

TESTIMONY OF JOSEPH DALOISIO III
TRACK DIVISION MANAGER, RAILROAD CONSTRUCTION COMPANY, INC.
CHAIRMAN, NRC BOARD OF DIRECTORS

U.S. HOUSE COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE
SUBCOMMITTEE ON RAILROADS, PIPELINES AND HAZARDOUS MATERIALS

HEARING ON
AMERICA BUILDS: EXAMINING AMERICA'S FREIGHT AND PASSENGER RAIL
NETWORK

JANUARY 23, 2025

SUBMITTED BY



NATIONAL RAILROAD CONSTRUCTION AND MAINTENANCE ASSOCIATION

80 M STREET SE, WASHINGTON, DC 20003

The NRC is a trade association representing businesses from across the nation in the rail construction and maintenance field. Founded in 1978, the NRC's member companies range in size from small family businesses to the largest companies in the industry. NRC members perform work for transit, commuter, intercity passenger, industrial, and freight rail customers, with services including track construction and maintenance, grade crossings, signal and communications installation, bridge construction and repair, rail yard work, and many more. The NRC strives to put an emphasis on rail safety and quality while proudly serving the rail industry.

www.nrcma.org

Introduction

Good morning, Mr. Chairman, Ranking Member Titus, and Members of this esteemed subcommittee. My name is Joe Daloisio and I am Track Division Manager at Railroad Construction Company (RCC) and I currently serve as the Chairman of the Board of Directors of the National Railroad Construction and Maintenance Association (the “NRC”).

The NRC is an association that advances the mutual interests of railway contractors and suppliers who construct, maintain, and supply both freight and passenger railroads. Founded in 1978, the NRC connects members with other railway industry professionals and government legislators and policymakers. Together we work to create a positive business climate and to make railway construction and maintenance safer and more efficient.

Although NRC members often compete against each other, our collaboration furthers the railway construction industry and benefits American freight, transit and commuter rail lines, our member contractors and suppliers, the general public, and our own professional growth.

I am a third-generation railroader. My grandfather, Joe Sr., built railroad track as a track gang foreman on the Erie Railroad and later established RCC. My father, Joe Jr., served in the U.S. Army Corps of Engineers and began helping America build infrastructure towards the end of the Korean War. Multiple generations of my family, including aunts, uncles, and cousins all followed along the same path. Building rail and building America quite literally runs in my blood. As I like to say, we are not just in this industry, we *are* this industry!

I also wanted to thank my fellow witnesses today who we work closely and in collaboration with on a daily basis. Our concerns are the railroads’ concerns. When they move more volume and have increased traffic, it directly drives the size and spending of their rail capital programs, which in turn increases opportunities for our member companies. Our members are also mostly small businesses so we focus on safely delivering quality goods and services for our railroad customers, while also doing so in an efficient and cost effective manner.

I am honored to join this distinguished panel today and to provide our perspective on the important topic of building America’s freight and passenger rail network. We appreciate this subcommittee hitting the ground running by holding this crucial hearing right out of the gate.

Railroad Construction Company (RCC)

Let me first begin by congratulating Chairman Graves for another term as Chairman of this vital committee. I would also like to congratulate the Chairman and Ranking Member Titus for your new positions on this important subcommittee. And finally, I would like to congratulate Rep. Nellie Pou, who represents our headquarters in Paterson, New Jersey, for getting appointed to serve on this critical committee.

