

UNITED STATES OF AMERICA

NATIONAL TRANSPORTATION SAFETY BOARD

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Investigation of: *

COLLISION OF AMTRAK TRAIN #91 AND *
A STATIONARY CSX TRANSPORTATION *
TRAIN NEAR CAYCE, SOUTH CAROLINA *
FEBRUARY 4, 2018 *
*

Accident No.: RRD18MR003

* * * * *

Interview of: KEN HYLANDER,
Executive Vice President/
Chief Safety Officer
Amtrak

NTSB Headquarters
Washington, D.C.

Wednesday,
March 27, 2019

APPEARANCES:

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I N T E R V I E W

1
2 MR. HIPSKIND: Okay, good morning, everybody. My name is
3 Richard Hipskind, and I am the investigator in charge for NTSB the
4 Cayce, South Carolina accident.

5 We are here today on March 27th, 2019, at NTSB's headquarters
6 in Washington, D.C., to conduct an interview with Mr. Ken Hylander
7 who works for the National Railroad Passenger Corporation, or
8 Amtrak, and he is their chief safety officer, or CSO.

9 This interview is in conjunction with NTSB's investigation of
10 a collision of Amtrak Train 91 with CSX Local F777 on April 4th,
11 2019 [sic]. The local train was stationary in CSX's silica
12 storage track located near Cayce, South Carolina, and the Amtrak
13 train diverted from the main track into the storage track via a
14 main track switch during a signal suspension. The NTSB accident
15 reference number is RRD-18-MR-003.

16 Before we begin our interview and questions, let's go around
17 the table and introduce ourselves. Please spell your last name
18 and please identify who you are representing and your title. And
19 I would remind everybody to speak loudly enough and clearly enough
20 so that we can get an accurate transcription.

21 I'll lead off and then pass off to my right. Again, my name
22 is Richard Hipskind. Spelling of my last name is H-I-P-S-K-I-N-D,
23 and I am the investigator in charge for NTSB for this accident.

24 MR. AMMONS: Steve Ammons, A-M-M-O-N-S, CSX Transportation,
25 director of train handling rules and practices.

1 MR. FRIGO: Ryan Frigo, F-R-I-G-O, NTSB, operations and
2 system safety.

3 DR. HOEPF: Michael H-O-E-P-F. I work with the NTSB, system
4 safety investigator.

5 MS. IMPASTATO: Theresa Impastato, I-M-P-A-S-T-A-T-O, Amtrak
6 system safety.

7 MR. HYLANDER: Ken Hylander, H-Y-L-A-N-D-E-R, Executive Vice
8 President/Chief Safety Officer at Amtrak.

9 MR. HIPSKIND: Okay. Thank you, everybody.

10 And, Mr. Hylander, do we have your permission to record our
11 discussion, our interview, with you today?

12 MR. HYLANDER: Yes.

13 MR. HIPSKIND: And, Mr. Hylander, do you wish to have any
14 representative with you at this interview?

15 MR. HYLANDER: Yes.

16 MR. HIPSKIND: And may we have the representative on the
17 record?

18 MR. LANDMAN: Yes. Mark Landman, L-A-N-D-M-A-N, here on
19 behalf of the witness.

20 MR. HIPSKIND: Mr. Hylander, do you mind if we proceed in
21 this interview on a first-name basis?

22 MR. HYLANDER: I prefer it.

23 MR. HIPSKIND: Okay, thank you. That's the best answer I've
24 ever had on that.

25 Okay, and for total transparency, were you provided a topic

1 list, a roadmap, for this interview that included the broad topic
2 areas of today's discussion?

3 MR. HYLANDER: Yes, I was.

4 MR. HIPSKIND: Okay. Well, did you find that helpful?

5 MR. HYLANDER: I did.

6 INTERVIEW OF KEN HYLANDER

7 BY MR. HIPSKIND:

8 Q. Okay. So thank you. And the first thing I think we want to
9 cover is your work history, your work experience. I know we've
10 not interviewed you before. So, Ken, if you want, the floor is
11 yours. Why don't you take us through some of that?

12 A. Okay. So I am a mechanical engineer, from the University of
13 Rhode Island. I also have a master's in business from California
14 State University. It's now called East Bay, out in Hayward,
15 California.

16 The first -- spent one year at Pratt & Whitney, aircraft
17 engines, in West Palm Beach, Florida. And then I spent 17 years
18 in a variety of engineering operations and quality roles at United
19 Airlines out in San Francisco, California, at their maintenance
20 center.

21 I then moved to Northwest Airlines as the vice president of
22 engineering and was at Northwest for 11 years, where I went from
23 vice president of engineering and ended up as the senior vice
24 president of safety and engineering.

25 And then in 2008, Northwest Airlines and Delta Airlines

1 merged, and I moved to Atlanta as the senior vice president of
2 safety, security and compliance, where I had not only operating
3 safety roles, quality assurance roles, environmental compliance
4 roles, and the security programs at Delta.

5 I retired from Delta in 2014, and I entered in a period of
6 doing a series of volunteer work. I was chairman of the board of
7 the Flight Safety Foundation based in Alexandria, Virginia, which
8 is an international nonprofit organization that focuses on
9 improving all aspects of aviation safety. I had been on the board
10 there, and my last 3 years on the board, I was chairman of the
11 board there.

12 I also did a variety of volunteer work for the Federal
13 Aviation Administration during that time. I chaired a safety
14 committee. The FAA has a structure that looks at research,
15 engineering and development, and I was asked to chair the safety
16 subcommittee of that, and I did that for several years.

17 And then I also led a National Academy of Science study on
18 real-time systemwide safety management. I did that for about a
19 year, and all of that was on a volunteer basis.

20 Concurrent with all of that, I'm on the board of directors of
21 an oil refinery in Trainer, Pennsylvania. It's called Monroe
22 Energy. I've been on that board since 2012, and I was asked to
23 join that board for the purpose of overseeing the refinery's
24 safety programs, both occupational and process safety programs.

25 In January of 2018, I had the opportunity to come to Amtrak

1 as the executive vice president/chief safety officer, and I've
2 been at Amtrak ever since.

3 Q. Thank you for that. I think, in listening to you, safety has
4 been a common thread in a lot of the work over the years. Would
5 you agree with that?

6 A. I would.

7 Q. Well, I think one of the ways that you can help us today is
8 tell us about your experience in the aviation industry with safety
9 management systems. And one of the things I heard is that you had
10 some work at FAA, and so any insight that you can give us from
11 FAA's perspective or what you may have learned there.

12 And I think what we're really looking for is your thoughts on
13 the challenges and successes that you may have experienced in
14 trying to stand up an SMS program in the aviation industry.

15 A. I think I would go back and say that the aviation safety
16 systems evolved, really, from the mid-1990s through about 2015.

17 And in the mid-1990s, the FAA required airlines to have a
18 vice president of safety for the first time, and it was a little
19 unclear what they were supposed to do. So, over time, those
20 requirements got nailed down into a requirement for a specific set
21 of tasks to oversee safety programs. And, actually, every airline
22 in the country has what they call a director of safety named on
23 their operating certificate. And I think those programs have sort
24 of moved from sort of what started as maybe traditional quality
25 management system activities and gradually evolved into what is

1 today's safety management system.

