

**02/02/15  
PRESENTATION  
POSITIVE  
TRAIN  
CONTROL  
(PTC) -  
ALASKA  
RAILROAD  
STATUS**

<TARGET><BILL></BILL><SUBJECT>02-02-15 PRESENTATION  
POSITIVE TRAIN CONTROL (PTC)- ALASKA RAILROAD  
STATUS</SUBJECT><COMM>SFIN29</COMM></TARGET>

# Positive Train Control (PTC): Alaska Railroad Status



Senate Finance Committee  
February 2, 2015

[AlaskaRailroad.com](http://AlaskaRailroad.com)



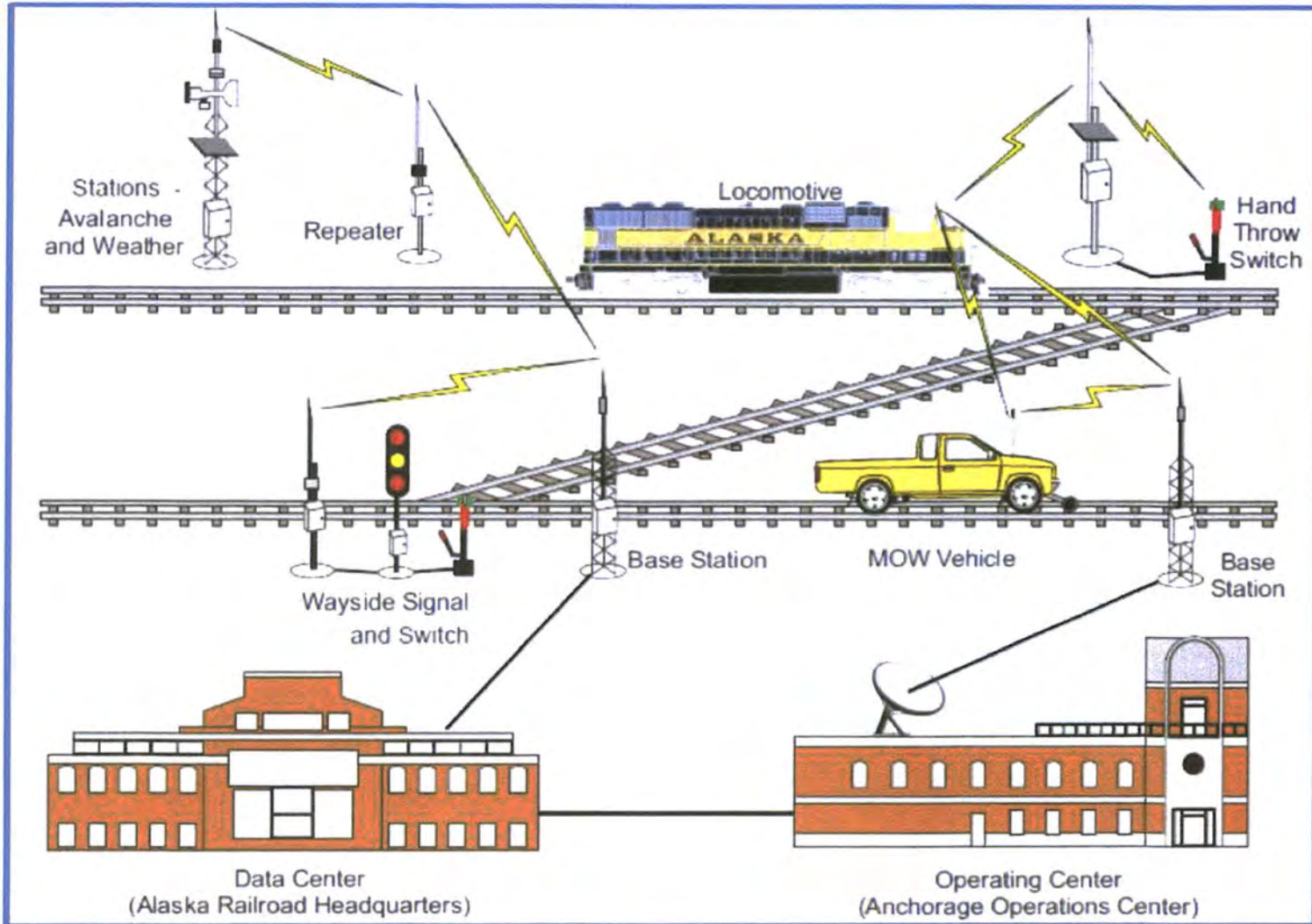
# What is PTC?

