to a new implementation date of January 1, 2022; and, the deadline for the first refresher training cycle will be delayed from December 31, 2024, to a new deadline of December 31, 2025.

By delaying the implementation dates, all contractors, and those Class II and III railroads that are not intercity or commuter passenger railroads with 400,000 total employee work hours annually or more, will realize a cost savings. All contractors, and those Class II and III railroads that are not intercity or commuter passenger railroads with 400,000 total employee work hours annually or more, will not incur costs during the first

16 months of this analysis. Also, costs incurred in future years will be discounted an extra 16 months, which will decrease the present value burden. The present value of costs will be less than if the original implementation dates were maintained. FRA has estimated this cost savings to be approximately \$3.0 million, at a 7% discount rate, for impacted railroads and contractors that will experience relief as a result of this final rule.

B. Regulatory Flexibility Determination

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601 *et seq.*, and Executive Order 13272, 67 FR 53461 (Aug. 16, 2002), require agency review of proposed and final rules to assess their impact on small entities. An agency must prepare an initial regulatory flexibility analysis (IRFA) unless it determines and certifies that a rule, if promulgated, would not have a significant impact on a substantial number of small entities. Pursuant to the Regulatory Flexibility Act of 1980, 5 U.S.C. 605(b), the FRA Administrator certifies that this final rule will not have a significant economic impact on a substantial number of small entities.

“Small entity” is defined in 5 U.S.C. 601 as including a small business concern that is independently owned and operated, and is not dominant in its field of operation. The U.S. Small Business Administration (SBA) has authority to regulate issues related to small businesses, and stipulates in its size standards that a “small entity” in the railroad industry is a for profit “linehaul railroad” that has fewer than 1,500 employees, a “short line railroad” with fewer than 500 employees, or a “commuter rail system” with annual receipts of less than 15 million dollars. See “Size Eligibility Provisions and Standards,”

13 CFR part 121, subpart A. Additionally, 5 U.S.C. 601(5) defines as “small entities” governments of cities, counties, towns, townships, villages, school districts, or special districts with populations less than 50,000. Federal agencies may adopt their own size standards for small entities, in consultation with SBA and in conjunction with public comment. Pursuant to that authority, FRA has published a final statement of agency policy that formally establishes “small entities” or “small businesses” as being railroads, contractors, and hazardous materials shippers that meet the revenue requirements of a Class III railroad as set forth in 49 CFR 1201.1–1, which is \$20 million or less in inflation-adjusted annual revenues, and commuter railroads or small governmental jurisdictions that serve populations of 50,000 or less. *See* 68 FR 24891 (May 9, 2003), codified at appendix C to 49 CFR part 209. The \$20-million limit is based on the Surface Transportation Board’s revenue threshold for a Class III railroad. Railroad revenue is adjusted for inflation by applying a revenue deflator formula in accordance with 49 CFR 1201.1–1. FRA is using this definition for this rulemaking.

The requirements of this final rule will apply to employers of safety-related railroad employees that FRA previously determined were not small entities. This final rule will have no direct impact on small units of government, businesses, or other organizations. State rail agencies are not required to participate in this program. State owned railroads that are subject to the relief provided by this final rule will receive a positive impact, if any impact. Therefore, the final rule will not impact any small entities. Pursuant to the Regulatory Flexibility Act, 5 U.S.C. 601(b), the FRA

Administrator hereby certifies that this final rule will not have a significant impact on a substantial number of small entities.

C. Paperwork Reduction Act

There are no new collection of information requirements contained in this final rule and, in accordance with the Paperwork Reduction Act of 1995, 44 U.S.C. 3501 *et seq.*, the recordkeeping and reporting requirements already contained in the 2014 Final Rule have been approved by OMB. The OMB approval number is OMB No. 2130-0597. Thus, FRA is not required to seek additional OMB approval under the Paperwork Reduction Act.

D. Federalism Implications

This final rule will not have a substantial effect on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Thus, in accordance with Executive Order 13132, “Federalism” (64 FR 43255, Aug. 10, 1999), preparation of a Federalism Assessment is not warranted.

E. International Trade Impact Assessment

The Trade Agreement Act of 1979 prohibits Federal agencies from engaging in any standards or related activities that create unnecessary obstacles to the foreign commerce of the United States. Legitimate domestic objectives, such as safety, are not considered unnecessary obstacles. The statute also requires consideration of international standards and where appropriate, that they be the basis for U.S. standards.

This final rule is purely domestic in nature and is not expected to affect trade opportunities for U.S. firms doing business overseas or for foreign firms doing business in the United States.

F. Environmental Impact

FRA has evaluated this final rule in accordance with its “Procedures for Considering Environmental Impacts” (FRA’s Procedures) (64 FR 28545, May 26, 1999) as required by the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*), other environmental statutes, Executive Orders, and related regulatory requirements. FRA has determined that this final rule is not a major FRA action, requiring the preparation of an environmental impact statement or environmental assessment, because it is categorically excluded from detailed environmental review pursuant to section 4(c)(20) of FRA’s Procedures. *See* 64 FR 28547 (May 26, 1999).

In accordance with section 4(c) and (e) of FRA’s Procedures, the agency has further concluded that no extraordinary circumstances exist with respect to this final rule that might trigger the need for a more detailed environmental review. As a result, FRA finds that this final rule is not a major Federal action significantly affecting the quality of the human environment.

