



REGIONAL RAIL, LLC.

505 South Broad Street
Kennett Square, PA 19348
(610) 925-0131 Phone
(610) 925-0135 Fax
www.regional-rail.com

May 22, 2023

Chairman Kunze, Vice Chair Rennie, Ranking Member Antonio, and members of the Ohio Senate Transportation Committee, thank you for allowing me this opportunity to offer testimony on substitute House Bill 23. My name is Alfred Sauer, and I am President and CEO of Regional Rail LLC. Regional Rail owns and operates over 800 miles of shortline railroad in the eastern US and in Canada. I am writing today on behalf of our operations within Ohio, which represent approximately 150 miles of shortline railroad track.

While we certainly understand the good intent behind the original version of HB 23, it has become apparent that a “one size fits all” approach of a statewide requirement for lineside detection systems across all railroads, irrespective of traffic density or operational speed, can trigger unintended consequences which would result in decreased return on investment in rail safety, rather than the originally intended increase.

I say this because, as a railroader for 37 years, and a shortline railroader for the vast majority of that time, I cannot recall a single instance where a derailment on a shortline railroad was determined to have been caused by a failed wheel bearing. The primary cause of derailments that I have seen in my years on the railroad have been caused by weather events, wornout ties, broken rails, and human error. As such, we direct our annual capital expenditures primarily into ties, rail, switches, and bridge repairs/upgrades. Due to the fact that we have never had a single incident of derailment caused by defective wheel bearings, it is simply not even on our radar screen to direct precious capital dollars into the acquisition and maintenance of defective wheel bearing detectors. We have found that safety is improved, and derailments are more effectively minimized/prevented by the thousands of ties, miles of rail, and hundreds of feet of bridge and tunnel that we repair/replace/renew each year. In my humble opinion, and based upon my decades of shortline railroad experience, these are the areas where shortline railroads should focus their capex and maintenance investments and activities, as these areas yield the greatest safety return on investment for our employees, our customers, and the communities that we serve.

A secondary area of unintended consequence rests within the current supply chain for lineside detector systems. Class 1 railroads, such as NS, CSX, Amtrak, etc have installed these systems across their networks, but perhaps not within tight enough intervals to have prevented a defective wheel bearing caused derailment, such as the tragedy at East Palestine. These high speed, high density mainlines are the exact place where additional investment in lineside detection systems would have the most benefit, for both the railroad companies, and the public. These lineside detection systems are specialized equipment, there is limited supply of these systems within the current market place. Under HB 23, shortline railroads would be required to install these systems every 10 miles, which will create demand for hundreds of

additional lineside detector systems, and these limited resources will be installed on slow speed, light density shortlines with little benefit to the railroad, or to the community. This will drive prices for the limited number of lineside detector systems even higher, and divert or further delay them from being installed on the high speed, high density mainlines where they would provide the greatest and most immediate benefit.

Based upon our experience at Regional Rail, and at other shortline railroad companies, I would respectfully request that provisions within SB 23 that require slower speed, lower density, shortline railroads to install and maintain lineside detection systems at 10 mile intervals should be removed, or at least suspended until the efficacy of this mandate can be more thoroughly reviewed and the costs vs benefits can be quantified. Thank you for your consideration, and I am available to discuss in greater detail, at your convenience.