PTC is a safety overlay system that reduces human factor errors and must reliably and functionally prevent:

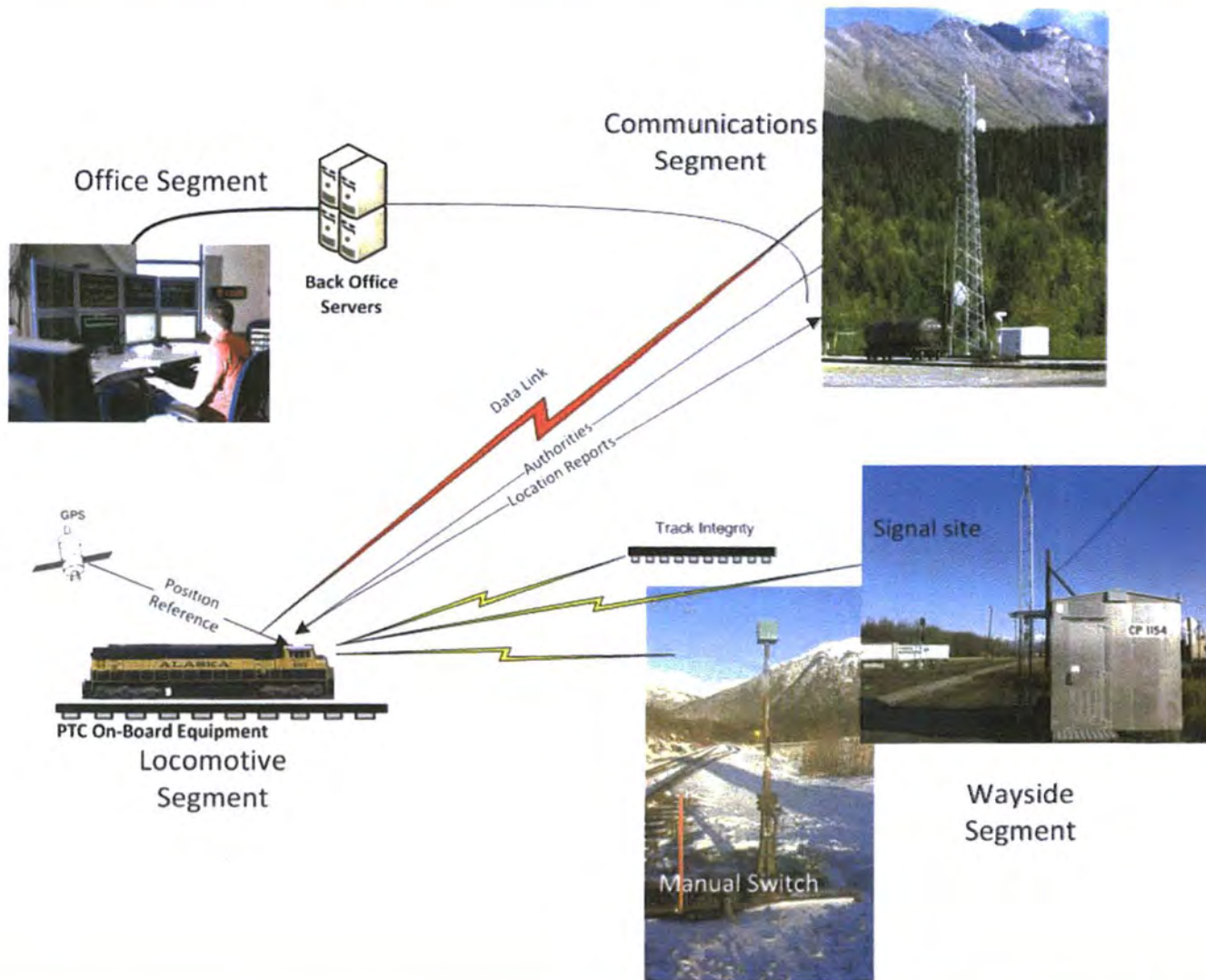
- Train-to-train collisions by enforcing authority limits;
- Overspeed derailments;
- Trains entering maintenance of way work zone limits; and
- Train movement through a main line switch in the improper position.



# PTC System Overview



# PTC System Overview



# Why PTC?

Over the last four decades, the National Transportation Safety Board (NTSB) has investigated a long list of accidents in which crewmembers failed to operate their trains effectively and in accordance with operating rules.

Because of these human performance deficiencies, the NTSB has advocated for systems that would compensate for human error and prevent train collisions.

NTSB 2014 Most Wanted List – reinforces the December 31, 2015 deadline.



# Why Mandatory PTC Regulations?

Two major railroad accidents in Graniteville, South Carolina in 2005 (pictured at right) and in Chatsworth, California in 2008 (pictured below) were cited as PTC preventable accidents during Congressional hearings that resulted in legislation leading to the unfunded PTC mandate.