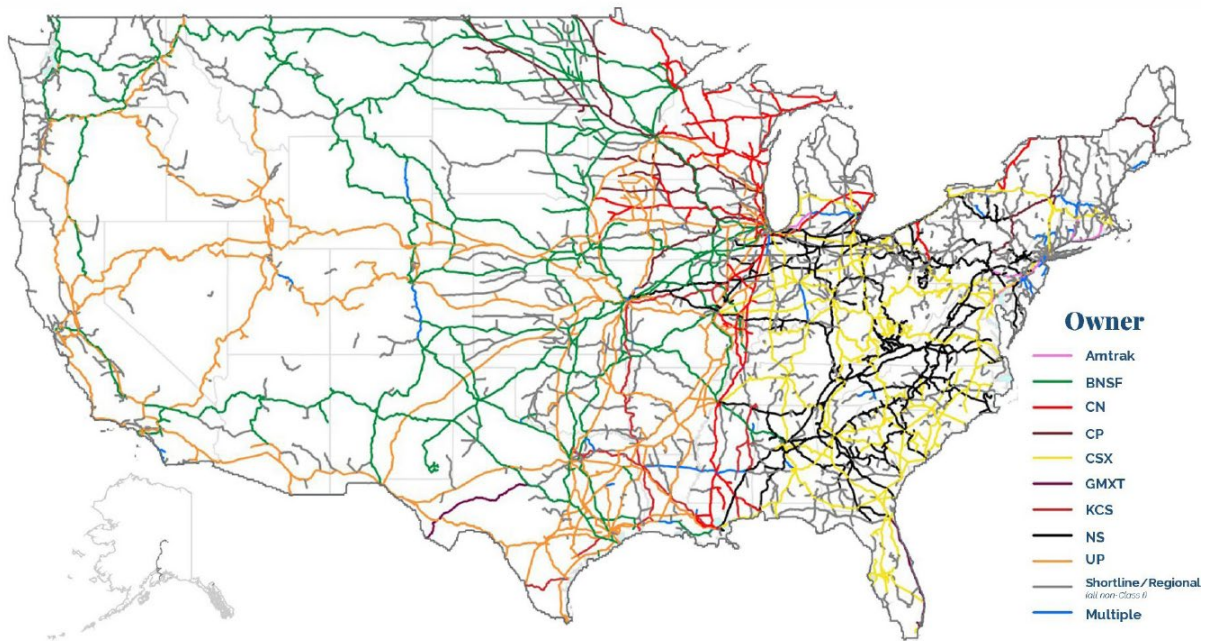
Established in 1926, RCC has a rich legacy of providing comprehensive track services on the east coast of the United States. We have evolved into a leading general contractor that excels in heavy civil, track, and facility construction. From excavation and grading to utility installation, bridges, roadways, and at our core, railroad track services, we continue to uphold the highest level of excellence.

NRC and the Rail Contracting Industry

While RCC is just one company within the NRC, our member companies generate more than 100,000 jobs nationwide supplying, building and maintaining freight, public transit and industrial rail networks.

As I mentioned in my opening, I serve as the Chairman of the NRC. The NRC is a U.S. trade association that represents nearly 400 companies in the rail contracting and rail supply industry, with employees in all 50 states. Most NRC member companies are small family owned, multi-generational businesses with operations, manufacturing facilities, and offices located all across the United States.

U.S. Railroad Network



1

NRC members perform every type of rail infrastructure work – from design and engineering to basic construction and maintenance to highly specialized and custom design-build jobs. This work includes building new tracks, repairing and maintaining existing track, laying and replacing

¹ Source: US DOT National Transportation Atlas Database, July 2020 revision

rail, welding and grinding, surfacing, ballast distribution, tie insertion and removal, grade crossings, signal systems, switches and turnouts, bridge deck replacement and maintenance, track design, crane rail, inspection services, emergency maintenance, and more.

The freight railroad industry has grown dramatically since the partial de-regulation of the Staggers Act in 1980. The prevalence of rail transit systems throughout the country have also increased dramatically over the last generation resulting in increased urbanization and density. The size of the rail construction and maintenance contractor and supplier community has grown in proportion. More than 500 independent rail contracting companies in the United States perform more than \$10 billion worth of rail infrastructure construction and maintenance work every year.

In 2024, contractors played an invaluable role in helping railroads and industrial shippers in the southeastern United States respond to damage from Hurricanes Helene and Milton. We expect this trend to continue into 2025 and beyond.

In addition to the contracting community, in 2020, the rail supply industry directly employed almost 240,000 workers, who directly contributed \$27.7 billion of value-added economic activity across the United States.² Rail suppliers also deliver secondary benefits that other modes of transportation cannot, such as reductions in road congestion, highway fatalities, fuel consumption, greenhouse gases, cost of logistics, and public infrastructure maintenance costs.

