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Chairman Kunze, Vice Chair Reineke, Ranking Member Antonio, and members of the Ohio Senate Transportation Committee, thank you for this opportunity to offer testimony on Substitute House Bill 250 (SB 250). My name is Katie Roller, and I am the Director of Public Affairs for Patriot Rail.

I am testifying on behalf of the Napoleon, Defiance & Western Railway (NDW), a Class III railroad owned and operated by Patriot Rail. The NDW operates nearly 60 miles of track between Woodburn, IN and Liberty Center, OH, and is one of Patriot's 31 short line freight railroads across the United States. The NDW respectfully urges the Committee to adopt and advance SB 250, which would provide the necessary and appropriate safety regulatory flexibility governing installation of wayside equipment defect detectors (or "hotbox" detectors) for Class III operations in Ohio running at 10 mph or less.

I am personally committed to safety as a railroad and transportation professional with nearly two decades of experience. I began my railroad career in 2005 at CSX with a focus on grade crossing safety and public-private partnerships. My department focused on maximizing public and private investments to increase safety, reliability, and efficiency for our customers and communities we served. I assumed various volunteer leadership roles with Operation Lifesaver Inc., a non-profit organization and nationally recognized leader of rail safety education and supported the CSX safety Crisis Response "Standard of Care" team for ten years.

In August of 2023, I joined the Patriot Rail team. Safety is a core value for Patriot Rail and embedded in our culture from the executive team to our employees in the field on the ground. Every Patriot Rail team member has the authority to stop rail operations if they see anything unsafe.

As background and context on the NDW, in September 2022, Patriot Rail acquired Pioneer Lines which had formerly owned the NDW since December 2021. At that time, the NDW was described as a railroad "in dire need of rehabilitation." Since 2021, federal, state, and focused private sector investments in the NDW have included:

- Track work in 2021 funded by a \$450K grant from the Ohio Rail Development Commission (ORDC) and \$290K from NDW;
- Upgrade of track from 80lb rail to 132lb rail and replacement of 29,000 ties over 29 miles funded by \$4.1M from a 2020 Federal Railroad Administration (FRA) Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant, matched by \$250K from ORDC, and \$3.8M from NDW; and
- Upgrade of three miles of track from 80lb rail to 112lb rail in 2021 funded by \$687K from ORDC, \$192K from NDW and \$495K from NDW from in-kind materials.

In 2023, FRA awarded ORDC as grantee and NDW as sub-recipient a \$9.2M FY 2022 CRISI grant, leveraging \$264K from ORDC and \$3.7M in NDW investment to replace rail from Napoleon to Okolona and Jewell to Defiance, and associated improvements. With this grant and other federal, state and private investments, the NDW has a bright future, but today the railroad operates at a maximum speed of 10 miles per hour on the entire line and carries less than 100 cars of hazardous materials a year.

In 2023, Ohio enacted railroad safety legislation HB 23, that among other provisions requires the installation and maintenance of wayside equipment defect detectors, or "hot box" detectors, on freight rail tracks across Ohio. Overheated bearings (called hot boxes) are a product of pressure and speed.

And while it is critically important to detect and address hot boxes as soon as they arise, it must be noted that much of Ohio's freight rail network consists of Class II, III and regional low speed branch lines, short line railroads, with lower speeds that may not generate the same threat of overheated bearings or create potential derailment situations with potential safety impact as higher-speed derailments.

Hot box detectors are expensive, complex systems, designed to detect issues commonly found on higher speed trains and higher volume tracks. The installation and maintenance of one of these systems may realistically consume a very large percentage of a local short line railroad's annual revenue. When considered for application on lower volume and lower speed short line operations, installation of hot box detector systems may present challenges from a benefit-cost perspective compared with other safety investments.

In Ohio, the NDW and other local short line railroads, for example, have focused on safety improvements by targeting infrastructure investment where it makes the biggest difference. Repairs or replacement to aging track components, crossing surfaces, and other surface infrastructure produce significant and sustainable safety improvements, and have contributed to an overall industry-wide reduction in track-caused accidents by 55% since the year 2000.

SB 250 recognizes these safety investment priorities by modifying SB 23 as enacted to enable Class III railroads operating at 10 mph or slower the discretion and flexibility to determine the safety benefits of hot box detectors compared with other safety upgrades. Every location is different and presents a variety of elements to review for a hot box detector installation. Flexibility is particularly important as some cost estimates for installing hot box detectors have focused only on the equipment acquisition and installation costs of hot box detectors, not the total infrastructure installation including signal and electrical requirements, and earth work required to enable ongoing hot box detector access for inspection and maintenance.

Given the substantial cost of mandated hot-box detector installation, compared with the safety benefits of such installations for operations at 10 mph versus other safety investments, we urge the Committee to adopt the refined language incorporated in SB 250. We greatly appreciate the Committee's consideration of this "common sense" approach to safety and investment in Ohio.

Thank you.