2 In the airline world, standards are international. And the
3 UN, through the International Civil Aviation Authority, sets the
4 high-level standards for all the states to apply. Starting around
5 2005, there started to be discussion about safety management
6 systems and what they look like and what they would entail. In
7 2009, the International Civil Aviation Authority basically
8 mandated that all states should have a safety management system by
9 2012.

10 Every state reacted differently. And, of course, the United
11 States, through the FAA, as the party to the aviation world,
12 entered into a very comprehensive analysis of safety management
13 systems and what they should look like. And before they mandated
14 it for U.S. aviation, they had a very structured process that was
15 put in place. Having said that, airlines moved out at different
16 paces individually as they started to understand more about safety
17 management systems.

18 I think that initial reaction at a lot of airlines was it's
19 just another program, just another thing. It was maybe slowly
20 accepted, though there were some key issues that happened. In the
21 late 1990s, commercial aviation had a series of accidents. And
22 there was a joint coming together between industry, the FAA, and
23 said we've got to do something different, and we've got to do
24 something different quickly and in a voluntary manner.

25 So what was decided on was a program called the Commercial

1 Aviation Safety Team, ultimately, where it was a gathering of
2 aviation industry safety experts from airlines, from
3 manufacturers, from the FAA. And they created a voluntary process
4 to understand what were the largest challenges in commercial
5 aviation. And from that program, a lot of what you see now in
6 safety management systems developed. Really, a lot of the
7 voluntary safety programs that we have, the data analysis
8 programs, the -- we called it the -- they called the Aviation
9 Safety Action Program, which is a little bit equivalent to the
10 C3RS program in the rail industry.

11 So working with the FAA, the industry evolved from like 2000
12 to 2010 with the development of these safety programs. And I
13 think those programs formed the foundation of getting people to
14 think a little bit differently about safety.

15 We had complicated agreements with unions. It generally
16 started with the pilots' unions. There was a mutual desire to do
17 things differently. And over time, those programs evolved and
18 matured through the sort of ups and downs of program growth. And
19 concurrent with that, we started to understand safety management
20 systems and what they really look like.

21 So, in my experience, the -- while we weren't really talking
22 a specific safety management system per se, in the early 2000s,
23 the airline industry went through an upheaval. And you may
24 remember 9/11, which had a huge economic impact on the airlines
25 and there was significant changes in the business models of the

1 airlines as they struggled to survive all of the things that the
2 terrorism threats brought to the airlines.

3 Then we had the SARS epidemic and there were -- all the
4 international airlines had airplanes parked and there was no --
5 nobody was flying because everybody was afraid of getting the bird
6 flu and SARS. There were labor actions. There was bankruptcies,
7 and Northwest Airlines and Delta Airlines both went bankrupt and
8 had to totally restructure the business models. And then there
9 was the merger in 2008. So these were huge shocks to the system,
10 and they were happening throughout the industry.

11 And it's through that process when we started to really
12 understand change management and what was changing and what we
13 needed to really focus on, that we really started to do risk
14 assessments and trying to understand, okay, if we are going to go
15 -- in the case of my airline, we went through -- one year we had
16 10,000 mechanics doing overhauls on an aircraft and we basically
17 -- that work was outsourced, and the next year we had 2,000
18 mechanics just doing line maintenance. So massive change in the
19 way we did business.

20 And we had to understand that and get that under control, and
21 we used risk assessments to do that and to understand what were
22 the major issues.

23 And then when we did the airline merger between Northwest and
24 Delta, there had not been a major airline merger that had not
25 resulted in some sort of crash within a few years. So we were

1 very aware of that. And we decided to really apply strong change
2 management risk assessment process as we went through and merged
3 the operating procedures from two totally different airlines into
4 one. One of my responsibilities was to -- they called it achieve
5 the single operating certificate. Every airline has an operating
6 certificate.

7 So we ended up with a very comprehensive process to do that
8 and evaluate was the Delta procedure better; was the Northwest
9 procedure better; was some combination of the two procedures
10 better, for literally everything from mechanic training to how we
11 flew the airplanes to how we did maintenance on airplanes. And I
12 think at one point we had 20,000 items on our checklist of things
13 that we were looking at.

14 And every significant item that we looked at, we put through
15 change management and through risk assessment and understanding
16 the implications of that. And I think at that point is when, I'll
17 say, we became real believers that there was value in this kind of
18 logical, thoughtful process, so the whole company was engaged in
19 it.

20 And about that time, the FAA came out with a process with
21 which to get to an approved safety management system. And what
22 they did is they had a maturity scale. There was like a Level 0,
23 which meant you were thinking about doing it. There was -- and
24 there was a Level 1, which is you had some documents in place.
25 There was a Level 2, which is you were actually practicing what

1 your documents said, you know, and you sort of matured to a full
2 implementation. And everyone had to be there by 2015, at a mature
3 level.

4 So I think what I'm trying to say is it wasn't a clean, you
5 know, one, two, three, four step, but it was sort of maturing in
6 an understanding of the process. And then every airline, of
7 course, developed processes and systems that worked for them. And
8 that's one of the things that I think is really important, is you
9 can't just overlay a generic safety management system process. It
10 has to work for the culture and the business that you are actually
11 in.

12 So I think what I've learned, having gone through that in the
13 airlines and then having gone through something similar in the
14 refinery business where we started talking about safety and it was
15 about employee injury, but what the board was really worried about
16 was making sure the refinery didn't blow itself up through safety
17 processes. Not that employee injuries were not important, but the
18 real risk to a refinery is that you have a catastrophic event.
19 And we started to look at sort of a tiered safety process and how
20 were you measuring success.

21 When I was asked to take on the role of chief safety officer
22 at Northwest Airlines by our CEO, I was running the engineering
23 department at the time. And, just for clarity, in the airline
24 world, an engineering department is really talking about aircraft
25 maintenance programs, aircraft reliability analysis, aircraft

1 modifications. So, we had a -- that's what my role was, and I was
2 primarily responsible for reliability. I also had responsibility
3 for the quality assurance program in the maintenance department.
4 And the -- my tasking, when I was asked to take on the safety
5 program was build a safety program that's data driven and is
6 similar in concept to the engineering program, meaning -- it's
7 easy for somebody to say, well, that's a safety issue, but what
8 are the facts, what is the analysis that backs that up? So I give
9 our CEO a lot of credit because that was his tasking to me.

10 So we took our reliability program concepts where we had
11 measurements and indexes and we created safety measurements and
12 safety indexes, and we looked at not only personal safety but
13 operating safety. And we called it flight safety in the airlines.
14 And we figured out what we needed to look at to make sure that we
15 were understanding all the risks, and we built -- we took data
16 from our voluntary programs, what were they telling us, what were
17 the hard facts from the aircraft telling us? And as we layered
18 that in, we created data that the whole company could look at and
19 understand, for sure, where we were from a safety perspective.

20 So I think those principles, they fit in very nicely with
21 what the whole industry was doing through the Commercial Aviation
22 Safety Team and all the offshoots from that, because we now had
23 data that we could provide and the industry could look at.

24 It's kind of a long answer, but --

25 Q. No, I like long answers. Well, let me clarify a couple of

1 things. To one of your last points there, it is more difficult to
2 gauge improvement on whatever it is if you're not measuring it.
3 And one of my takeaways is that you believe things need to be
4 measured and you have to go with the facts.

