

## Member Railroads

Adirondack Scenic RR  
Arcade & Attica RR  
B & H Rail Corp.  
Batten Kill Railroad, Inc.  
Buffalo & Pittsburgh Railroad, Inc.  
Buffalo Southern Railroad, Inc.  
CSX Transportation, Inc.  
Canadian National Railway Co.  
Canadian Pacific  
Central New York Railroad, Inc.  
Clarendon & Pittsford Railroad Co.  
Consolidated Rail Corporation  
D & H Railway  
Depew Lancaster & Western Railroad Company  
Falls Road Railroad Co. Inc.  
Finger Lakes Railway Corp.  
Genesee & Mohawk Valley RR Co.  
Genesee & Wyoming Railroad  
Ithaca Central RR  
Livonia, Avon & Lakeville Railroad  
Lowville & Beaver River RR Co.  
Massena Terminal RR  
Middletown & New Jersey Railroad LLC  
Mohawk, Adirondack & Northern RR  
New York & Atlantic Railway Co.  
New York & Lake Erie Railroad  
New York New Jersey Rail, LLC  
New York & Ogdensburg Railway Co.  
NY Susquehanna & Western Railway  
Norfolk Southern Railway Co.  
Ontario Central Railroad Corp.  
Ontario Midland Railroad Corp.  
Owego & Harford Railway  
PanAm Southern  
Providence & Worcester Railroad  
Rochester & Southern Railroad  
SMS Rail Lines of New York  
South Buffalo Railway Co.  
Syracuse, Binghamton & NY RR  
Wellsboro & Corning Railroad  
Western New York & Pennsylvania RR

## Associate Members

Bergmann Associates  
Bowers & Company CPA's, PLLC  
Brookhaven Rail, LLC  
C & S Engineering, Inc.  
Delta Railroad Construction Inc.  
Erdman Anthony  
Erie County IDA  
Frontier Railroad Services LLC  
HDR Engineering, Inc.  
HNTB Corporation  
JMT of New York, Inc.  
McCarthy Rail Insurance Managers  
Railroad Group, LLC  
Southern Tier Extension Railroad Authority  
Stella-Jones Corp.  
Tartaglia Railroad Services, Inc.  
Tectonic Engineering Consultants  
Tracks Unlimited LLC  
W.J. Riegel Rail Solutions  
Wheeler Lumber

## Contributing Members

A & K Materials, Inc.  
CT Male  
Chenango County IDA  
Cranemasters, Inc.  
D.A. Collins Companies  
Delaware & Ulster Railroad  
Greenman-Pedersen, Inc.  
Kal Krishnan Consulting  
Lincoln Transportation Insurance Brokers  
Nisus Corp.  
Nordeco Inc.  
Railroad Construction Co. Inc.  
Rhinehart Railroad Construction, Inc.  
Rusco Group Inc.  
Saratoga Railroad Engineering  
Star Headlight & Lantern Co. Inc.

# RONY



## RAILROADS OF NEW YORK

**Executive Director**  
Scott Wigger  
**Governmental Relations**  
Plummer & Wigger, LLC

## RAILROADS OF NEW YORK - 2021 LEGISLATIVE OVERVIEW

### RONY Overview

RONY represents four Class I Railroads (CSX, Canadian National, Canadian Pacific and Norfolk Southern) and 36 Short Line and Regional Railroads that directly employ over 3,700 individuals in NYS. RONY's member railroads provide access to the nation's 140,000-mile freight rail network, enabling many of New York's industrial, manufacturing and agricultural businesses to reach markets across the country and throughout the world via all U.S. ports and to realize a substantial competitive advantage over other businesses that lack access to the rail network. In addition to providing considerable economic benefits to the New York-based customers our railroad members service, freight rail is also the most environmentally-friendly way to move goods and products by land, as moving goods by freight rail reduces highway gridlock, lowers greenhouse gas emissions and reduces emissions of particulate matter and nitrogen oxides.

This past year has presented unique challenges to the New York State economy due to the ongoing COVID pandemic. RONY's freight railroad operators have continued to operate and provide essential services during this time, helping to ensure the steady movement of necessary goods such as food and medical supplies to all areas of the state. As we begin to reimagine what a post-COVID world will look like, it is important to remember all of the essential businesses and employees that will continue to be instrumental going forward in these economic recovery efforts. RONY believes a great opportunity exists to grow the state's economy in a thoughtful manner that will help create jobs, attract new industries and promote a greener economy. RONY and all of its members are ready, willing and able to assist and work with state and local government entities on these opportunities.

