

BNSF opposes requirement to install automatic-braking systems

(Bloomberg News circulated the following story by Angela Greiling Keane on August 28, 2009.)

NEW YORK — BNSF Railway, the largest U.S. railroad, is pushing Congress to scale back a requirement for carriers to install automatic-braking systems on most of their tracks.

"Heavy-handed" legislation enacted last year would cost Fort Worth-based BNSF almost \$2 billion, Chief Executive Officer Matt Rose said this week.

"It's in everybody's best interest that we lower the cost of this installation tremendously and not just turn a tin ear to the railroads' whining about this," Rose said. "This is one of those great examples of regulation gone awry where there will be unintended consequences."

So-called positive train-control technology is designed to stop trains in perilous situations without an engineer's involvement. Congress acted after investigators said such a system might have prevented the Los Angeles crash in 2008 between a commuter train and a Union Pacific Corp. freight train that killed 25 people.

Rose said BNSF is urging lawmakers to allow carriers to put the technology on only the busiest lines. The Federal Railroad Administration, which regulates rail safety, is writing the rule to carry out Congress' mandate.

Outfitting all U.S. tracks would be a \$10 billion expense for the industry, Rose said. BNSF has tested its own automated control systems and would have preferred to install the technology on its own timetable, he said.

The four largest U.S. railroads agreed last year to a common standard for the crash-avoidance technology. Under the law, railroads must install the technology on major routes by 2015. Then-Federal Railroad Administrator Joseph Boardman, who is now CEO of Amtrak, the U.S. passenger railroad, said the technology would have stopped the trains in the Los Angeles accident before they collided.

The Federal Railroad Administration plans to have a final rule on the technology out in October, Warren Flatau, an agency spokesman, said Friday.

Rose, citing the agency's analysis, said the technology would have a \$600 million benefit for the \$10 billion cost. He called the cost-benefit ratio "horrible."

BNSF is also lobbying to shape legislation supported by railroad customers. The legislation has received renewed interest this year because Sen. Jay Rockefeller, D-W.Va., became chairman of the Senate Commerce Committee, which oversees railroads, Rose said. Rockefeller has criticized railroad pricing practices at hearings. West Virginia is the second-largest coal producing state after Wyoming, according to the Energy Information Administration.

The measures, sponsored in the Senate by Rockefeller and Sen. Herb Kohl, D-Wis., are aimed at increasing competition among railroads and curbing some freight rates.

Rail shippers, including electric utilities, are backing the effort.

"If a bill comes out that the railroads can't see their ability to reinvest, you will see the railroads fight it," Rose said. "And we have a lot of friends."

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