5 A. Right. So we have created at Amtrak -- I think at Amtrak, we
6 knew a lot of what was happening. We had customer injury metrics.
7 We had employee injury metrics. We had rule violation metrics.
8 What we didn't have was a consolidated metric on what's really
9 happening in the operation from a safety perspective.

10 So one of the things that we created over the last year was
11 -- we call it the Train Safety Index. My simple explanation of
12 the Train Safety Index is, if you're a passenger on Amtrak and one
13 of these things happens to you, you might question the safety of
14 Amtrak. It's a pretty simple definition.

15 We actually have a litany of things that fit in that
16 category. But examples might be hitting something, an
17 obstruction. An example might be a fire of some sort, whether it
18 be a brake fire or a refrigerator fire in a dining car, a train
19 separation event, right, where two trains, two cars come apart as
20 we're going down the track.

21 We are looking at, on our Northeast corridor where we have
22 catenary, when we lose catenary and we have a train sitting for a
23 long period of time without power, right. If you're a customer
24 sitting in that train, that's an event for you, especially if it's
25 in the summer or the winter when the environmental conditions are

1 extreme.

2 So we've started to put all this data together into our index
3 and now we're looking and we're trying to attack each of these --
4 the main drivers of that index. So -- and that is a direct lift
5 that I took from our flight safety index in the airlines that we
6 had created at Northwest and Delta.

7 And the concept was the same. If you are a passenger in that
8 airplane and one of these things happened to you, you didn't feel
9 safe. So the landing gear didn't come down, we had an engine
10 failure or the cabin filled with smoke, the -- we call it the
11 rubber -- oxygen masks all dropped down because of a
12 pressurization issue, right?

13 So it's the same kind of concept that we wanted to do and
14 create at Amtrak, a real focus on the operating safety of the
15 railroad. So I think, to your point, that's the kind of data. So
16 we have a suite of eight different things we look -- eight
17 different metrics, of which the Train Safety Index is one, that
18 that we look at.

19 And that is in our highest-level goals. At the corporate
20 level, we report them to the board. We report them every week to
21 the executive leadership team. I report them to the CEO when I
22 meet with him. We report them at the Executive Safety Committee
23 and then they're reported out throughout the organization. So
24 we've tried to beef up that focus on data.

25 Q. Okay, thank you for that, Ken. Let's go back and, in your

1 long career of aviation safety and different positions, different
2 jobs, could you identify for us the years that you may have worked
3 with Mr. Anderson? And can we talk about that and maybe some of
4 the things that the two of you created, some initiatives? And
5 could you speak to that, please?

6 A. Sure. So Richard Anderson hired me in September of 1997. He
7 was the relatively new senior vice president of maintenance. I
8 think they called it technical operations, actually, but it was
9 maintenance. And he hired me to be the vice president of
10 engineering.

11 And I worked for -- in his organization. I worked directly
12 for him for several years and then he was being -- he was promoted
13 up to chief operating officer and then ultimately the CEO of
14 Northwest Airlines. And as he was promoted up, when he became CEO
15 is when he asked me to be the senior vice president of safety and
16 -- or the vice president of safety and engineering at the time.

17 And he asked me to sit on his executive leadership team. So
18 I actually had like two bosses at that time -- the head of
19 maintenance and the CEO. And at that point, we really established
20 a cadence of -- as the CEO, he wanted to understand what was
21 happening with safety.

22 And he wanted a private one-on-one meeting with me every
23 week, and I would go in and I would share the data. We'd talk
24 about the issues, and I found that to be a bit stressful but also
25 very helpful for the overall development because everybody knew

1 that meeting was happening.

2 So -- and if there was something that wasn't right, he would
3 pick up the phone and call and we could we could get some action.
4 So we did that until 2004. I was -- became the head of Safety in
5 August of 2000 until 2004. And I don't remember exactly when, but
6 Richard Anderson left the airline and took a diversion in his
7 career for a few years.

8 So then I just carried on with the new CEO who was a longtime
9 airline person. And through 2008, we -- I met with the new CEO
10 and we just had this cadence of talking. And then, when Delta --
11 Richard Anderson ended up on the board of Delta Airlines. And
12 then he ultimately became the CEO of Delta Airlines and then Delta
13 and Northwest merged.

14 And when Delta and Northwest merged, he asked me if I would
15 join the new team as the head of Safety and Security and
16 Environmental Compliance, which I did. And we sort of picked
17 right up with the -- I did not work directly for him. I worked
18 for the chief operating officer, which was a person I'd known for
19 many years at Northwest.

20 But I always met with Richard Anderson routinely. I won't say
21 every week, but multiple times a month, and we had a paper and we
22 went through the safety metrics; we went through the safety
23 issues, the quality assurance findings; what were the things that
24 he needed to know about. Did that until I left Delta in 2014.

25 And then when Richard became CEO in July of 2017, of Amtrak

1 -- he was co-CEO for 6 months -- he started to contact me and
2 asked me if I would consider coming to Amtrak in some capacity. I
3 think he felt that there was an opportunity.

4 He wanted to be comfortable with the safety program that he
5 sort of knew and how it worked, from an airline perspective, and
6 he basically asked me to come to Amtrak and build that program.
7 And so, I did. And that started in January.

8 Q. Okay, let me see if I understand all the years. And I'm
9 going to sift some of this out. A key point, to me, to understand
10 is that around 2010 Richard Anderson, CEO of Delta and Delta and
11 Northwest are merged. You come back over here in the new airline
12 that is merged. And for about 4 years you and Richard Anderson
13 worked on safety initiatives?

14 A. Yeah. 2008 -- the merger actually occurred November 1st,
15 2008.

16 Q. Okay.

17 A. And I -- on that date, I became the operations certificate
18 director of safety for Delta. And I was at -- my title was Senior
19 Vice President of Safety, Security and Compliance. So between
20 2008 and -- between November 1st of 2008 and early 2010, we really
21 did focus on the merger and getting to a single operating
22 certificate.

23 And that's when we used a lot of the safety management system
24 principles of risk management and building a process to do that.
25 After that occurred, I just -- I stayed on as the head of safety.

1 And, obviously, there were still a lot of work to do that --
2 getting to a single operating certificate is really just one
3 milestone in the merger of two airlines.

4 But so, you're right. Through -- from 2010, after the single
5 operating certificate, it was maturing of the system, going
6 through those maturity levels that the FAA had established. We
7 were proud at Delta that we were sort of out ahead of that process
8 a little bit, and we actually had to slow down and let the FAA
9 catch up with their sort of processes.

10 Because we didn't come in at Level 0. We kind of came in at
11 Level 2. I think we got the Level 0, the Level 1 and Level 2
12 letters on the same day, right, because that's kind of where we
13 were in the process.

14 Q. Okay. And when you reference FAA in the years from 2010 to
15 2014, I just want to be clear. Those were years where you were
16 developing and implementing the various stages of the SMS program?

17 A. As it was formally defined at that point, yes.

18 Q. Now --

19 A. And what -- the reason I say that is from -- I would say from
20 2005 on, we were -- we certainly were beginning to understand what
21 an SMS meant. We were choosing certain aspects of that that we
22 thought were critical. Like voluntary safety programs was a huge
23 focus for us, working with our labor unions to get better safety
24 data all the time, right, and building the processes to do that.