# No Way Out

- \$12 billion to \$15 billion industry cost
  - \$160 million for ARRC
- Congressional Delegation
- Alaska Attorney General
- NTSB Most Wanted List – 2012 & 2014
- Association of American Railroads



# PTC Funding Sources 1997 - 2015

through December 31, 2014	Federal Funds/ARRC	State FY 14 & FY 15 Funds	Total
<b>Overall PTC Integration and Management</b>	\$29,557,997	\$4,982,068	\$34,540,065
<b>Locomotive Segment</b>	\$3,663,749	\$6,223,127	\$9,886,876
<b>Communications Segment</b>	\$7,803,271	\$4,524,861	\$12,328,132
<b>Office Segment</b>	\$19,691,965	\$4,179,150	\$23,871,115
<b>Wayside Device Monitoring</b>	\$8,197,729	\$14,190,795	\$22,388,524
<b>Total</b>	<b>\$68,914,711</b>	<b>\$34,100,000</b>	<b>\$103,014,711</b>
<b>Funds Committed + Spent</b>	93%	83%	
<b>Funds Spent</b>	88%	56%	



# ARRC 2016 – 2018 PTC Unfunded Budget

	FY 2016	FY 2017	FY 2018	Total
<b>Office, Comm and Locomotive Segments</b>	<b>\$ 10,650,000</b>	<b>\$ 7,850,000</b>	<b>\$ 8,350,000</b>	<b>\$ 26,850,000</b>
Overall PTC Integration and Management	\$ 5,800,000	\$ 5,300,000	\$ 5,300,000	\$ 16,400,000
Locomotive Segment	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,500,000
Communications Segment	\$ 3,000,000	\$ 1,000,000	\$ 1,500,000	\$ 5,500,000
Office Segment	\$ 1,350,000	\$ 1,050,000	\$ 1,050,000	\$ 3,450,000
<b>Wayside Segment</b>	<b>\$ 11,000,000</b>	<b>\$ 9,000,000</b>	<b>\$ 8,100,000</b>	<b>\$ 28,100,000</b>
Monitoring CTC Signal and Switches	\$ 2,500,000	\$ 2,000,000		\$ 4,500,000
Dark Territory Manual Switch Monitoring	\$ 8,500,000	\$ 7,000,000	\$ 8,100,000	\$ 23,600,000
<b>Total Funds Required</b>	<b>\$ 21,650,000</b>	<b>\$ 16,850,000</b>	<b>\$ 16,450,000</b>	<b>\$ 54,950,000</b>



# 2008 Rail Safety Improvement Act: Who must implement PTC?

Act mandates a PTC Implementation Plan with a December 31, 2015 implementation for:

- 1) Class I railroad carriers; and
- 2) **each entity providing regularly scheduled intercity or commuter rail passenger transportation (i.e. ARRC)**



# PTC Regulatory History

**1994:** FRA commits approximately \$40 million to develop, test and deploy PTC prototype systems in the Pacific Northwest, Michigan, Illinois, Alaska, and on some Eastern railroads.

**1996:** FRA establishes a Railroad Safety Advisory Committee (RSAC) to develop recommendations on safety issues. RSAC includes reps from all major rail safety stakeholders (FRA, rail labor and management, suppliers).

**1997:** An RSAC PTC Working Group is formed to develop regulations for PTC.



# PTC Regulatory History

*continued*

**1999:** RSAC provides FRA with a consensus report defining the PTC core functions to include:

- Prevention of train-to-train collisions
- Enforcement of speed restrictions
- Protection for Roadway Workers

**2005:** Core PTC functions are codified into regulations for voluntary installation of PTC systems known as 49 CFR 236 Subpart H.



# Origin of PTC at ARRC

ARRC began voluntary implementation of PTC in 1997.

- ARRC wanted to eliminate human-factor error that caused a near-miss between a NB freight and a SB loaded coal train near Montana Creek on June 30, 1995.
- UP and BNSF test Positive Train Separation System to/from Oregon to Washington to keep trains from colliding.



# ARRC Facts

Territory to be covered by PTC:

- 535 Miles of track
- 54 Locomotives and cab cars
- 36 Signal Control Points
- 122 Switches to be monitored
- Commercial power not available in many locations that are required to be monitored
- 35 base station radios (220 MHz)



# Current PTC Implementation Status

- Wabtec is continuing to develop the back office server and other office components and install locomotive equipment.
- Wayside and Communications systems in the pilot corridor between Anchorage and Whittier have been upgraded and installed.
- Signal equipment has been installed from Pittman to Kashwitna.
- Work is progressing at many communications sites.
- Contract has been awarded to install PTC wayside equipment on 8 sidings in the Talkeetna area, expected to complete by fall 2015



# PTC Operations at ARRC

Why does PTC cost so much?