NRC members serve every type of railway owner, including Class 1, short line and regional railroads, industrial track owners, the U.S. military, port facilities and terminals, and rail transit agencies operating light rail, streetcars, subways, metro, commuter rail operations, and intercity passenger rail systems.

In addition to my role on the NRC Board, RCC is also a proud and active member of the American Short Line and Regional Railroad Association (ASLRRA), the Association of General Contractors (AGC), the Moles, the Beavers, and other construction industry associations.

Finally, of note, NRC collaborates on an industry grassroots program that brings Members of Congress out to our member company facilities and job sites, so we can help further educate Congress on the work that our members do. These visits give Members of Congress a firsthand look at the impact our members have in their community, on rail safety, and on the local economy. We encourage all Members of this subcommittee to come visit and see how our member contractors and suppliers are positively impacting your districts.

² *Rail Supply Industry: Manufacturing and Services Keeping the American Economy on Track*. January 2023. www.remsa.org/files/RailSupplyIndustry_EconomicImpactStudy.pdf

Recommendations to Congress

As Congress, and particularly this committee, begins the process of reauthorizing surface transportation programs, the NRC offers the following recommendations that we suggest will help America build:

1. Provide Robust Funding for Core Rail Grant Programs

The Infrastructure Investment and Jobs Act (IIJA) made many substantial impacts to our industry including unprecedented levels of funding to rail programs. This has no doubt been a boon to rail contractors and suppliers and has also allowed railroads to enhance safety as well as decrease the backlog of their state of good repair. Spending on infrastructure, especially rail infrastructure, is truly a sound investment that pays dividends to our economy, supply chain, and our transportation network.

A strong rail infrastructure is critical to the vitality of our nation's economy. The NRC supports funding at existing or increased levels for rail grant programs that improve efficiencies, safety and environmentally friendly freight and passenger rail transportation. These funds will also help stimulate additional infrastructure investment by states, localities, and private sector partners.

The Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program, in particular, is a vital source of funding for the industry to address key safety improvement projects.

In addition to CRISI, other critical grant programs at USDOT should be provided with as robust funding as possible in the next reauthorization bill, including FRA Rail Crossing Elimination, passenger rail funding through the Federal-State Partnership and Amtrak grants, INFRA, Mega, RAISE, Rural Surface Transportation, and MARAD Port Infrastructure Development Program.

2. Cut Red Tape

The IIJA provided unprecedented levels of funding for key rail discretionary grant programs which has been key in improving both the freight supply chain as well as enhancing passenger rail in the U.S. However, the speed at which grant agreements have been executed has been way too slow. By the time the construction phase begins, a number of variables, most notably the increase in costs, jeopardizes the successful execution of these important projects. We encourage Congress and the new Administration to deliver grant funding in a responsible but more expedient manner.

3. Support Increased Competition

Competitive Bidding. The NRC strongly supports increased opportunities for contracting out and competition within these programs to stretch federal funds further. Increased flexibility for railroads and commuter rail agencies to contract out work will benefit the industry. This is not an

attempt to take work from in-house labor forces, rather it is intended to help the industry as a whole perform more work more efficiently. Often times our members are able to find the most innovative ideas and methods to deliver projects for less cost without compromising safety. Our member companies are both specialized in and incentivized to accomplish this on a daily basis. Therefore, we would like to strongly urge that all rail construction and maintenance work performed with federal assistance be competitively bid out to the independent railroad construction industry, to the fullest extent possible, to ensure the most efficient use of taxpayer dollars.

Railroad contractors have a long and well-documented history of safely providing quality services at competitive prices. We have learned how to do more with less, and the efficiency and competence we bring to this task will be a big benefit as we all search for ways to improve America's transportation infrastructure and stretch available capital dollars as far as possible.