25 So there were aspects of it that were being worked, but it

1 wasn't until the 2010 timeframe, when we really started to have
2 serious discussions with the FAA about, okay, what does a mature
3 safety management system look like and how do you really implement
4 it?

5 Q. Well, one question I have about working with FAA, were they
6 able to provide you guidelines for what they eventually wanted to
7 see? Did you have conversations with them? Or was it just,
8 you're on your own; figure it out?

9 A. Initially, it was more independent. But as the system
10 started to be better defined and matured, the FAA absolutely
11 provided guidance material, advisory circulars, a process that
12 needed to be followed. But it took quite a ways to do that.

13 So we were we were acting independent. And to some degree,
14 we had the ability -- and I don't think -- in fairness, it wasn't
15 just Delta. It was probably the other big -- American and United
16 and the other really big carriers that that focused -- were
17 focused on this, had an ability to work with the FAA to come up
18 with a approach that would that seem to work.

19 But the structure is a little different between the FAA and
20 the FRA.

21 Q. Oh, yeah. But we're here. If you think about that, we we're
22 all ears.

23 A. Well it's just, at the airline, every major airline has a
24 Certificate -- or it did at the time, what they called the
25 Certificate Management Office, which was staffed with dozens of

1 inspectors that were dedicated to just your airline. So they knew
2 your business as well as you did because they were absolutely
3 living right with you.

4 And at the time, after the merger, Delta was the largest
5 airline in the world. And our office had almost a hundred FAA
6 inspectors that were focused on maintenance and operations and
7 inside the airplane -- the cabin, you know, all the different
8 aspects but, so there was quite a bit of dialogue and work and
9 they had their own management structure and team in place.

10 So you had those being duplicated around the country and then
11 you had headquarters here that was trying to pull it all together.

12 Q. So the FAA involvement that you just characterized, were the
13 number of inspectors from the FAA -- were they there just for like
14 safety operations, make sure everything works? Or was there some
15 aspect of their involvement that was overseen or looking at your
16 SMS program?

17 A. Over time, it became the latter because the FAA went through
18 a philosophical shift, from enforcement to compliance. And in
19 2015, if memory serves me right, the administrator issued an order
20 that actually talked about, we need to shift the way we oversee
21 airlines and move from a pure, you broke a rule we're going to
22 force you to sort of a more of a philosophy that was more in line
23 with the evolving culture and safety management systems which was
24 really -- people were ultimately trying to do the right thing.

25 And the FAA wanted to help us do the right thing. So if we

1 made a mistake, we sort of admitted the mistake, we had corrective
2 action plan in place. We would work with the aviation safety
3 inspectors. And they became less and less sort of civil penalty
4 focused.

5 However, if you were not truthful or if you were, you know,
6 intentionally disregarding the rules, you know, that's what they
7 reserved their enforcements for. And that's still their policy
8 today. They have their enforcement policies is one of a focus on
9 compliance versus enforcement.

10 Q. Okay. Before we move off the aviation industry, is there
11 anything else that you want to add that you would think would be
12 helpful, for our education. about your experience with the
13 airlines?

14 A. I think what I would add is, a significant effort in the
15 airline industry to collaborate on safety both among the airlines
16 and with the FAA, and, you know, the airlines have their industry
17 trade groups, right, just like everybody does. And they have.
18 Safety councils and committees where the safety leaders come
19 together and discuss common issues. Through the Commercial
20 Aviation Safety Team process I mentioned, a significant industry
21 collaboration evolved on understanding the data -- getting the
22 data, right.

23 All the major airlines contributed their safety data to this
24 process. And there was a federally funded research company,
25 MITRE, that analyzed all that data on behalf of the FAA, and then

1 we would prioritize safety issues. And then experts from around
2 the industry would get together and work the safety issue, and
3 then the airlines or the manufacturers would implement the safety
4 enhancement recommendations that came out.

5 And between -- I've lost a little track, but between 2000,
6 when that process really started and 2015, there were some 200-
7 plus safety enhancements that went through this data driven
8 process and that the industry had agreed to basically implement.
9 And so that was a significant, in my mind, forward looking. We
10 had the FAA -- the head of aviation safety of the FAA and an
11 industry senior industry person would co-chair that effort.

12 And I co-chaired that effort between 2012 and 2014 with the
13 head of aviation safety at the FAA. So it was really -- the
14 agency and the airlines put a lot of stock in that. And the
15 better data we got from each individual airline, the better we
16 could do.

17 And the unions were a key player in that, primarily the
18 pilots' union. But that was -- I think that collaboration and
19 focus was a big piece of the aviation system success.

20 Q. Well, I need to bring you down from the skies, and let's talk
21 about your acceptance of your current position back in January of
22 2018. And if you'll walk and talk us through rejoining with
23 Richard Anderson -- now you're at Amtrak. And if you can take us
24 through this first 14, 15 months with Amtrak -- understanding what
25 we've talked about, your experience in the aviation industry --

1 and just give us your thoughts. What did you and Richard Anderson
2 talk about? What were the initiatives? What was the vision?

3 A. So I joined Amtrak after a particularly challenging couple of
4 -- few years, 3 years, I guess -- 2015, '16 and '17, with some
5 accidents. That charter I was given from Richard Anderson was to
6 implement a safety management system and to move us forward and to
7 try and do that in a manner that would change the culture at
8 Amtrak around safety. That was it.

9 To be honest, the discussions I had with Richard when he was
10 recruiting me, if I can use that word, were brief. They were
11 along the lines of, Richard you know what you're getting with me
12 and I know what I'm getting with you because we've had this
13 working relationship together, so, when do we start kind of.

14 I would say, when a hired on, the first thing to do was meet
15 the staff, meet the team, understand where we were. I was very
16 pleased to see that there had been a significant effort to improve
17 the safety competencies of the safety department.

18 The other thing I should mention that Richard had done was
19 the safety organization was part -- was working for the chief
20 operating officer. And when I came on board, Richard pulled to
21 safety the safety department, the environmental department and the
22 public health department out, put them under me and had me become
23 a member of the executive leadership team.

24 And actually, I -- my office sits right beside Scot
25 Naparstek. We actually share the same administrative assistant.

1 So I think that was intentional, to keep us very close, which I
2 was -- thought was a very good thing.

3 So the first thing to do was understand where we were -- what
4 was our vision, what had we tried to accomplish in the past, what
5 did we feel we needed to accomplish going forward? And so, you
6 know, key players on my team were Justin Meko and Theresa
7 Impastato and a few other folks that we started to sit down and
8 talk.

9 And we pretty quickly laid out a strategy that said, okay,
10 what are key things we really need to put in place right away and
11 that if we kind of, at the end of the fiscal year -- because
12 Amtrak's on a fiscal year -- so, by the end of September or, you
13 know, what will we feel good about if we've accomplished?

14 And I think we quickly realized we wanted to change our
15 safety policy, to be a little more relatable, I think, to the
16 employees to give them a little more guidance on what we were
17 looking for. We wanted to lay out a path forward for safety
18 management systems, and what that might look like and how that
19 would play itself out. We wanted to figure out where were the
20 strengths in the organization that we already had that we could
21 build on.

