

## **POLICY POSITION OF THE SOUTHERN LEGISLATIVE CONFERENCE**

### **1. REGARDING TRANSPORTATION OF FREIGHT BY RAIL**

#### **BACKGROUND**

Efficient, effective and safe transportation strategies remain a critical ingredient for the economic success of a state, region and the Nation as a whole. In recent years, the importance of a state's transportation network seamlessly incorporating multimodal transportation methods such as roads, rail, aviation and ports has risen in significance as states compete in the global marketplace. In the aftermath of the Great Recession, there has been increased focus on moving freight by rail for a variety of reasons, including reducing congestion on America's roads and highways, lowering air pollution, improving public health outcomes by diminishing air pollution, mitigating the decay on our nation's aging infrastructure system and enhancing economic performance through efficiency gains related to the just-in-time delivery of goods. On average, railroads are four times more fuel-efficient than trucks, and moving freight by rail lowers greenhouse gas emissions an average of 75 percent. While transporting goods by truck remains a critical variable in our nation's transportation calculations, moving freight by rail also contains valuable advantages. One train can carry the freight of several hundred trucks at a single time, reducing gridlock on our nation's highways. A number of experts document that freight by rail remains the most economical, energy-efficient and environmentally friendly mode of transportation.

In recent years, railroad companies have responded to the demand to move more freight by making significant investments in their infrastructure to facilitate the movement of additional goods to destinations more speedily and safely. In 2015, the freight rail industry is investing an estimated \$29 billion to build, maintain and expand the nationwide freight rail network that powers the U.S. economy. Since 1980, when the industry was partially deregulated, America's freight rail industry has spent \$575 billion in private funds to maintain and upgrade the nation's 140,000-mile freight rail network. Just in the last decade, railroad companies have upgraded and maintained 31,000 miles of Class 1 railroad tracks. This investment not only funds the installation of new track and new bridges, it also funds new locomotive and rail car purchases, raises tunnels and develops new technologies, all elements to advance the continued movement of goods by rail. Importantly, the rail industry also provides employment to thousands of Americans, with an estimated 180,000 well-paying jobs at railroads nationwide, including an additional 15,000 people this year.

An important discussion point related to the movement of freight by rail in recent years relates to the shipment of oil by rail. As oil production has surged in the United States in the past decade, easing U.S. reliance on foreign energy sources, using rail tank cars to transport crude oil and other flammable liquids also has increased significantly. Action has been taken at the federal level to initiate measures to enhance rail and public safety. In response, the railroad industry has made the point that in 2014, 99.98 percent of all rail shipments of hazardous material reached their destination without incident. In addition, the industry noted that crude oil comprises less than 2 percent of all rail traffic. Nevertheless, the federal government continues to work with the industry to address many of the safety issues related to transporting crude oil and other hazardous materials.

The rail industry recognizes that emergency response preparedness is critical for public safety. It is collaborating with the American Petroleum Institute on a training program for emergency responders focusing on crude oil. Additionally, individual railroad companies provide comprehensive hazardous material training programs to local emergency responders at the state and local level, including interactive

programs involving tank cars, tabletop exercises and sessions at the Security and Emergency Response Training Center in Pueblo, Colorado. Finally, rail companies are active participants in the Transportation Community Awareness and Emergency Response (TRANSCAER) program, which is a voluntary national outreach effort that focuses on assisting communities to prepare for and respond to a possible hazardous materials transportation incident.

## **RECOMMENDATIONS**

The Southern Legislative Conference of The Council of State Governments calls on policymakers at the federal level – in partnership with the railroad industry – to work cooperatively to create an environment that facilitates the safe and efficient movement of goods by rail while affording the railroad companies the opportunity to secure the maximum possible returns on their investments.

The Southern Legislative Conference of The Council of State Governments calls on policymakers at the federal, state and local level – in partnership with the railroad industry – to work collaboratively and expeditiously on enhancing the rail infrastructure capacities of Southern states.

The Southern Legislative Conference of The Council of State Governments calls on policymakers at the federal level – in partnership with the railroad industry – to engage constructively and devise policy solutions to ensure that the transport of potentially dangerous materials by rail takes place in the safest manner possible.

The Southern Legislative Conference of The Council of State Governments urges policymakers to strongly consider policy measures to promote the movement of freight by rail so as to reduce congestion on America's roads and highways, lower air pollution, improve public health outcomes by diminishing air pollution, mitigate the decay on our nation's aging infrastructure system and enhance economic performance through the efficient delivery of goods.

The Southern Legislative Conference of the Council of State Governments urges the U.S. Department of Transportation to strengthen oil train safety by requiring that *all* new rail tank cars moving crude oil be required to meet the more stringent DOT-117 tank car standards; that enhanced thermal protection be required for rail tank cars moving flammable liquids; and that existing rail tank cars used for crude oil be retrofitted or phased out on an aggressive schedule.

Furthermore, the Southern Legislative Conference of The Council of State Governments requests that a copy of this policy position be forwarded to the Southern Congressional delegation, secretary of the U.S. Department of Transportation, and the president of the United States.