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TESTIMONY OF

Anne C. Reinke
President and CEO
Intermodal Association of North America (IANA)

REGARDING

On the Right Track: Modernizing America's Rail Network

BEFORE

The Senate Committee on Commerce, Science, and Transportation
Subcommittee on Surface Transportation, Freight, Pipelines, and Safety

JUNE 18, 2025

On behalf of the Intermodal Association of North America (IANA), thank you Subcommittee Chair Young, Ranking Member Peters, and Subcommittee Members for convening this hearing to discuss opportunities to improve programs and regulations impacting the rail industry under the next surface transportation reauthorization.

As the only transportation trade association that represents the combined interests of intermodal freight providers and customers, IANA represents more than 1,000 corporate members, including railroads, ocean carriers, ports, intermodal truckers and over-the-road highway carriers, intermodal marketing and logistic companies, and suppliers to the industry. IANA's associate (non-voting) members include shippers (defined as the beneficial owners of the freight to be shipped), academic institutions, government entities, and non-profit trade associations.

Unlike single transportation modes, intermodal freight supply chains are comprised of distinct service providers that work in concert to complete intermodal movements. Each link is a vital component of the overall intermodal supply chain and must operate safely, seamlessly, and efficiently to uphold systemwide performance and productivity levels. Railroad operators are a critical service provider in the interconnected intermodal supply chain. The intermodal industry moves approximately 18 million containers by rail annually.

Recognizing the broad range of issues under the Subcommittee's jurisdiction, IANA looks forward to working with you to advance a surface transportation authorization law that increases intermodal supply chain efficiency, promotes safety and innovation within the industry, and fosters economic growth and competitiveness.

Regulatory Approach

Intermodal allows beneficial cargo owners to utilize the best and highest use of each mode. Rail, for example, offers an environmentally superior long-distance movement, capable of moving one ton of freight nearly 500 miles on a single gallon of diesel fuel. Rail also boasts an impressive safety record that continues improving year-after-year.

While rail customers view fuel efficiency and safety as "benefits," railroads view them as achievements resulting from decades of private investment, innovation, and workforce development. These achievements are only possible through a regulatory framework that allows railroads to focus financial and personnel resources on key infrastructure upgrades and emerging technologies.

Any changes to the regulations governing rail, and likewise any mode, must be founded in credible research rather than assumption. At a minimum, this research must: 1) show that new regulations would yield a safety improvement; and 2) contemplate downstream consequences of said regulation (for example, the consequences of a regulation aimed at reducing rail-related emissions might include forcing a shift away from rail to a less fuel-

efficient mode).

While I recognize this Committee is responsible for federal rail policy, individual states continue to threaten overall network fluidity with proposals such as the California Air Resources Board (CARB) In-Use Locomotive Regulation. The regulation proposes unrealistic phase-out dates for current diesel configurations and jeopardizes interstate freight rail operations. While CARB withdrew its authorization request to the U.S. Environmental Protection Agency (EPA) earlier this year, I urge continued vigilance against state laws and regulations that threaten national freight efficiency and interstate commerce.

Rail safety continues to improve due to a high level of private investment, a well-trained workforce, and a commitment to ongoing research and development. Federal Railroad Administration (FRA) data shows that the railroad accident rate declined by 33 percent between 2005 and 2024. New burdens on the railroad industry that are not directly linked to safety improvements will adversely impact the industry's ability to make critical investments in safety technologies as well as other innovations necessary to remain competitive and to address customer needs.

Network Resilience

The supply chain has been challenged by a number of events in recent memory. COVID-19, the collapse of the Baltimore's Francis Scott Key Bridge, and severe weather events have all caused supply chain disruption as shippers, equipment suppliers, and logistics managers work to reroute freight with little-to-no advance warning. Despite these challenges, intermodal freight has proven its resiliency by leveraging the strengths of rail, road, and water transport. The industry was able to remain nimble and keep critical goods moving in each instance, minimizing the cost and level of disruption.