- **Large Research and Development project:**
  - Railroad supplier industry has limited capacity.
  - FRA safety organization is small and will not have time to devote to safety certification of multiple systems.
  - Many experienced railroaders are retiring and retraining takes time.
  - Rail industry has limited supplier options which reduces competition.
  
- **Limited Power Options**
  - Wayside and communication segments need lots of power and expensive to generate.



# ARRC Benefits Realized

ARRC has seen numerous benefits through the development process:

- Elimination of human-factor errors due to a dispatcher issuing conflicting authorities by implementing Track Warrant Control (TWC) (where train movement is based on dispatcher providing a movement authority and transmitting verbally the limits of the authority) and a Computer Aided Dispatch system.
- Eliminated the less safe “track car lineup” when TWC was implemented.
- Installation of Data Radio Network and GPS on locomotives which increased situational awareness of train movements in relation to the authority issued.
- Replacement of functionally obsolete analog microwave radio system and voice radios to updated digital systems. These helped to eliminate delays and read-repeat errors.
- Improved train performance and reduced human-factor errors by hand-writing movement authority with Centralized Traffic Control (CTC), a system where train movement based on signal and switches remotely called by a dispatcher.



# What if ARRC Does Not Comply?

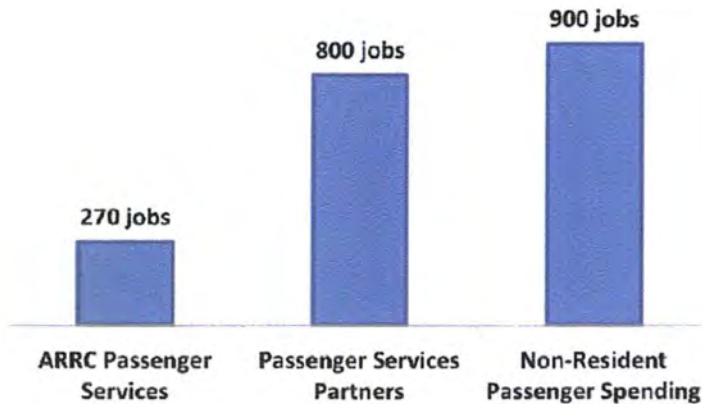
Federal law provides penalties for non-compliance:

- FRA authority to fine 61 different PTC-related violations
- Maximum FRA fine for failure to complete PTC installation by December 31, 2015, is \$16,000 per violation and \$25,000 for each “willful” violation. A separate violation is issued for each day the violation occurs. The FRA can fine up to \$100,000 per day as it deems warranted.
- FRA rail safety law compliance pertains to “persons” so both the corporation and individuals are on the hook.
- **Prohibit passenger service**



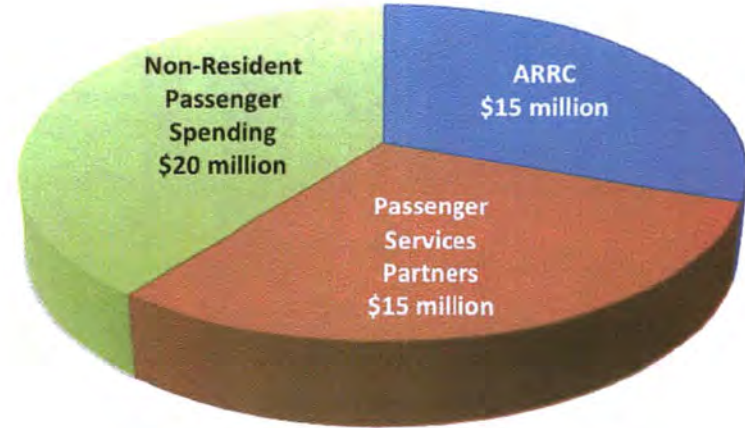
# Loss of Passenger Service

A total of just under 2,000 jobs are connected in some way to Alaska Railroad's passenger services.



ARRC Passenger Services-Related Employment, 2012

Approximately \$50 million in labor income is related to Alaska Railroad's passenger services.