G. Unfunded Mandates Reform Act of 1995

Pursuant to section 201 of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4, 2 U.S.C. 1531), each Federal agency shall, unless otherwise prohibited by law, assess the effects of Federal regulatory actions on State, local, and tribal governments,

and the private sector (other than to the extent that such regulations incorporate requirements specifically set forth in law). Section 202 of the Act (2 U.S.C. 1532) further requires that before promulgating any general notice of proposed rulemaking that is likely to result in the promulgation of any rule that includes any Federal mandate that may result in expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more (adjusted annually for inflation) in any 1 year, and before promulgating any final rule for which a general notice of proposed rulemaking was published, the agency shall prepare a written statement detailing the effect on State, local, and tribal governments and the private sector. This final rule will not result in such an expenditure, and thus preparation of such a statement is not required.

H. Energy Impact

Executive Order 13211 requires Federal agencies to prepare a Statement of Energy Effects for any “significant energy action.” 66 FR 28355 (May 22, 2001). FRA evaluated this final rule in accordance with Executive Order 13211, and determined that this regulatory action is not a “significant energy action” within the meaning of the Executive Order.

Executive Order 13783, “Promoting Energy Independence and Economic Growth,” requires Federal agencies to review regulations to determine whether they potentially burden the development or use of domestically produced energy resources, with particular attention to oil, natural gas, coal, and nuclear energy resources. 82 FR

16093 (Mar. 31, 2017). FRA determined this final rule will not burden the development or use of domestically produced energy resources.

I. Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Office of Information and Regulatory Affairs designated this rule as not a “major rule,” as defined by 5 U.S.C. 804(2).

List of Subjects in 49 CFR Part 243

Administrative practice and procedure, Penalties, Railroad employees, Railroad safety, Reporting and recordkeeping requirements.

The Final Rule

For the reasons discussed in the preamble, FRA amends part 243 of chapter II, subtitle B of title 49 of the Code of Federal Regulations as follows:

PART 243—TRAINING, QUALIFICATION, AND OVERSIGHT FOR SAFETY-RELATED RAILROAD EMPLOYEES [AMENDED]

1. The authority citation for part 243 continues to read as follows:

Authority: 49 U.S.C. 20103, 20107, 20131-20155, 20162, 20301-20306, 20701-20702, 21301-21304, 21311; 28 U.S.C. 2461, note; and 49 CFR 1.89.

Subpart B – Program Components and Approval Process

2. In § 243.101 revise paragraph (a) to read as follows:

§ 243.101 Employer program required.

(a)(1) Effective January 1, 2020, each Class I railroad, and each intercity or commuter passenger railroad conducting operations subject to this part with 400,000 total employee work hours annually or more, shall submit, adopt, and comply with a training program for its safety-related railroad employees.

(2) Effective May 1, 2021, each employer conducting operations subject to this part not covered by paragraph (a)(1) of this section shall submit, adopt, and comply with a training program for its safety-related railroad employees.

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Subpart C – Program Implementation and Oversight Requirements

3. In § 243.201, revise paragraphs (a)(1) and (2) and (e)(1) and (2) to read as follows:

§ 243.201 Employee qualification requirements.

(a) * * *

(1) By no later than September 1, 2020, each Class I railroad, and each intercity or commuter passenger railroad conducting operations subject to this part with 400,000 total employee work hours annually or more in operation as of January 1, 2020, shall declare the designation of each of its existing safety-related railroad employees by occupational category or subcategory, and only permit designated employees to perform safety-related service in that occupational category or subcategory. The Associate Administrator may extend this period based on a written request.

(2) By no later than January 1, 2022, each employer conducting operations subject to this part not covered by paragraph (a)(1) of this section in operation as of January 1, 2021, shall declare the designation of each of its existing safety-related railroad employees by occupational category or subcategory, and only permit designated employees to perform safety-related service in that occupational category or subcategory. The Associate Administrator may extend this period based on a written request.

* * * * *

(e) * * *

(1) Beginning January 1, 2022, each Class I railroad, and each intercity or commuter passenger railroad conducting operations subject to this part with 400,000 total employee work hours annually or more, shall deliver refresher training at an interval not to exceed 3 calendar years from the date of an employee's last training event, except where refresher training is specifically required more frequently in accordance with this chapter. If the last training event occurs before FRA's approval of the employer's training program, the employer shall provide refresher training either within 3 calendar years from that prior training event or no later than December 31, 2024. Each employer shall ensure that, as part of each employee's refresher training, the employee is trained and qualified on the application of any Federal railroad safety laws, regulations, and orders the person is required to comply with, as well as any relevant railroad rules and procedures promulgated to implement those Federal railroad safety laws, regulations, and orders.

(2) Beginning May 1, 2023, each employer conducting operations subject to this part not covered by paragraph (e)(1) of this section shall deliver refresher training at an interval not to exceed 3 calendar years from the date of an employee's last training event, except where refresher training is specifically required more frequently in accordance with this chapter. If the last training event occurs before FRA's approval of the employer's training program, the employer shall provide refresher training either within 3 calendar years from that prior training event or no later than December 31, 2025. Each employer shall ensure that, as part of each employee's refresher training, the employee is trained and qualified on the application of any Federal railroad safety laws, regulations, and orders the person is required to comply with, as well as any relevant railroad rules and procedures promulgated to implement those Federal railroad safety laws, regulations, and orders.

Issued in Washington, DC on December 27, 2019.

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