Rail Carrier Definition. There have been attempts in past reauthorization bills to insert language that provides restrictions around the definition of a rail carrier that are excessive, unnecessary, and attempt to fix a problem that does not exist. These are attempts by certain stakeholders to restrict competition and legislate a permanent mandate that only certain laborers perform certain types of rail-related work. These provisions would increase costs and reduce flexibility for states, transit agencies, and commuter and passenger rail authorities, and would make it harder to initiate or expand passenger rail service. There is not a good reason to use the law in this way to mandate that certain laborers do certain types of work forever, especially since this would make new intercity rail services harder and more expensive to start up, when we already have limited resources and limited labor pools. These provisions are not pro passenger rail, they are just labor protection for an already stretched collective labor force. We would recommend inclusion of language clarifying that States who sponsor, but do not operate intercity passenger rail services, are not classified as railroads, nor are they railroad carriers.

4. Focus on Safety

It is imperative to allow railroads and rail contractors and suppliers to innovate and deploy safety technologies. We urge Congress to use data-driven solutions that would effectively increase the safety of the rail network and avoid policy changes that would place unnecessary or excessive mandates on the rail industry that would not enhance rail safety.

In the wake of the February 2023 derailment incident in East Palestine, Ohio, numerous legislative proposals have been floated that have no relationship to the derailment, no relevance to safety, and are unrealistic to implement.

In addition, the speed at which both the government and the railroads adopt new technologies and the speed at which technology-related projects are funded have a negative impact on the growth of our businesses and the industry. Our member companies exist to help the railroads

move people and goods more safely and efficiently, but we will not grow quick enough if technology adoption and project phases do not move faster.

Truck Size and Weight. The NRC supports maintaining existing federal truck size and weight maximums to help ensure safety on our roads and to control the damage trucks cause to our highway infrastructure.

FRA Regulations. The NRC has long supported safety in the industry, but numerous FRA regulations have not been data-driven, have had tenuous safety benefits despite being pitched as safety-sensitive, and have been cumbersome to implement. Many times, this has placed undue paperwork burdens on small businesses including our member companies. Congress and FRA should thoroughly examine existing regulations to ensure they are reasonable and practical to implement.

In addition, FRA should avoid mandates and more rapidly embrace and allow for readily available technologies that would enhance safety. Some examples include automated track inspection, newer AI integrated technologies, technologies and methods that allow for better roadway worker protection, etc.

5. Workforce Development

As an industry we are all struggling to attract and retain a good workforce. Railroads and their partners must understand their rail programs and needs and communicate them better than ever because the labor pool is becoming more expensive and harder to attract and retain. We welcome any initiatives to further educate and recruit workers into the rail industry. The NRC has worked diligently with veterans groups, trade schools, colleges and universities in this area and we would embrace additional collaboration in this effort.

6. Permitting Reform

Though this seems to be a top priority for every surface transportation reauthorization bill the unfortunate reality is that the permitting process for rail projects still moves way too slow. The NRC supports efforts to speed up the federal permitting and review processes in order to deliver critical infrastructure projects without delays and on reasonable timeframes. NEPA and other processes involving multiple federal agencies and levels of government still cause too many delays and unnecessary duplication which prevents many worthy projects from getting the green light.

The project delivery process must be reformed by significantly shortening the time it takes to complete reviews and obtain permits. Projects must be designed, approved and built as quickly as possible if we are to meet the huge transportation capacity challenges facing us. It takes too long to deliver projects, and the waste due to delay in the form of administrative and planning

costs, inflation, and lost opportunities for alternative use of the capital, hinder us from achieving our capacity expansion goals.

The expediting of transportation projects can be accomplished while retaining all current environmental safeguards.

7. Build America and Buy America

Though NRC members are not direct recipients of federal funds, historically NRC members are interested in requirements regarding the American production of materials used in supply and construction. We appreciate any efforts to ensure that these mandates come with the recognition that they may be exceedingly difficult to satisfy, and thus the waiver process should be fair and efficient.

Closing

Thank you for the opportunity to share our perspective today on surface transportation reauthorization and building America's freight and passenger rail network. I look forward to answering any questions you may have.