### Climate Leadership and Community Protection Act

In 2019, New York State enacted the Climate Leadership and Community Protection Act, an ambitious environmental initiative that is designed to drastically reduce statewide greenhouse gas emissions across all sectors of the economy, including the transportation sector. In order to help achieve the statewide emissions reduction goals as outlined in the law, shifting long-haul freight movement from trucks to rail would significantly

contribute to reducing emissions in the transportation sector. According to the U.S. Environmental Protection Agency (EPA), the transportation sector accounts for approximately 27% of total U.S. greenhouse gas emissions (GHG), and while freight railroads account for 40% of U.S. freight, they accounted for only 2.1% of transportation-related GHG emissions and just 0.6% of total U.S. greenhouse gas emissions in 2018.

In the transportation sector, greenhouse gas emissions are directly related to fuel consumption, an area where freight rail transport has significant advantages over trucks.

According to the Association of American Railroads (AAR), moving freight by rail instead of truck reduces GHG emissions by approximately 75%. Railroads, on average, are approximately four times more fuel efficient than trucks and can move one ton of freight more than 470 miles per gallon of diesel fuel – a 101% improvement since 1980 - and a single freight train can replace more than 400 trucks on the road. As an illustrative example, if just 10% of the freight that moves by the largest trucks moved by rail instead, fuel savings would be more than 1.5 billion gallons per year and annual GHG emissions would fall by more than 17 million tons – equivalent to removing 3.2 million cars from the highways for a year or planting 400 million trees.

Promoting the use of freight rail over trucks will help advance many of the state's clean energy and emissions reduction goals. To help further these efforts, it is important that New York State continue to partner with the freight rail industry to help keep the state's rail network in a safe operating condition. This will help our state's freight rail carriers attract more customers which will in turn reduce the amount of truck traffic on our highways. The freight rail industry invests significant capital back into the rail network to help ensure a safe, efficient and environmentally-friendly mode of freight transportation, with the nation's Class I railroads alone investing nearly \$740 billion from 1980 to 2020, and most recently nearly \$30 billion annually, which is roughly \$1 billion dollars every other week. These investments will only continue to increase as the Federal Highway Administration has recently forecasted that total U.S. freight shipments will rise from an estimated 18.1 billion tons in 2015 to 25.5 billion tons in 2040, a 41% increase.

### **New York State Freight Rail Infrastructure Capital Grant Program Funding**

Included in the Governor's 2021-22 Executive Budget proposal is \$17.5 million for freight rail infrastructure projects and a separate \$10 million allocation for a mix of freight rail, passenger rail and port-related projects. Many of New York's freight rail companies rely on these funds to maintain the state's rail network in a state-of-good-repair and to remain economically viable in an increasingly competitive freight-based economy. However, this important funding program has remained flat over the past six years. Going forward, RONY supports building on the recent success of this funding program and requests that NYS continue to enhance the program, bringing it to a \$50 million annual level, the same level it was during the 2005-10 NYSDOT Bond Act period. This will help to further bolster the strong public-private partnership that was established prior to the Bond Act years with the state's railroads contributing significant matching funds for grant-funded projects

Referring to the ongoing COVID pandemic, Governor Cuomo has recently noted that all wars are followed by reconstruction. Following this lead, New York State should embark on a post-COVID reconstruction effort that includes an aggressive transportation and construction program with a focus on infrastructure, including rail, airports, roads and bridges all across the state. Increasing the funding in the state's freight rail grant program will help ensure that the state's rail network is not left behind and will provide considerable benefits to the state's economic recovery efforts across all sectors of the economy.

