Positive train control: Who pays?

On Sept. 30, 2010, an unmanned CN train derailed near Lake City, Minn., after colliding head-on amid the remote iron ore trains, one loaded and one empty, collided head on. The derailment resulted in three people being killed and thousands of dollars in damages. The incident highlights the potential dangers of not implementing positive train control (PTC) on U.S. railroads.

According to the Federal Railroad Administration’s (FRA) own analysis and one by the consulting firm of Clearinghouse, both of which concluded that PTC is not an efficient or feasible solution to the problem of derailments, a similar crash two years earlier, this one in St. Paul–Minneapolis, resulted in a loss of life. Positive train control has the ability to prevent such wrecks, but it doesn’t mean it’ll be cost-effective.

The law did not address the financing of the mandated installation of PTC, and Class I railroads will need to spend at least $3 billion to $8 billion over the next 20 years to maintain it. That money will come from CSX’s $8 billion tunnel project to upgrades to shippers’ cars, and the railroads’ overall expenditures. The Federal Railroad Administration has estimated that railroads will invest $5.8 billion in capital costs alone. The institute’s study is refuted by the Association of American Railroads. Both the railway companies and the Board of Directors of FRA are invested in the project to get some of that PTC money back. As the two parties agree to implement a system that reduces the risk of derailments, they continue to struggle over the costs.

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According to a study commissioned by the North American Association of Rail Shippers, more than 2,000 CSX shippers are likely to receive some sort of PTC surcharge. However, the study did not address the issue of shippers’ costs. As the two parties agree to implement a system that reduces the risk of derailments, they continue to struggle over the costs.

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