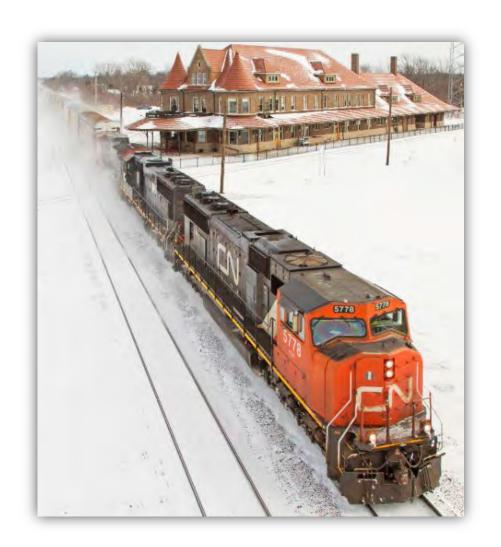
Midwest Association of Rail Shippers

Legislative Update January 12, 2017





Michigan Observations

- Governor Rick Snyder has 2 more years in office
 - Flint Water Crisis
 - New Road Funding Plan
 - New Autonomous Vehicle Law
 - New Speed Limit Law
 - New Infrastructure Commission Report
- What about 2018?
 - Most of State Senate up & all of House of Representatives
 - U.S. Senate Seat
 - Gubernatorial Battle



Freight Railroads' Investment

 Railroads have all given back to the communities that surround them.

 Railroads continue to rely on themselves to invest in infrastructure.



TY @CSX for the Flint water shipment this morning. Worked w/ locals & @MichStatePolice re: logistics. @jimananich



1:05 PM - 20 Jan 2016

Rail Industry 2017 Overview

- Tax Reform
- Regulatory Improvement
- Infrastructure Investment
- Comprehensive Energy Plan
- Trade



State Crew Size Legislation

• Intensity and breadth of labor's advocacy for state-specific crew sizing legislation surpassed efforts in previous years.

Industry coalition defended interests in states across the Midwest.

Held in committee: no action MA, MI, NY, OH, PA

Defeated: AL, IL, IN, KY, LA, MD

Positive Train Control- PTC

 PTC is a set of highly advanced technologies designed to make freight rail transportation—already one of the safest U.S. industries—even safer by automatically stopping a train before certain types of accidents occur.

New technology - across 60,000 miles of the nation's rail network.

• Industry has already spent more than \$7.1 billion on PTC development and deployment.

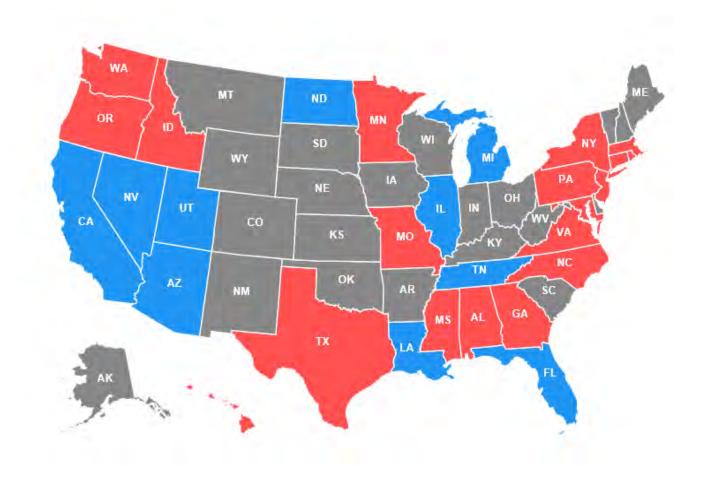
Rail Safety Legislation

- New Jersey
 - New Jersey Legislature approved measures requiring:
 - Filing of discharge response, cleanup and contingency plans
 - Public disclosure of high hazard train routing and volumes
 - Mandatory first responder training
 - Penalties for failing to adhere to highly prescriptive response protocols
 - Bill passed last June despite Homeland Security concerns.
 - Industry continues municipal outreach and first responder training programs

Rail Safety Legislation

- New York
 - Over rail industry objections, New York enacted their Governor's "program Omnibus bill" requiring:
 - Biannual joint inspections by railroads and NYSDOT at crossings with preemption for traffic signals
 - Greater state oversight of rail bridge conditions
 - Larger fines for failure to report hazmat spills

State Interest In Autonomous Vehicle Laws Rising



Introduced AV law

Passed AV law

- Ten states and D.C. have passed laws or executive orders regarding autonomous vehicles (AVs).
- Michigan, California, DC, Florida,
 Nevada and Tennessee now
 authorize operation of AVs on public roads.
- Several states and cities are testing or studying truck platoon technology.

What's Ahead?

• Railroads a partner for customer issues from trade to safety.

 Build on our strengths for a safe and prosperous nation with partnerships at the Federal Railroad Administration and U.S. Surface Transportation Board.

 Educate new Governors about the rail industry and customer needs.



Indiana Governor
Fric Holcomb





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