22 And then -- so we created a cadence of operating meetings
23 that we could go to and really start to lay out the strategy. We
24 figured out pretty quickly that we wanted to use our monthly
25 executive Safety Council as a sounding board and final approval

1 process because that was a meeting that was previously chaired by
2 our Chief Operating Officer. And we immediately said that would
3 be jointly chaired between myself and the chief operating officer,
4 and we'll work together.

5 And the key members of that are our leaders of
6 transportation, mechanic and engineering. So with the safety team
7 and the key operating folks, that was where we felt we could
8 really make a lot of key decisions.

9 So within 2 months, we defined what we wanted to achieve. We
10 went -- we have a board meeting every 2 months. My first day at
11 Amtrak, I think, was -- maybe on my second day was a board
12 meeting. So I wasn't able to be much help to the board, at that
13 time, other than to say hello. But 2 months later, we came in
14 with sort of an outline of a plan for a safety management system.

15 The board listened to that plan. They passed a resolution,
16 which I found helpful because it said, from the highest levels of
17 the company, they want us to be industry leading in implementing
18 safety management systems. They want us to be industry leading in
19 implementing positive train control. And where we don't have
20 positive train control, they want us to use safety management
21 system principles in evaluating how to make operations in non-PTC
22 territory safer.

23 Pretty clear charter, pretty straightforward -- lot of
24 details in that. So we began to go to work with that vision. And
25 I think we -- as I mentioned, we did the safety policy. We

1 educated our senior leadership on things that we thought should
2 change. We had started to communicate with our employees about --
3 at all levels -- about what we were trying to achieve.

4 We got our measurements. We started to give -- I can't say
5 change. I would say we started to talk about things, like we
6 should have a Train Safety Index and what does that look like --
7 and we started to socialize that. That ultimately became approved
8 in the 20 -- FY-2019 plan, which we did over the summer because it
9 implements October -- October 1.

10 We changed the way we run the executive safety council
11 meetings to be very focused on sort of key safety management
12 system items -- you know, how are we doing on our metrics; how are
13 we doing on the key things that we need to get accomplished and
14 safety management system to get the feedback from the operations
15 groups.

16 We took advantage of -- one of the things Richard Anderson
17 started was what they called leadership summits. We bring the top
18 300 people, roughly 300 leaders in the company, in about every 3
19 to 4 months. And we always sort of started that day with where
20 are we on safety; what are we doing. And so, we've had I think
21 four of these now.

22 And largely, Theresa and I have stood up and educated people
23 on safety management systems -- what does it mean to you as a
24 leader in the company. And recently we've really put a focus on
25 just culture and the shift of just -- to just culture which I can

1 talked about a minute.

2 So we did all that. We -- in September, we got a -- we wrote
3 and drafted a safety strategy document which we presented to the
4 board of directors and got approved. They endorsed it with
5 another resolution which, again, is helpful to have that that kind
6 of support. We implemented our new safety metrics, and we start
7 reporting on those on or on a routine basis.

8 We continued to dive deeper into different elements of our
9 safety management system. We implemented in the fall a accident
10 and incident -- a formal accident/incident investigation process
11 which I thought was really critical because, as in any real
12 operation, things are moving all the time.

13 And, you know, we have an event and then 2 weeks later,
14 you've kind of forgot about that event because you've had another
15 event, right, and you're moving. So we implemented a formal
16 investigation process, jointly, with safety and the operations.

17 And we now track things through from is it open during the
18 investigation, to we've identified corrective actions, to we've
19 implemented the corrections, to we've verified that those
20 corrective actions are done. And we've got probably 3 dozen of
21 those things that have gone through the process since the last --
22 since we implemented it in September-October.

23 We -- you saw examples of the risk assessments that we put in
24 place. The signal suspension was first. The non-PTC risk
25 assessment was there. One of the things I felt really good about

1 was at our -- we have what we call executive leadership team it's
2 all the executive vice presidents get together on a weekly basis.

3 We started to have discussions in there about safety matters.
4 Did we want to start a new service in a particular area that was
5 dark territory? What would we have to do to start that service?
6 And the feedback I was getting was, in the past, we would have
7 started it. We would have run it and figured it out and now we
8 were like We need to do an assessment. You know, how come -- if
9 the host railroad can't give us track data, are we sure we want a
10 startup that assessment?

11 So we actually made a couple decisions not to start service
12 because we couldn't really -- it wasn't a priority for us with all
13 the risk assessments we had going on. I think there was some
14 visibility around special trains and charter trains. We changed
15 our policies around that -- and a lot of that was driven by safety
16 decisions.

17 You know, we really don't run -- we don't have engineers
18 trained and qualified on steam locomotives anymore. So we're not
19 going to run steam locomotive special trains, right, because it's
20 not something we do it's not. It's not part of our process it's
21 outside of our normal realm. So we implemented those policies.

22 We implemented some new policies on weather and -- that have
23 gotten some feedback in terms of we took a playbook out of the
24 airline model. When the weather gets bad, instead of trying to
25 tough your way through it, let's scale the operation down. Let's

1 stop, let's get our equipment; let's get our people safe. Let's
2 have them in the right place so that when the weather turns
3 better, we can start up better and better serve our customers. So
4 we changed our philosophy around that. All of those discussions
5 were safety -- had safety implications and were held at the
6 executive leadership team level, which I think is something that -
7 - at least I'm told is a little bit different at Amtrak over the
8 last year.

9 2018, we had to fix some issues. We had to get the signal
10 suspension policy in place. We knew we needed to do some things
11 differently with engineer route qualification process. That
12 became clear to us after Train 501. So we put energy into fixing
13 some of those processes and doing non-PTC risk assessments. That
14 was really a focus of last year.

15 This year, 2019, we're focused on institutionalizing a lot of
16 those processes -- getting them documented. Getting the processes
17 in place, making sure all of our OSHA level processes are current.
18 So documenting formally how we're going to do risk assessments.
19 So we're doing all of that now.

20 The other big thing we're doing is starting to talk about
21 changing the culture of Amtrak around safety. I would say that if
22 you were -- at the end of last year, if you were to talk to our
23 employees, they would have said nothing's changed on safety. They
24 actually might have said there's nothing going on on safety
25 because they were used to seeing programs that we'd had before on

1 Safe to Safer and other behavior-based safety programs -- Safety
2 Starts With Me -- those kind of things.

3 We've made a very conscious effort that safety management
4 system is not a program. It's just the way we do business. So we
5 sort of shed that. And a little bit of visibility with the
6 employees went away. But this is the year that we've said we
7 really need to focus on safety culture and just culture. And
8 we've started to work through that with.

9 We've got our unions engaged in some discussions on what that
10 means, what it looks like. We've using our -- really focusing on
11 our voluntary safety programs. We are trying to educate -- you
12 know, well, how do you tell the difference between a mistake, at
13 risk behavior and intentional disregard, right -- and how does
14 that fit into our discipline processes that we have in place?

15 You know, I think that the railroad has a challenge there.
16 And part of the challenge that we have is the regulations in the
17 railroad define discipline for certain events. You won't find
18 that in the FAA in the aviation world. It doesn't say if you get
19 caught breaking an altitude you lose your certificate for 30 days,
20 right?