ARRC Passenger Services-Related Labor Income, 2012



# Loss of Passenger Service

**Discontinuation of Alaska Railroad's passenger services would have significant impacts not only on the Railroad, but on the Railbelt's visitor economy and infrastructure.**

- Loss of all ARRC jobs and wages associated with providing passenger services.
- Loss of all ARRC passenger-related income, jobs, and wages in 275 businesses that provide goods and services to ARRC in support of its passenger operations.
- Unknown economic effects on ARRC's visitor industry partners, who would be challenged to replace the popular, scenic, high-amenity-value rail service with some other form of transportation with equal customer appeal.
- Loss of federal funding opportunities available to public transportation providers.
- Unknown, but certain redistribution of (and potential loss of) visitor spending in the region, as railroad passengers seek to replace their rail experience.
- Substantial increase in motorcoach service along the Parks and Seward Highways and other areas served by the Railroad, with traffic congestion and highway maintenance impacts. There could also be increase in RV, van, rental vehicle, personal vehicle, and/or airplane usage as a large number of visitors will be forced to find alternative transportation methods.

PREPARED BY  
 **McDowell**  
G R O U P



# PTC Deadline Extension Status

- Per Alaska Congressional Delegation, etc., an extension is the only potential relief available.
- Railroads will not make the 2015 deadline
- Railroads all support extension of the deadline (some three years, some five years)
- Alaska Railroad making “good faith effort” to implement PTC
- FRA supports deadline extension on a case by case review
- **ARRC DC team advises ARRC to continue to request state funding to help show FRA a “good faith effort” toward implementing PTC. (ARRC stands out among FTA fund recipients because we have not received state and local support for operating expenses.)**



# The Way Forward

- Fund remaining \$55 million through a combination of bonds and state funds
- \$37 million in ARRC bonds
  - Maximum amount we can add to bonds
  - Adds 4 years to maturity schedule
- \$18 million in state funding
  - Shows backing to creditors/bond buyers
  - Shows “good faith effort” to regulators





## Federal Railroad Administration Office of Safety Analysis

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### TOTAL ACCIDENTS/INCIDENTS, JAN - NOV (2014 preliminary)

	Counts				Percent Change	
	2011	2012	2013	2014	2013-2014	2011-2014
<b>01 RAILROADS REPORTING</b>	769	782	786	767	-2.4	-0.3
<b>02 TOTAL ACCIDENTS/INCIDENTS</b>	10,601	10,175	10,524	10,804	2.7	1.9
<b>03 Fatalities</b>	634	621	650	769	18.3	21.3
<b>04 Nonfatal</b>	7,828	7,807	7,828	7,706	-1.6	-1.6
<b>05 TRAIN ACCIDENTS</b>	1,861	1,624	1,670	1,578	-5.5	-15.2
<b>06 Fatalities</b>	6	8	7	2	-71.4	-66.7
<b>07 Nonfatal</b>	212	454	230	126	-45.2	-40.6
<b>08 Collisions</b>	151	144	144	128	-11.1	-15.2
<b>09 Derailments</b>	1,334	1,185	1,191	1,124	-5.6	-15.7
<b>10 Other</b>	376	295	335	326	-2.7	-13.3
<b>11 Track causes</b>	633	541	523	454	-13.2	-28.3
<b>12 Human factors</b>	685	617	636	602	-5.3	-12.1
<b>13 Equipment causes</b>	216	186	203	203	0.0	-6.0
<b>14 Signal causes</b>	29	44	49	43	-12.2	48.3
<b>15 Misc. causes</b>	298	236	259	276	6.6	-7.4
<b>16 Yard accidents</b>	1,030	925	908	908	0.0	-11.8
<b>17 HIGHWAY-RAIL INCS.</b>	1,882	1,811	1,885	2,068	9.7	9.9
<b>18 Fatalities</b>	229	206	206	239	16.0	4.4
<b>19 Nonfatal</b>	987	905	884	763	-13.7	-22.7
<b>20 OTHER INCIDENTS</b>	6,858	6,740	6,969	7,158	2.7	4.4
<b>21 Fatalities</b>	399	407	437	528	20.8	32.3
<b>22 Nonfatal</b>	6,629	6,448	6,714	6,817	1.5	2.8
<b>23 EMPLOYEE FATALITIES</b>	20	15	14	10	-28.6	-50.0
<b>24 EMPLOYEE NONFATAL</b>	3,923	3,698	3,905	4,043	3.5	3.1
<b>25 TRESPASSER FATALITIES</b>	372	382	406	498	22.7	33.9
<b>26 TRESPASSER NONFATAL</b>	343	386	399	386	-3.3	12.5

Date of run: Fri, Jan 30, 2015

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**SUMMARY OF ACCIDENT/INCIDENT RATES**  
**JAN - NOV (2014 preliminary)**

