

Executive Director

Scott Wigger

Member Railroads

- Adirondack Scenic Railroad
- 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- D & H Railway
- Central New York Railroad, Inc.
- Clarendon & Pitsford Railroad Co.
- Consolidated Rail Corporation
- Depew Lancaster & Western Railroad Company
- Falls Road Railroad Co. Inc.
- Finger Lakes Railway Corp.
- Genesee & Mohawk Valley RR Co.
- Genesee & Wyoming Railroad
- Heorot Power LLC
- 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

RAILROADS OF NEW YORK RONY



RAILROADS OF NEW YORK, INC. (RONY) – TESTIMONY TO THE LEGISLATIVE FISCAL COMMITTEES

2018-19 TRANSPORTATION BUDGET HEARING JANUARY 25, 2018

Good afternoon. My name is Scott Wigger and I am the Executive Director for Railroads of New York (RONY), a statewide association that represents the freight rail industry in New York State.

RONY represents four Class I Railroads (CSX, Canadian National, Canadian Pacific and Norfolk Southern) and 35 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 also offers many environmental benefits, including reduced pollution and highway congestion, as well as increased fuel efficiency. Moving goods by freight rail instead of truck transportation also helps reduce wear and tear on our state's highway network.

Included in the Governor's 2018-19 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. On behalf of RONY and all of its members, I want to thank the Governor and Legislature for reestablishing and reinvigorating this important funding source in the past few years for our state's freight rail operators. 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.

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. Again, I wish to reiterate our thanks to you all for bringing this program back from the dead, when there was no funding allocated during the three state fiscal years from 2010-11 through 2012-13, when all rail funding was allocated towards high-speed rail project initiatives. This funding is key as rail freight volumes are expected to significantly increase over the next few decades, placing even more strain on the state's freight rail network. According to a 2015 report issued by the U.S. Department of Transportation, rail freight demand is expected to increase by 49% by 2040.



Associate Members

- Bergmann Associates
- Bowers & Company CPA's, PLLC
- Brookhaven Rail, LLC
- C & S Engineering, Inc.
- Creighton Manning Engineering, LLP
- Delta Railroad Construction Inc.
- Erdman Anthony
- Erie County IDA
- Frank Tartaglia, Inc.
- Frontier Railroad Services LLC
- Greenberg Traurig, LLP
- HDR Engineering, Inc.
- HNTB Corporation
- H.W. Lochner, Inc.
- McCarthy Rail Insurance Managers
- Mickelson & Company, LLC
- Otego Now
- RailWorks Trak Services, Inc.
- RailPro Industries, Inc.
- Southern Tier Extension Railroad Authority
- Tectonic Eng. & Surveying Consultants
- W.J. Riegel Rail Solutions

Contributing Members

- A & K Materials, Inc.
- CHA LLP
- Cattaraugus County IDA
- Chenango County IDA
- D.A. Collins Companies
- Delaware & Ulster Railroad
- Hardesty & Hanover, LLP
- Kal Krishnan Consulting
- Koppers Inc.
- Lincoln Transportation Insurance Brokers
- Modjeski & Masters, Inc.
- Mohawk Valley Materials Inc.
- Orgo-Thermit, Inc.
- Railroad Construction Co. Inc.
- Rhinehart Railroad Construction, Inc.
- Saratoga Railroad Engineering
- Star Headlight & Lantern Co. Inc.
- Unitrac Railroad Materials

Governmental Relations

Plummer & Wigger, LLC

Further expanding this program will not only benefit our state's freight rail companies that require this funding to make essential rail network improvements, it will also provide distinct benefits to the many industrial, commercial and agricultural businesses across the state that rely on the NYS freight rail network to ship and receive goods. Access to a safe, dependable rail network will not only help these customers move goods in a cost-effective manner, it will also help their bottom line and place them in a better position to expand operations and create jobs. This is particularly true for businesses that need to ship and receive goods over long distances.

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:

FREIGHT RAIL NEED CATEGORY	5-YEAR NEEDS	20-YEAR NEEDS
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
TOTAL	\$1,964,000,000	\$5,161,000,000

In addition to increasing the funding in the state's freight rail infrastructure capital project fund, RONY also requests that language be included in the final Enacted Budget that would make technical corrections to the Governor's Program Bill on railroad safety that was passed and signed into law in 2016 (Chapter 501 of the Laws of 2016). Specifically, this language would make the following adjustments to the law that was passed in 2016:

- It would maintain railroads' exclusive responsibility for maintenance of, and access to, highway-rail at-grade crossing warning systems located on railroad property;
- It would conform the state's railroad bridge inspection requirements with the requirements on the Federal level as detailed in the 2015 Fixing America's Surface Transportation (FAST) Act; and,
- It would reestablish the state's general authority over all public highway rail crossings only.

RONY appreciates the original intent of the legislation to help improve safety across all aspects of the state's freight and passenger rail system. Safety is, and has always been, the number one priority of the entire freight rail industry. However, the law that passed contained a number of problematic elements for freight rail operators that this corrective legislation would properly address. In fact, in the Approval Memorandum that accompanied Chapter 501 of the Laws of 2016, Governor Cuomo stated that he would welcome the opportunity to address these technical amendments in a subsequent Legislative session.

In conclusion, RONY respectfully requests the following:

- Increasing and restoring the state's freight rail infrastructure capital project fund to a \$50 million annual level; and,
- Including in the final Enacted Budget language that would address the freight rail industry's technical concerns with the railroad safety bill that was signed into law in 2016.

With respect to environmental benefits, the inherent efficiency freight rail provides results in benefits including reduced pollution, increased fuel efficiency and less damage to our state's roadway system as compared to truck transportation. On a ton-mile basis, railroads emit four-times less pollution than trucks and a typical freight train carries the capacity of more than 280 trucks. In addition, according to the Federal Railroad Administration, freight railroads can move a ton of freight close to 500 miles on one gallon of fuel, making them approximately four-times more fuel-efficient than trucks. Overall, according to the 2009 NYS

Rail Plan, a 1% shift in goods traffic from trucks to rail freight would save approximately 111 million gallons of fuel each year and reduce greenhouse gases by 1.2 million tons.

RONY and its members look forward to continuing to partner with NYS and its many commercial, industrial and agricultural businesses to help grow the state's economy and create jobs all across the state. With your help, the freight rail industry remains committed to being an integral part of New York's upward economic trajectory. Thank you.