21 Unlike you get going 10 miles an hour you go through a stop
22 signal or whatever, there's prescriptive penalties that are laid
23 out in the regulation. So we have to figure out how to navigate
24 that and determine what honest mistakes are versus intentional
25 disregard.

1 And that's kind of where we are now, and we're really
2 beginning that dialogue with employees -- with our leadership team
3 as well because they need to think about things a little bit
4 differently. It's not as simple as you broke the rule; therefore,
5 there's discipline.

6 We really want to get to, why did that happen? Is there
7 something we can do to correct it, okay? And then we can figure
8 out if it was you did it intentionally or if it was just a
9 mistake. So we're sort of in that place right now, I would say.

10 Q. Ken, is it fair to say that a lot of the things that you did
11 in the aviation industry, a lot of lessons learned, that you are
12 finding some similarities and opportunities to apply them at
13 Amtrak?

14 A. Mm-hmm. I think so. You know, first off, safety management
15 system is not unique to aviation or to the railroad. If you look
16 at the FAA's guidance for safety management you look at the FRA's
17 guidance, I mean, they're very similar, right. So the basic
18 premises are the same. I think the industries are just starting or
19 started from different points and in places. There was a time in
20 aviation when, you know, management and unions weren't always
21 collaborating on safety matters very much, and that's evolved over
22 time.

23 So absolutely, all the things I've talked about with data we
24 see as great opportunities, right. We're trying to figure out how
25 do we use all the data that's now available to us to improve train

1 handling, okay? And, you know, the PTC data streams have opened
2 our eyes as to what's available and what we can do with that.

3 And, jointly working with our labor union, our transportation
4 union, you know, every 2 weeks we sit down, and we look at what's
5 happened in the last couple of weeks with PTC enforcements -- what
6 do we need to do? Are we finding out what's really going on?
7 Working together on that is a great opportunity.

8 We think there is a great opportunity to do more on that
9 front with the data that we record -- we capture on the trains. I
10 admit, I'm approaching that from what we did in the aviation world
11 with -- they called it the Flight Operations Quality Assurance or
12 FOQA program -- downloading every flight, every day; running it,
13 scrubbing it looking for anomalies that we can learn from.

14 So we sort of have a tag line that we're -- that I'm talking
15 about, anyway, at Amtrak is Every Train, Every Trip, Every day,
16 right. We want to start getting that data. We aren't really
17 there. We don't have that capability yet. We can download the
18 data we need, but we don't really have that sorted out.

19 We're beginning to talk to the FRA about, is there something
20 we can do, as an industry, to advance that concept.

21 Q. Okay. Given -- my understanding is, in the aviation
22 industry, both the regulators and the airlines were walking,
23 talking through implementing SMS and finding its maturity. And it
24 sounds to me like that was a multi-year course that everybody
25 walked.

1 So tell us your thoughts about -- having come to Amtrak
2 January of 2018, I'm aware that April 1st of 2018 you had a
3 rollout of a policy. That seems pretty quick. So help us
4 understand where you think you are after the first 14, 15 months
5 and what you think you may have left ahead of you.

6 A. At the highest level, I would say we are finishing up the key
7 structural elements of a base safety management system -- metrics,
8 risk management processes, accident investigation processes,
9 training processes, communication processes. Those are -- we're
10 really sort of -- we're getting those nailed down, right.

11 I think what is the -- as I mentioned before, the big hurdle
12 in front of us is addressing the culture, the just culture
13 aspects, the really getting people to think differently about how
14 to react when things happen.

15 And we are making -- I feel very strongly, we're making
16 progress, but we have a lot of people to sort of get on board.
17 And we have a lot of trust that needs to be developed. And, you
18 know, that took a really long time in the airline world to get
19 people on board and get the trust. And these voluntary programs,
20 they developed over a decade, maybe even 15 years.

21 And even today they still, as people change out, they're
22 still learning that has to happen. So I don't have any, I think,
23 naive opinions about how quickly we can do all that. But I do
24 think you have to just keep chipping away at that. So I see that
25 is the first big hurdle that we're working on right now.

1 And then I think the next things that we're really into are
2 significant process improvements -- areas like use of simulation
3 for locomotive engineers, the train operating data that we have,
4 continued refinement of technical training for our transportation,
5 engineering and mechanical folks. Those are maturity things that
6 have to happen and that we need to continue to put investment in.

7 We have a suite of technology wants that we're beginning to
8 work on. You saw the Aware app which is, you know, a big thing
9 for us. We need to get a more consolidated safety management
10 system software. We need to have better integration of our
11 training tools into a consolidated learning management system.

12 All these things are happening. We have the IT folks and our
13 team, you know, working on those. So those are sort of the big
14 challenges we have that we've identified on our road map.

15 Q. Okay. If you're okay, I want to bring in some of our other
16 participants.

17 A. Sure.

18 MR. HIPSKIND: And, Ryan, your thoughts and questions. And
19 would you please cover some of that risk assessment things that
20 we've talked about?

21 MR. FRIGO: Sure. Thanks, Dick. Very informative
22 discussion, so far.

23 BY MR. FRIGO:

24 Q. I'm wondering if you could speak to some of your experience
25 with the petroleum industry. I know you mentioned that that was

1 part of your background, and specifically with the API, the
2 voluntary SMS program, if you could share your thoughts on kind
3 of --

4 A. So my experience with the refinery was Monroe Energy
5 purchased a refinery that was shut down and basically did a
6 turnaround, put it back in operation. And then, over time, as it
7 ramped up, we started to look at what were the measurements that
8 we needed to determine how that was happening.

9 Now, it was interesting for me, because I'm far from a
10 petroleum refinery expert, but I was able to have conversations
11 with the safety team there and we came up with a list of about 15
12 measurements that they look at all the time to determine and using
13 some of the API standards, right, for Tier 1 Tier 2 Tier 3 events.

14 We were able to start measuring our progress. And then we
15 identified other areas -- you know, change management practices,
16 how many open changes do we have before they're closed out. We
17 look at -- you know, we look at spills. Environmental spills are
18 a big deal, from a safety perspective, at a refinery because not
19 only is it bad for the environment, but it could lead to fire or
20 some other more catastrophic event.

21 So the first thing we really did was sat down with the safety
22 leadership and we developed a set of process metrics that we would
23 look at in addition to the safety metrics. The other thing that I
24 really learned at the refinery was all the different ways to
25 communicate with employees and the constant communication.

1 Now in fairness, it's a little easier in a small, relatively
2 confined refinery location where there's 400 employees on any
3 given day working, you know, over three shifts so, you can touch
4 everybody all the time. But really, what the refinery focused in
5 on, was near misses, close calls, good catches -- things that
6 we're constantly -- we were out constantly talking with the
7 employees about safety.

8 And what we saw happen was not only have all the process
9 safety metrics gotten significantly better, but also the employee
10 injury metrics got significantly better, to the point where
11 they've been awarded a recognition by the petroleum industry for
12 their performance on safety.

13 So to be honest with you, that roadmap that I -- that we
14 looked at, it's an idea we stole from the refinery, okay? That
15 particular layout, that's something they used. And I said I
16 didn't have that at the airline, but I had that at the refinery,
17 and I liked that. It was easy to portray a message on where we
18 were going.