Type	2011	2012	2013	2014	Chg 2013 2014	Chg 2011 2014
<b>Tot accidents/incidents</b>	16.14	15.13	15.31	15.42	0.72	-4.46
<b>Train accidents</b>	2.83	2.41	2.43	2.25	-7.30	-20.5
<b>Yard accidents</b>	13.28	11.70	10.89	10.68	-1.94	-19.6
<b>Other track</b>	1.43	1.18	1.26	1.09	-13.7	-24.1
<b>Highway-rail incs.</b>	2.87	2.69	2.74	2.95	7.63	3.01
<b>Employee on duty</b>	1.86	1.75	1.84	1.82	-0.77	-2.12
<b>Trespassers</b>	1.09	1.14	1.17	1.26	7.74	15.90
<b>Passengers on train</b>	7.89	7.63	7.45	6.00	-19.4	-24.0

Date of run: Fri, Jan 30, 2015

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**NOTES**

- Tot accidents/incidents rate is the total number of accidents/incidents reported times 1,000,000, divided by total train miles.
- Train accident rate is the number of train accidents times 1,000,000 divided by total train miles.
- Yard accident rate is the number of train accidents that occurred on yard track times 1,000,000 divided by the number of yard switching train miles.
- Other track rate is the number of accidents that did not occur on yard track times 1,000,000 divided by total train miles minus yard switching train miles.
- Highway-rail incident rate is the number of incidents times 1,000,000 divided by the total number of train miles.
- Employee on duty rate is the number of reported cases (fatal and nonfatal) times 200,000 divided by the number of employee hours worked.
- Trespasser rate is the number of reported cases (fatal and nonfatal), excluding those associated with highway-rail incidents times 1,000,000 divided by the total train miles.



FY 2016 Capital Funding Request by the Alaska Railroad Corporation  
Amended Request

**The Alaska Railroad Corporation (ARRC) requests funding of \$21.8 million in the FY2016 Capital Budget for the specific purpose of complying with the unfunded federal mandate to install Positive Train Control (PTC).**

**What is PTC?**

Positive Train Control is technology designed to stop or slow a train before human-error causes an accident to occur. In 2008, the federal Rail Safety Improvement Act required certain railroads to install a fully functional PTC system by the end of 2015; by virtue of its passenger service, the Alaska Railroad is subject to this requirement. A failure to implement PTC will force ARRC to severely curtail or eliminate passenger service and/or face severe fines for non-compliance.

Railroad industry estimates for this large research and development project indicate that it will cost more than \$150 million to implement. From 1997 through 2015, ARRC will have invested \$68.9 million to develop a PTC system. In 2013 and 2014, ARRC received an additional \$19.1 million and \$15 million respectively from the State of Alaska to continue work on PTC. Between 2016 and 2018, \$58.6 million<sup>1</sup> will be required for ARRC to complete the development and installation of PTC. This figure does not include the estimated \$5 million to \$7 million per year of operating and capital maintenance costs related to the system that ARRC will fund after PTC is installed.

**Why state funding is needed**

ARRC is requesting \$21.8 million in the FY2016 capital budget for PTC expenses in 2016. Future funding requests will be made to meet the more than \$150 million total project budget.

ARRC has used corporate revenues and federal funding to implement PTC since 1997. With severe drops in key lines of ARRC business and significant cuts to federal funding, it has been necessary to find a different source to fund the capital cost of PTC. However, at the September 25, 2014 ARRC Board Meeting, board members voted unanimously to use an additional \$5.1 million in ARRC funds towards completing PTC. These funds reflect an unexpected increase in ARRC revenues due to increased freight shipments on the ARRC Seattle to Whittier barge service, particularly in the area of oil field drilling and production equipment. While overall freight

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<sup>1</sup> \$26.9 million for 2016, \$16.4 million for 2017, and \$15.3 million for 2018

revenue for the 12 months ending June 2014 is above budget forecast, ARRC is still experiencing significant downturns in petroleum and coal business lines.

A failure to implement PTC would force ARRC to severely curtail or eliminate passenger service. The Alaska Railroad Corporation Act requires ARRC to seek the additional funding necessary to maintain passenger service from the Alaska Legislature:

*AS 42.40.100 Management by the board.*

*The board is responsible for the management of the corporation but shall delegate certain powers and duties to the chief executive officer in accordance with AS 42.40.120. In managing the corporation, the board shall*

***(4) apply to the legislature for an appropriation with the concurrence of the governor to be used to provide a particular service that is not otherwise self-sustaining if a subsidy is required to maintain that service;***

**Steps taken by ARRC**

- Invest \$68.9 million in corporate revenue and federal funds, including \$5.1 million of corporate revenue in 2015, toward completion of PTC
- Went through a major corporate restructuring in 2013 to address a difficult financial situation
- Continue working with national railroad associations and our congressional delegation to get Congress to extend the PTC implementation deadline

**DON YOUNG**  
CONGRESSMAN FOR ALL ALASKA  
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Congress of the United States  
House of Representatives  
Washington, D.C. 20515

