Thank you, Dean Schofer, for your kind introduction. I’d like to thank Northwestern University for organizing the Third Annual William O. Lipinski Symposium on Transportation Policy with former Congressman William Lipinski. While in the House, Congressman Lipinski was a tireless advocate for the safety and development of our nation’s freight rail system. We all applaud his distinguished record of service to our country and to the people of Illinois.

I’d also like to recognize Secretary LaHood who I am privileged to serve, in the Obama Administration. I have seen firsthand how much Secretary LaHood cares about our nation’s transportation and infrastructure needs. He is doing an outstanding job as the leader of the Department.

I’d like to begin today by talking with you about why Chicago, and the rail industry that converges in this great city, matters to me.

As many of you know, I have deep roots in the area. I’m a fifth generation railroader who has spent my entire career in the railroad industry -- on the Illinois Central; at METRA here in Chicago; and, at the United Transportation Union -- and I’m proud to be the first FRA Administrator with rail experience and comes from a rail worker background.

I also served as Mayor of Riverdale and have been active for many years in civic causes and transportation planning in the area. In short, it is great to be able to come home and address you today as a native Chicagoan because I know the issues and problems here intimately.

Going back more than a hundred years, Chicago has been the hub of our nation’s rail system. The city is where eastern and western railroads converge and interchange traffic. The freight rail industry has for many years been the backbone of Chicago.

It is also important to recognize that one-third of the nation’s rail and truck cargo moves through the Chicago region. Roughly 1,200 trains pass through the area every day.

Coupled with highway traffic, the Chicago region is a transportation bottleneck of massive proportions. It can take 12 or more hours for a freight train to make its way
through the city. And, as demand for rail service increases in the coming decades, this problem will only intensify if no action is taken to relieve congestion.

We only need to go back 10 years to the Blizzard of 1999 to better understand how what happens in Chicago doesn’t stay in Chicago.

When it was all over, the storm left nearly 22 inches of snow on the ground, the second largest total in Chicago history. Many citizens were simply stuck at home. Lake Shore Drive was closed and many highways were blocked.

The rail system here was similarly crippled. The storm created such long delays that it took 11 days to move a freight car through Chicago.

Businesses throughout the country suffered mightily as a result of Chicago’s woes, as freight or cargo remained snowbound. The situation was analogous to a regular occurrence in air travel: large numbers of delays at O’Hare throw the nation’s entire flight schedule out of balance. This is what happened to the nation’s rail system.

To combat these long-standing congestion issues, the chief operating officers of the major rail carriers created the Chicago Planning Group. The Chicago Transportation Coordination Office (CTCO), a collection of the supervisors from each line, was also established.

Another outgrowth of greater cooperation between stakeholders was the establishment of The Chicago Region Environmental and Transportation Efficiency program, also known as CREATE. (I would be remiss if I failed to note that the work of Congressman Lipinski was central to the establishment of this initiative.)

CREATE is an innovative partnership between the City of Chicago, State of Illinois, Metra and the nation’s major freight railroads. Six Class I carriers pass through Chicago, all of which are partners in the CREATE program.

CREATE is intended to bring about much needed improvements to increase the efficiency of the Chicago region’s rail infrastructure through a $1.5 billion investment over the next decade.

CREATE is expected to greatly reduce train delays and congestion throughout the Chicago area by focusing rail traffic on five corridors. The projects include:

- 25 grade separations through construction of new roadway overpasses or underpasses
- 6 new rail overpasses or underpasses to separate passenger and freight train tracks
- Viaduct improvements
- Grade crossing safety enhancements
- And, extensive upgrades of tracks, switches and signal systems.
The U.S. Department of Transportation is working with the partners to streamline rail freight and passenger operations through the Chicago area. Freight railroads have committed hundreds of millions to this effort, as has the state.

Once complete, CREATE will greatly improve the state of infrastructure regionally. Programs like CREATE are also the sort ground-breaking efforts that my colleagues at the US DOT and FRA seek to replicate nationally in the coming months and years, because the congestion problems faced in Chicago are mirrored elsewhere around the country.

To that end, FRA is working with a wide range of stakeholders to develop the first-ever National Rail Plan.

This will not just be a narrowly focused document for the rail industry. If it is to be effective, it also must be comprehensive or multimodal in scope. The plan must articulate the role of rail in our larger national transportation system, as it affects our nation’s economic competitiveness, and our quality of life.

Just over two weeks ago, we delivered a Preliminary National Rail Plan to Congress, and posted this initial draft document online.

The plan was mandated by the Passenger Rail Investment and Improvement Act and lays the groundwork for developing policies to improve the U.S. transportation system. It mirrors the priorities contained in the Department of Transportation’s strategic plan:

- to improve safety
- to foster livable communities
- to increase economic competitiveness
- and to promote sustainable transportation

The Preliminary Plan is FRA’s proposed approach for the development of a long-range National Rail Plan.

Looking not just at passenger or freight rail in a vacuum, the Plan seeks to address the transportation needs and demands of travelers and freight, emphasizing inter-modality. The connections between ports, airports, highways, intercity and high-speed passenger rail, commuter rail, and transit hubs must all be addressed.