19 You know, it's interesting. The refinery now, they also have
20 50 miles of pipeline outside in the community and we they have
21 been really implementing a safety management system for their
22 pipeline now -- takes it to a tank farm and to the distribution
23 points. And so, we've been watching and monitoring as that
24 happens.

25 But again, it's the same basic principles -- what are you

1 trying to achieve? What are your hazards? Are you identifying
2 them and are you mitigating them? How do you know what you're
3 doing is working -- your safety assurance? And then, how do you
4 reinforce? So it just helped me build confidence that that was
5 really what we needed to be doing here at Amtrak.

6 Q. And so, it's my understanding that the API SMS standard was
7 essentially a consensus program built by the industry. It didn't
8 have the influence of the regulator create a framework. It was an
9 industry driven program. And do you think that been helpful to
10 the petroleum industry, in your experience, to have something that
11 was built upon consensus, by mutual partners?

12 A. You know, I can't actually answer that because I'm not
13 familiar with the history of the standard, just to be honest. I
14 think that would what the standard has done and enforced is a
15 focus on safety that maybe wasn't there.

16 You know, one thing I didn't say, which I should probably say
17 for the record, Monroe Energy is an oil refinery that is owned by
18 Delta Airlines, right. They reached out in 2012 and bought that
19 refinery. So that's when I was asked to join that board. But
20 they are run as a separate company with their own board.

21 So the other thing I would say is some of the aviation
22 expectations on data and indexes and management strategy filtered
23 to the refinery. So --

24 Q. That's helpful to understand.

25 A. Yeah.

1 Q. Puts some of your answers in a better context. You mentioned
2 the transition at FAA from enforcement to compliance. Could the
3 progression of the development of SMS in the industry, in the
4 aviation industry -- I mean, if the FAA stayed in an enforcement
5 role, would that have been detrimental to SMS development?

6 A. Yes. I think the answer is yes. Though I would just say
7 that it was almost impossible for the FAA to stay where they were
8 with a pure enforcement mentality because of all the voluntary
9 safety programs that were developing around them and all the
10 information sharing that was happening and the types of things
11 that were being learned.

12 And what was happening at all the individual airlines between
13 the FAA and the airline is they were moving forward and making
14 things better. And what was out of touch was, to some degree, the
15 headquarters' philosophy. And so, you know, I think it took
16 several years of discussions with some real leaders in the FAA to
17 push through the legal challenges and through sort of the senior
18 level resistance to finally get people aligned.

19 And, in fairness, there are still people at the FAA that
20 don't agree with it, right. And every once in a while, you hear
21 things about, you know, well, some of these airlines are getting
22 away with murder and, you know, there are people -- there are, at
23 the inspector level that do not agree with that approach. But I'm
24 a hundred percent on board with it.

25 Q. So would you would you characterize that transformation as a

1 cultural shift --

2 A. Yes.

3 Q. -- at FAA?

4 A. Yes, because along with that transformation came a massive
5 investment in educating aviation safety inspectors on safety
6 management systems and just culture and how these things work. So
7 it was a it was a massive effort to -- that was -- I'll say it was
8 begun before the policy was officially changed. People could
9 probably see that the change was coming. And then once the policy
10 was out there it was really a push forward to get the training
11 done.

12 Q. In the role of ICAO in that, in this transformation in the
13 industry, was that a driving force? Or was ICAO responding to
14 maybe a more proactive member state?

15 A. I'm going to say it was a driving force, you know, because
16 they started to talk about it with ICAO standards. Now, ICAO
17 standards come about from a collaboration of experts, right?
18 They're six people at ICAO writing this stuff down. And I think
19 what happened was -- they produce a relatively straightforward
20 standard and then each state takes it and runs with it, as they
21 see appropriate.

22 And, you know, the FAA's strategy was more of a deliberate,
23 methodical, let's prove this works; let's really have a maturity
24 strategy before we mandate it, right. So I think -- we'd have to
25 go back and double check, but I believe that the ICAO mandate was

1 for like 2012, but the FAA mandate wasn't until 2015.

2 So you're allowed to do that. You know you can -- states can
3 deviate from the ICAO rules. They have to have a reason for it,
4 but they can.

5 Q. And the ICAO standard would set about the common safety
6 principles, common definitions?

7 A. Yeah. I think, to be honest with you, never spent a lot of
8 time looking at it. I believe it's ICAO Annex 19. And I never
9 spent a particular amount of time other than I probably read it
10 once or twice, because the reality was, we were developing our own
11 processes and working with the FAA on sort of their guidance
12 material.

13 So, you know, people within the FAA had to match it up
14 against the ICAO.

15 Q. The ICAO?

16 A. But I think it's fair to say that ICAO was out there pushing
17 the concept. There's a very -- actually, I recently came across a
18 joint NTSB-FAA -- what do you call it -- a Resource Guide
19 published in 2015 on state safety programs for aviation.

20 And it covers -- it's tremendous. It's 30, 40 pages long and
21 has all of this history and everything that the FAA has done and
22 all their committees and the structure. It's a great resource
23 material that tells you what the FAA did and, at least, as of 2015
24 how they restructured.

25 Q. That's hopeful. And the -- just want to transition. So it's

1 -- I'm trying to, you know, again I -- from the research that I've
2 looked into with ICAO and establishing kind of a common framework
3 and then promulgating that to member states with which then work
4 with their, you know, with the applicable airlines and
5 organizations within the member states, it seems like having that
6 common -- even common definitions go a long way away when creating
7 a shift in industry thinking.

8 So along those lines with Amtrak really leading an effort on
9 its own railroad to develop SMS, what kind of outreach have you
10 done with industry peers on the railroad side?

11 A. So that's a good question. I'm going to say that our focus
12 has been on developing our program, right now. We have,
13 obviously, interfaced with host railroads peers on a variety of
14 specific topics -- so signal suspension, non-PTC work.

15 We're interfacing daily on PTC with enforcement activity and
16 sharing data on enforcement and what are we doing to correct those
17 kinds of problems.

18 But -- and I guess I actually have to defer to some on my
19 staff to say, you know, at AAR meetings, is there topics on SMS?
20 I have not participated in any of those, okay I have been-- I've
21 been focused on driving the Amtrak process. Now, I think, in
22 fairness, over time, the real benefit will come with getting
23 people more aligned.

24 We have disconnects today that we're dealing with on a
25 routine basis because of different approaches and philosophies.

1 And they're becoming more and more apparent as we start to work
2 the just culture aspects, where we're saying we're going to treat
3 these as learning experiences and we're not going down discipline
4 paths.

5 But some of the host railroads are taking a different path.
6 So if we have an Amtrak locomotive engineer that has a problem on
7 a host railroad where we're trying to take the learning approach,
8 but the host railroad may be taking a discipline approach. And at
9 this point, that's something we're just having to deal with and
10 work through it.

11 And a lot of dialogue back and forth about what we're trying
12 to do. And it gets further complicated by if it's a rule
13 violation of one of the things that causes decertification, you
14 know, we've got -- where hands are tied, basically, there.

15 Q. Do you, in your experience, do you find that Amtrak can even
16 have a discussion with the host railroads about safety, using
17 common language, common terminology as it relates to SMS? Or do
18 you see that as a challenge?