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February 28, 2013

*13  
staff &  
members  
only*

Mr. Christopher Aadnesen  
President and CEO  
Alaska Railroad  
327 W. Ship Creek Ave.  
Anchorage, AK 99501

Dear Mr. Aadnesen:

Thank you for keeping us up to speed on your progress toward implementing the federal Positive Train Control mandate. As you well know, Congress mandated PTC in the 2008 Rail Safety Improvement Act and it has been on the "10 Most Wanted Safety Recommendations" of the National Transportation Safety Board since 1990. I realize implementing this project is a tremendous challenge for our Alaska Railroad and that the entire railroad industry subjected to this mandate is struggling with the untested technology, high cost and looming deadline.

I am encouraged to hear that the Alaska Railroad is seeking state funding support for this project in order to maintain its critical passenger transportation service just as other passenger railroad's have done in the U.S. that are subject to this Safety mandate. I understand there may be a view within the Legislature that the Alaska Congressional Delegation may be able to get enacted a special exemption for the Alaska Railroad from the PTC safety requirement. I wish to clarify that enacting such an exemption is not on the Congressional horizon, especially for an NTSB Most Wanted Safety Recommendation. While there is a possibility that Congress may extend the current 2015 deadline by several years, something I strongly support, there is virtually no likelihood of a special Alaska exemption, especially given the current Congressional rules barring provisions that name specific entities or localities for specialized treatment. I hope this helps to clarify the matter and I am hopeful our state can help with this pressing matter.

Sincerely,

DON YOUNG  
Congressman for all Alaska

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[HTTP://DONYOUNG.HOUSE.GOV](http://donyoung.house.gov)

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February 27, 2013

William R. Hupprich, General Counsel  
Alaska Railroad Corporation  
327 West Ship Creek Avenue  
Anchorage AK 99510-7500

Re: Rail Safety Improvement Act of 2008

Dear Bill:

You have requested our review of the federal Rail Safety Improvement Act of 2008<sup>1</sup> and its applicability to the operations of the Alaska Railroad Corporation (“ARRC”). We conclude that federal law requires that ARRC comply with the Act if it wishes to continue providing passenger service.

The Rail Safety Improvement Act is a comprehensive federal safety initiative for railroads that mandates the implementation of Positive Train Control (“PTC”) systems by major rail carriers across the country. PTC is a system of integrated technologies that is designed to prevent train accidents such as derailments and head-on collisions by eliminating the human factor.<sup>2</sup> Each rail carrier must develop a plan for implementing its PTC system and submit it to the U.S. Secretary of Transportation for review and approval.<sup>3</sup> Prior to installing an approved PTC system on a passenger train, the Secretary must certify it as complying with 49 C.F.R. Part 236.<sup>4</sup> The Rail Safety Improvement Act

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<sup>1</sup> Pub. L. No. 110-432 (codified in part at 49 U.S.C. § 20157).

<sup>2</sup> 49 U.S.C. § 20157(i)(3). “The term ‘positive train control system’ means a system designed to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through a switch left in the wrong position.”

<sup>3</sup> 49 U.S.C. § 20157(c).

<sup>4</sup> 49 U.S.C. § 20157(h).

requires that each rail carrier must complete installation of its approved and certified PTC system by December 31, 2015.<sup>5</sup>

The Secretary of Transportation is authorized to assess civil penalties of \$2,500 to \$25,000 per violation for 61 separate violations of PTC-related requirements.<sup>6</sup> These violations include failure to implement a PTC system by December 31, 2015, operation of a PTC system prior to certification, non-compliant operation of unequipped trains in areas where a PTC system is required, failure to comply with record-keeping requirements, failure to repair a faulty PTC system component, and failure to train railroad employees.<sup>7</sup> Higher penalty amounts are assessed for willful violations – for example, the penalty for failure to implement a PTC system by December 31, 2015 is \$16,000 per violation and \$25,000 per “willful violation.”<sup>8</sup> Every day a violation continues constitutes a separate violation.<sup>9</sup> In situations where “a grossly negligent violation or a pattern of repeated violations has caused an imminent hazard of death or injury to individuals, or has caused death or injury,” the Secretary may impose an aggravated civil penalty of up to \$105,000 per day.<sup>10</sup>

In addition to the civil penalties, the Secretary of Transportation may also request an injunction for violations,<sup>11</sup> and may issue a compliance order requiring compliance with a railroad safety regulation or order.<sup>12</sup> The U.S. Attorney General may bring a civil action to enforce railroad safety regulations and orders.<sup>13</sup>

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<sup>5</sup> 49 U.S.C. § 20157(a)(1).