Fully realized, a truly multi-modal system will systemically assure that a passenger or freight shipment is transported using the most suitable mode for each segment of a particular journey.
The plan discusses several other important themes—among them:

- Demand for rail transportation depends heavily on the performance of the system, and by improving rail’s performance we can enhance the overall performance of the national transportation system.

- Freight shippers cannot afford slow or undependable transportation services and if freight rail is to play a larger role in the national transportation system, its performance must improve. This requires expanding capacity, improving connections, reducing chokepoints, and providing new and expanded services.

- Workforce development is crucial to the railroad industry as we seek to replace the institutional knowledge and skills that are being lost as workers retire, and the industry seeks to recruit a new generation of railroaders.

- The Plan will also incorporate state rail plans, ensuring federal long-range planning is consistent with approved state rail and overall transportation plans.

- In addition, we will continue to work with State DOT’s to expand their capacity to manage and implement rail programs. We consider this vitally important.

- And, please do note that this is a work in progress. Before the final document is produced, we will continue to engage stakeholders to assure that this plan is both meaningful now, and a living document that will support public policy decisions that affect the future of rail transportation.

I’d also like to touch upon a program that many of you have been reading about in the news recently: President Obama’s high-speed and intercity passenger rail initiative.

After years of attention paid to the development of highways and airports, the President and Secretary LaHood have made an unprecedented commitment to the expansion of passenger rail.

We believe that congestion on the highways and roads that connect our cities and towns can be reduced through the establishment of passenger rail alternatives.

$8 billion was set aside in the Recovery Act for high-speed intercity passenger rail and the $1.3 billion for Amtrak capital investments demonstrate this Administration’s keen interest in rail.

In just six and a half months, my agency has issued a High-Speed Rail Strategic Plan; held outreach sessions nationwide attended by nearly 1200 people, issued an interim guidance to states telling them how the high-speed program will work, and solicited applications for the funding currently available.
The response to this call to remake America’s transportation landscape has been nothing short of impressive. To date, we have received 45 applications from 24 states totaling approximately $50 billion to advance high-speed rail corridor programs. We’ve also received 214 applications from 34 states totaling $7 billion for corridor planning and smaller projects.

It became clear that with such an extraordinary response, we needed to step back and look at the big picture.

That is why we have chosen to take an extra few months before making final awards. Our goal is to see how the small and large projects proposed by states all fit together to lay the groundwork for a truly national passenger rail program.

What I expect to see is states introducing new passenger rail services, upgrading the quality, reliability, and frequency of existing intercity service, and laying the cornerstones for truly high-speed rail service along corridors of 100 to 600 miles.

To be successful, these efforts must be undertaken in concert and in cooperation with freight rail. The work done in Chicago, including CREATE, offers the rest of the nation a great model to follow. Everyone in this room deserves credit for that success.

But, before I leave you today, I would also like to touch on FRA’s core safety mission. While we relish the opportunity to take the lead in expanding passenger rail and assisting states with their own initiatives, FRA is first, and foremost a safety assurance and oversight agency.

In recent years, our safety program has undergone profound changes, beginning with the National Rail Safety Action Plan, which was effective by helping to reduce the most common causes for rail-related deaths and injuries.

The Plan targeted the most frequent and highest-risk causes of train accidents, and intensified research into new safety technologies.

The results of these initiatives are promising, but we believe the real key to improving safety is linked to our comprehensive Risk Reduction efforts, which depends on innovative methods to mitigate the underlying risk factors that result in train accidents and employee injuries.

FRA’s Risk Reduction Program incorporates “upstream” predictive data management to better identify and correct factors that frequently contribute to accidents. It is proactive – rather than reactive – because it focuses on prevention.

One notable new pilot project is the Confidential Close Call Reporting program, from which we have seen some very positive initial results. These programs encourage employees to report incidents that could have resulted in an accident, but did not.
At our first demonstration site at UP’s North Platte yard, for calendar year 2009, accidents attributed to human factors declined by more than 70 percent. Similarly, injuries to train, yard, and enginemen declined by more than 30 percent. By comparison, the industry as a whole has seen only modest improvements.

And, while the North Platte program is encouraging, nationwide employee fatalities have become far too frequent. So far this year, there have been 14 employee-on-duty fatalities; which is an unacceptably large number of deaths.

My colleagues and I at FRA are asking railroad management to redouble their efforts to ensure that the workplace is safe and the threat of harassment and intimidation is nonexistent.

Finally, I would also like to touch upon the introduction of Positive Train Control Technology or PTC.

We are very pleased that the major freight railroads are working to adopt interoperability standards for PTC. As I told a gathering of the Railroad Safety Advisory Committee in September, that effort needs to be accelerated.

We hope to issue a final rule in the very near future. And I want to emphasize that we are holding firm to the April 16, 2010 deadline for railroads to submit their implementation plans, as the law requires. I don’t want us to lose sight of the fact that this will be a historic change in the rail industry – one that will benefit all Americans.

I would like to conclude by reiterating what an exciting time it is to be at FRA and working with the rail industry. I look forward to tackling some of the big issues I’ve mentioned thus far. I also look forward to working with many of you on these matters going forward.

Thank you.