To help illustrate the needs in the state's freight rail network, the 2009 NYS Rail Plan issued by NYSDOT outlined the needed system investments by category totaling approximately \$390 million per year over a five-year period (approximately \$2 billion total), and over \$5 billion over a 20-year period as follows:

<b><u>FREIGHT RAIL NEED CATEGORY</u></b>	<b><u>5-YEAR NEEDS</u></b>	<b><u>20-YEAR NEEDS</u></b>
Maintain Existing Conditions	\$242,000,000	\$911,000,000
Develop State-of-Good Repair	\$597,000,000	\$1,235,000,000
System Enhancement	\$545,000,000	\$1,658,000,000
System Expansion/Economic Development	\$580,000,000	\$1,357,000,000
<b><u>TOTAL</u></b>	<b><u>\$1,964,000,000</u></b>	<b><u>\$5,161,000,000</u></b>

It is also important to note that the last three years' worth of approved allocations for the freight rail infrastructure grant program were recently released for solicitation, totaling \$87 million. RONY wishes to thank all its partners in the Governor's office, Legislature and NYS Department of Transportation for approving, releasing and administering these funds that will allow many essential rail network projects to receive the funding needed in order to commence.

## **Priority Legislative Issues**

### **Two-Person Crew Legislation (S3953-Kennedy/A1287-Magnarelli)**

RONY opposes legislation that would require freight rail companies to operate trains with at least two crew members aboard all freight trains in New York State. Numerous studies have shown that mandating at least two crew members would have no impact on the safety of railroad operations. Freight railroads remain the safest way to transport goods over land and railroad safety has significantly improved in recent years. According to the Association of American Railroads, since 2009, the mainline train accident rate is down 10%, the equipment-caused accident rate is down 11%, the track-caused accident rate is down 26%, the derailment rate is down 9% and the hazmat accident rate is down 48%.

In May 2019, following over five years of intensive study and stakeholder outreach, the Federal Railroad Administration (FRA) issued a decision to affirmatively not require trains to have at least two crew members aboard after coming to the conclusion that rail safety data does not support a train crew staffing rulemaking. The ruling stated, in part, "FRA's accident/incident safety data does not establish that one-person operations are less safe than multi-person train crews. Indeed, as FRA noted in the NPRM, existing one-person operations 'have not yet raised serious safety concerns' and, in fact, 'it is possible that one-person crews have contributed to the [railroads'] improving safety record.... FRA reviewed accident/incident data over a seventeen-year period ending in 2018 and could not determine that any of the accidents/incidents involving a one-person crew would have been prevented by having multiple crewmembers".

In addition, as part of this decision, the FRA noted that this decision represents an affirmative decision not to regulate crew size with the intention to preempt state laws. The decision states, "FRA has determined that no regulation of train crew staffing is necessary or appropriate at this time and intends for the withdrawal to preempt all state laws attempting to regulate train crew staffing in any manner".

### **Waste-By-Rail Legislation (S4203-Addabbo)**

RONY opposes legislation that would require putrescible waste transported by rail to be covered with hard sealing lids and non-putrescible waste transported by rail to be fastened with hard tarping. The requirements that would be imposed by this bill are unnecessary and unworkable. Waste shipments, and the containers they are stored in, are the responsibility of the shipper and leave the railroads with no discretion over how they are contained when being transported. Rail containers are loaded and covered in loading facilities where state and federal government agencies establish regulations and certify that containers are compliant and safe for transport. The railroads' responsibility is to hitch and haul these containers, but the provisions in this bill would make the railroads responsible for something over which they have no legal control.

Currently, rail containers hauling putrescible waste are sealed with hard lids that are specially-designed and vented to allow gases to escape, a standard industry practice for hauling such waste nationwide. Because of the lack of a clear definition of what constitutes a “sealing hard lid” in this legislation, it is unclear whether or not this type of covering would be acceptable. It is also unclear what would constitute “hard tarping” under this legislation for transporting non-putrescible waste as there is no definition provided for this either. Currently, this type of waste is transported in special gondola cars that are fastened in by a netting that keeps the contents secure, also a standard industry practice. In addition, the use of hard tarping is generally discouraged because of concerns with it breaking loose during transport where it can catch the air and act like a sail when the car is in motion.

The overall negative effect this legislation would have is it could result in municipal solid waste being more and more shipped by trucks than by rail. Because this bill unfairly singles out rail for these additional requirements, waste shipments could end up being shifted to trucks because the waste industry may simply find it easier than having to comply with the increased restrictions placed on rail shipments. This would potentially result in decreased safety, increased air pollution, more congestion on the roadways and higher highway maintenance costs resulting from the increased damage to the roads.