While it's unclear what the next catastrophic event may be, in all likelihood disruption is on the horizon. Railroads will continue investing and innovating to prepare their infrastructure for these events. We encourage federal coordination to convene various supply chain stakeholders and coordinate a high-level response to supply chain disruptions. The U.S. Department of Transportation's Office of Multimodal Freight Infrastructure and Policy (Freight Office) has played a critical role in such coordination, particularly when time is of the essence to quickly identify alternative routes and prevent further disruptions. IANA has been a longstanding supporter of this office and encourages Congress to provide the necessary resources for the Freight Office to continue its important work.

Federal Funding

Intermodal freight projects are complex and there are limited federal programs available to support these critical supply chain projects. IANA urges Congress to increase the availability of funding for intermodal freight infrastructure in the forthcoming reauthorization, and of relevance to this hearing, those that provide for investment in freight rail infrastructure. The

Consolidated Rail Infrastructure and Safety Improvements Program (CRISI) and Railroad Crossing Elimination Grant Program (RCE) are essential programs for freight rail and its surrounding communities. While not rail specific, the Nationally Significant Multimodal Freight and Highway Projects program (INFRA), National Infrastructure Project Assistance grants program (Mega), and the Freight Formula Program include eligibility for projects that strengthen rail infrastructure and minimize the impact of nationally and regionally significant freight movement on local communities. These programs all encourage public private partnerships and demonstrate a federal interest in boosting the competitiveness of U.S. freight in foreign markets.

IANA recommends improvements to competitive grant programs that reduce application burdens, expedite grant agreements, and streamline funding delivery. Congress could implement requirements such as limiting the page length of notices of funding opportunity; requiring USDOT to maintain a public dashboard of funding opportunity timelines; and, ensuring USDOT publishes a template grant agreement at the time of award notice.

Decreasing project delivery timelines is critical to maximizing investments. We urge Congress to legislate permanent, bipartisan solutions that provide consistency and clarity to the complex process of permitting infrastructure projects. Once legislated, strong Congressional oversight is needed to ensure that federal agencies implement these policies and that they are consistent with Congressional intent.

Cargo Theft

In recent years, instances of organized cargo theft and fraud have increased at an alarming rate. All modes, including rail, are vulnerable and targeted. I applaud the Committee's commitment to addressing the problem by holding a hearing on February 27, 2025 (*Grand Theft Cargo: Examining the Costly Threat to Consumers and the U.S. Supply Chain*) and also by approving the Household Goods Shipping Consumer Protection Act (S. 337), a bipartisan proposal led by Senators Deb Fischer (R-NE) and Tammy Duckworth (D-IL).

These crimes impose significant financial burdens that ripple through our supply chains and economy. Impacts include cargo loss, equipment damage, increased insurance costs, and delivery delays. American households pay the price.

While industry can deter criminals, it is law enforcement's responsibility to identify and charge them with crimes. It is likely that theft, fraud, and cyber-security attacks aimed at freight transportation will require a host of solutions, and we applaud Congress for its dedication to identifying bipartisan approaches, such as the Household Goods Shipping Consumer Protection Act as well as the Combating Organized Retail Crime Act (S. 2853). Both bills would make meaningful changes at the federal level to identify, prosecute, and deter cargo theft. A coordinated, national response is needed to address this growing threat by improving enforcement capabilities and fostering increased collaboration across relevant federal, state,



President & CEO – Anne Reinke

and local agencies.

America's economic competitiveness depends on a modern, efficient, and resilient intermodal rail system. IANA stands ready to work with Congress to support targeted investments, smart policy reforms, and collaborative initiatives that modernize rail infrastructure and position the intermodal freight network for long-term success.

Thank you for your leadership on this important issue, and for the opportunity to share our perspective. We look forward to working with you and would welcome the opportunity to further engage with your offices. If you or your staff have any questions, please do not hesitate to contact me at areinke@intermodal.org or 301-982-3400.