<sup>6</sup> 49 U.S.C. § 20157(e).

<sup>7</sup> 49 C.F.R. Part 236, App. A.

<sup>8</sup> *Id.*

<sup>9</sup> 49 U.S.C. § 21301(a)(1).

<sup>10</sup> 49 U.S.C. § 21301(a)(2). As of June 25, 2012, the aggravated maximum penalty was raised from \$100,000 to \$105,000 pursuant to the Inflation Act.

<sup>11</sup> 49 U.S.C. § 20111(a).

<sup>12</sup> 49 U.S.C. § 20111(b).

<sup>13</sup> 49 U.S.C. § 20112(a).

The Rail Safety Improvement Act applies to all “Class I” rail carriers and every railroad providing regularly scheduled intercity passenger service.<sup>14</sup> Since ARRC provides regularly scheduled intercity passenger service, the Rail Safety Improvement Act applies to it.<sup>15</sup>

The Alaska Railroad Transfer Act of 1982<sup>16</sup> at 45 U.S.C. § 1207 contains the laws applicable to ARRC after its transfer from the federal government to the State.<sup>17</sup> The Act designates ARRC as “a rail carrier engaged in interstate and foreign commerce” subject to all federal statutes applicable to rail carriers operating in interstate commerce, which includes the Rail Safety Improvement Act.<sup>18</sup> Similarly, the State’s Alaska Railroad Corporation Act,<sup>19</sup> which established ARRC as a public corporation of the State, authorizes ARRC to undertake all actions “necessary to carry out the powers and duties of the corporation granted or necessarily implied in . . . the laws or regulations of the federal government.”<sup>20</sup> Thus, both the federal and state statutes contemplate ARRC’s compliance with the federal law, which includes the Rail Safety Improvement Act and the PTC system requirements.

The Rail Safety Improvement Act contains no statutory waivers or exemptions that apply to ARRC’s operations. However, a rail carrier may petition for a waiver from

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<sup>14</sup> 49 U.S.C. § 20157(a).

<sup>15</sup> ARRC provides scheduled passenger service between Anchorage and Fairbanks year round with additional destinations in the summer. See <http://www.alaskarailroad.com/travel/Transit/Schedules/tabid/98/Default.aspx>.

<sup>16</sup> 45 U.S.C. § 1201 – 1214.

<sup>17</sup> The federal government began building the Alaska Railroad in 1914 and operated it until January 5, 1985. The state paid \$22.3 million for the railroad and its assets. ARRC continues to receive federal support – since 1996 ARRC has received \$863 million in federal funding.

<sup>18</sup> 49 U.S.C. § 10501(a).

<sup>19</sup> AS 42.40.010 – 42.40.990.

<sup>20</sup> AS 42.40.250(30).

William R. Hupprich  
Re: Rail Safety Improvement Act of 2008

February 27, 2013  
Page 4

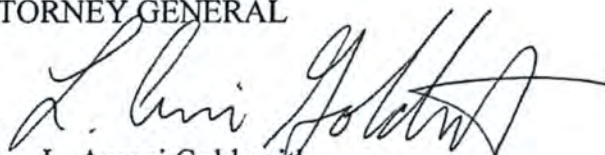
a safety rule, regulation, or order,<sup>21</sup> such as a regulation adopted pursuant to the Rail Safety Improvement Act concerning the specific requirements for a PTC system, the content of a PTC system implementation plan, records retention, training, security, and other specific requirements.<sup>22</sup> A waiver from a safety rule, regulation, or order may only be granted if the Secretary of Transportation determines that “the waiver is in the public interest and consistent with railroad safety.”<sup>23</sup>

Absent a waiver of a specific safety rule, regulation, or order, new federal legislation containing an exemption, or new federal legislation granting an extension of time for compliance,<sup>24</sup> ARRC is required to comply with every provision of the Act and implement a PTC system by December 31, 2015. If ARRC fails to meet the Act’s requirements, ARRC could face civil penalties of up to \$25,000 per day, or \$105,000 for egregious violations, and could be subject to enforcement action by the Secretary of Transportation and the U.S. Attorney General.

Sincerely,

MICHAEL C. GERAGHTY  
ATTORNEY GENERAL

By:



L. Anmei Goldsmith  
Assistant Attorney General

LAG/bap

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<sup>21</sup> 49 C.F.R. Part 211.41, 211.43, 211.45.

<sup>22</sup> 49 C.F.R. Part 236.1001 – 236.1049.

<sup>23</sup> 49 U.S.C. § 20103(d).

<sup>24</sup> We are aware that there are ongoing discussions within the Association of American Railroads (ARRC is a member) to pursue a Congressional extension, but we are not aware of any final decision.