

STB Ex Parte No. 671 Rail Capacity and Infrastructure Requirements

Thank you Chairman Nottingham. Good morning and welcome to our panelists and other attendees. I'm glad that we have such a robust turnout for our inaugural hearing in our new building.

I want to associate myself with the remarks of Vice Chairman Buttrey. The infrastructure conference sponsored by Deloitte & Touche yesterday was very interesting, and was focused on the need to get private financing into public infrastructure. Here, we are looking at the flip side – how to get public money into a largely private industry.

The number and diversity of interests represented here today is testament to the critical nature of the rail capacity crunch currently facing our nation. In my speeches to various stakeholders across the country, I have spoken about this looming problem – how we got to this point, and what we might do to solve it.

I am pleased that we have initiated this hearing to further explore the extent of the capacity constraints; potential solutions to expand capacity; the infrastructure investment needed to maintain the world's leading freight rail system; and learn about innovative financing techniques to spur on this investment. Most of the written testimony submitted in this docket focuses on the physical rail assets and in-the-ground infrastructure. But as we all know, railroads cannot operate without a strong and well-prepared labor force. I am mindful of this human capital aspect as well, and I want to thank rail labor for their written comments in this regard.

As an economist, I understand how railroads allocate scarce resources among many competing investment opportunities.

And as an environmentalist, I understand the benefit that increased rail capacity can have on our nation's air quality, by taking trucks off the highways.

As a public servant, I recognize the non-quantifiable and indirect advantages to so many parties that we can secure by harmonizing our transportation networks.

And as an academic and former Hill staff director, I understand the obstacles to harnessing the leadership and generating the momentum for change.

We are all looking for answers to the capacity conundrum – the answers that make the most sense, are the most efficient, and hopefully are the simplest to implement. I hope that today's hearing leads us toward these answers. As always, I am eager to hear today's testimony and to engage in dialog with our witnesses. Thank you very much Chairman Nottingham.