**RONY 2021 Executive Committee**

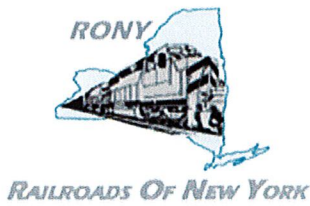
Charles Hunter, President (Genesee & Wyoming Railroad)  
Ray Martel, Vice President (Livonia, Avon & Lakeville Railroad; B&H Railroad; Western  
New York & Pennsylvania Railroad)  
Charlie Monte Verde, Secretary (Genesee Valley Transportation)  
Jane Franz, Treasurer (Buffalo Southern Railroad)  
Michael Fesen, Member-at-Large (Norfolk Southern Railway)  
Arielle Giordano, Member-at-Large (Canadian Pacific Railroad)  
Maurice O'Connell, Member-at-Large (CSX Transportation)

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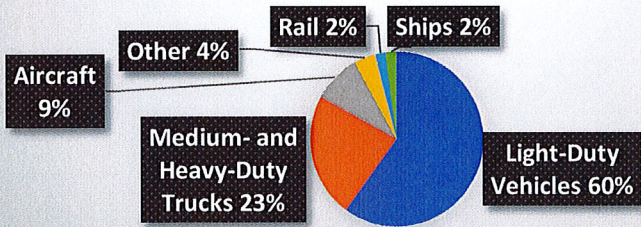
## ENVIRONMENTAL BENEFITS OF FREIGHT RAIL

Freight railroads are the most environmentally-sound way to move freight over land. According to the Association of American Railroads, on average, trains are four times more fuel efficient than trucks. They also reduce highway gridlock, lower greenhouse gas (GHG) emissions and reduce emissions of particulate matter and nitrogen oxides.

It would have taken approximately 4 million additional trucks to handle the 72 million tons of freight that originated in, terminated in, or moved through NYS by rail in 2014.

Tier 4 locomotives are the most advanced diesel locomotives in service that are being increasingly used by railroads. Tier 4 locomotive technology reduces particulate emissions from diesel locomotives by as much as 90% and nitrogen oxide emissions by as much as 80%.

### U.S. Transportation Sector GHG Emissions by Source



In the yard, freight railroads utilize anti-idling technologies to minimize fuel consumption and air pollution such as Automatic Engine Start Stop units that turn off a locomotive if it has been idle too long and Auxiliary Power Units (APU) which are small diesel engines that keep the main locomotive engine warm when powered down to prevent freezing in cold weather. APU's, for example, can reduce emissions from one locomotive by more than 80 tons of nitrogen oxides, 12 tons of carbon monoxide and three tons of particulate matter per year.

### Greenhouse Gas (GHG) Emissions Benefits

According to data from the U.S. Environmental Protection Agency (EPA), non-transportation sources such as power plants and manufacturers accounted for approximately 73% of U.S. GHG emissions in 2018, with transportation accounting for the other 27%. Freight railroads accounted for just 0.6% of total U.S. greenhouse gas emissions in 2015, and just 2.3% of transportation-related greenhouse gas emissions.

EPA stats also show that from 2005 to 2015, GHG emissions from the freight rail sector declined by 8.2%, while they increased in the trucking sector by 4% over that same time period.

U.S. freight rail volume is higher than it used to be, but railroad fuel consumption is much lower. In 2019 alone, U.S. freight railroads consumed 656 million fewer gallons of fuel and emitted 7.3 million fewer tons of carbon dioxide than they would have if their fuel efficiency had remained constant since 2000.

With GHG emissions being directly related to fuel consumption, moving freight by rail instead of truck lowers greenhouse gas emissions by 75%.

*In 2017, U.S. freight railroads moved a ton of freight an average of 479 miles per gallon of fuel, more than double the 1980 average of 235 miles per gallon. To help drive this increase fuel efficiency, freight rail companies have removed from service thousands of older locomotives and replaced them with new, more efficient locomotives; increased the amount of freight on railcars and trains; developed and implemented highly-advanced computer software systems that can calculate the most fuel-efficient speed for a train over a given route, determine the most efficient spacing and timing of trains on a railroad's system and monitor locomotive functions and performance to ensure peak efficiency; and, installed idling-reduction technologies, such as stop-start systems that shut down a locomotive when it is not in use and restart it when it is needed, and expanded the use of distributed power to reduce the total horsepower required for train movements.*