19 A. I'm not sure I can -- I cannot answer that from personal
20 experience, okay. I can only say that we are having discussions
21 about application of some of our SMS principles with them. And I
22 think we mentioned earlier that we really haven't gotten a lot of
23 pushback on some of our signal suspension activities where -- with
24 the non-PTC risk mitigations which are based on SMS.

25 I'm not aware that anybody's told us no yet, but there's

1 complications in all of that, right. You know, who's -- what do
2 you want it to look like, who's doing it who's paying for it, et
3 cetera. And, you know, we've said we're going to pay for it.
4 We'll sort it out later -- but we want it, right. We want that
5 mitigation. If we want you to put a sign up, we'll put it up.
6 We'll pay for it and then we'll let the host railroad groups and
7 all that stuff sort that out later.

8 Q. So in one of my previous questions about the participation
9 with industry counterparts, do you think that that would be
10 helpful if there was a forum or a semi-annual meeting -- some
11 existence of a group of railroad safety professionals where SMS
12 can be discussed?

13 A. Yeah. Well, yes. I mean, that's a simple answer. But I do
14 think that there is some of that that's happening. You know, the
15 voluntary safety programs, there's a C3RS user group that happens
16 annually. I actually got a chance to go speak at it last year,
17 and I was a little nervous about it because I didn't know anything
18 about, you know the railroads.

19 But they asked me to go and talk about the aviation and what
20 it might look like, and I found that group to be very receptive.
21 And that was a group of union management folks from many different
22 railroads. So it's hard to say. And if you look at that that
23 NTSB-FAA paper I was talking about, you'll see there's just SMS
24 user groups.

25 There's just all this kind of stuff because it's a huge wheel

1 you have to turn, and it's -- or ship you have to turn. I mean,
2 you just got to touch it at all different levels and points. And
3 it takes some time.

4 Q. So in a follow up, then, to that is, in your experience with
5 Amtrak and this industry, how would you characterize the Federal
6 Railroad Administration's ability to develop the cogs in that
7 wheel?

8 A. I guess I would say mixed. We interface with people that are
9 definitely trying to do the right thing. And I think -- you know,
10 I think, collaboratively, it has to happen, and I think we have an
11 opportunity. You know, that's why we shared our system safety
12 program plan before it was required, right?

13 I mean, look, for -- to some degree, that's an opportunity
14 for us to say this is what we think it looks like; this is what
15 we're going to do and give us your thoughts and comments. And I
16 think, you know, that's the approach we're going to take. If
17 you're going to try and be an industry leader in something, you've
18 just got to get out there and do it. And so, you know, I guess
19 that's really what I have to say.

20 Q. Well, I appreciate that. Thank you.

21 MR. FRIGO: Actually, I'm okay, for right now. Mike or
22 Steve?

23 MR. HIPSKIND: Steve, anything?

24 MR. AMMONS: Nothing.

25 MR. HIPSKIND: And Theresa?

1 MS. IMPASTATO: I have no questions.

2 MR. HIPSKIND: Michael, you have the floor.

3 DR. HOEPF: Thanks, Dick. Ken, can I interest you in a quick
4 break or are you doing okay?

5 MR. HYLANDER: Actually, you know what, would you mind a
6 quick break --

7 MR. HIPSKIND: No, not at all.

8 DR. HOEPF: No, that's fine.

9 MR. HYLANDER: -- restroom break for just 5 minutes?

10 DR. HOEPF: Whenever you need a break, just --

11 MR. HYLANDER: Well, yeah.

12 MR. HIPSKIND: I was hoping that would be your answer. I
13 should have asked that question.

14 MR. HYLANDER: Yeah, I figured, if you asked, usually it's --

15 (Off the record.)

16 (On the record.)

17 MR. HIPSKIND: Okay, we're back on the record after our
18 break, and, Mike, you're got the floor.

19 DR. HOEPF: Okay, thank you, Dick.

20 BY DR. HOEPF:

21 Q. So Ken, we appreciate the discussion today. A lot of
22 interesting perspective -- a lot of interesting things you
23 covered. I kind of want to continue the conversation about those,
24 but then just kind of, you know, within the context of host
25 railroading operations and kind of just to get your perspective.

1 You know, I know that you've said that you've sort of been
2 keeping focused on development of Amtrak's SMS at the time, you
3 know, for the time being. And then it sounds like you're kind of
4 going to plan to push that out, process. Is that kind of an
5 accurate --

6 A. Yeah. You know, so when I say focus on Amtrak -- or just to
7 be clear, I don't mean just the Amtrak-owned territory. I mean
8 all of Amtrak's --

9 Q. Right.

10 A. -- 21,000-plus miles of operation. But I think, as I've
11 tried to say, we have a lot of processes to institutionalize and
12 to manage. And that's been the real focus. So I think the point
13 is I personally have not gotten out and gone and visited with all
14 the different host railroads and talked about safety management
15 system yet. That's just not where I put my personal priority
16 right.

17 Q. Right. Right.

18 A. But as I as I indicated, I think, clearly, the leverage for
19 the railroad system, in total, is to start getting people all
20 aligned. If you are a believer in safety management systems,
21 getting people aligned to one that is nothing but goodness.

22 Q. Right. Right. Yeah, I mean, that makes sense. So in terms
23 of the, you know, the web of rail lines at Amtrak with or with
24 their operations on host railroads, I mean, is that sort of a
25 unique issue? Are there any sort of parallels you see to that in

1 the aviation industry? Or is that kind of a unique, you know,
2 kind of hurdle to tackle?

3 A. I see it as a unique hurdle --

4 Q. Okay.

5 A. -- that's different totally. I mean, in the aviation
6 industry, runway markings are all the same. Runway lighting is
7 all the same. The language is all the same. Your policy -- you
8 have one set of policies and procedures that your employees have
9 to be trained on.

10 There may be some small number of airports that have unique
11 physical characteristics that require some special training if
12 you're going to operate in and out of there because of because of
13 safety, but that's a rarity versus the common take on it.

14 So I think that that is, in fact -- the fact that we have
15 crews that have to know different rulebooks and different signage
16 and different signals is sort of a different experience for us --
17 or for me -- not for us because -- but, for me.

18 Q. Right. Right. So when you came on board, which really
19 wasn't that long ago, in the greater stream of things at Amtrak,
20 what was your perspective in terms of how the track was handling
21 management of safety on host railroads?

22 A. Well, I would say I did not draw a distinction between how
23 Amtrak was managing safety on our own railroad or the host
24 railroad. I mean, obviously there are things that we do and
25 control on the Northeast Corridor where we are the host.

1 But in terms of the metrics we have, the discussions we have,
2 we're not really saying, oh, that's a host railroad thing; this is
3 this is an Amtrak thing. I mean, we're trying to understand the
4 issues and what -- you know, I guess, our basic premise is we're
5 going to control what we can control, right.

6 That's -- so, if we -- when we did the non-PTC risk
7 assessments, right, we said items that were within our control --
8 the communication within our crews, the -- certain decisions --
9 that is what we could put in place right away. And other things
10 we have to go out and work with the host railroads and get that to
11 happen.

12 So that's kind of been our strategy as we've as we've moved
13 along. But we don't consciously talk about things as being, it's
14 host railroad issue, we can't do it, right. I mean, I think we --
15 one of the mindsets we're trying to break is that you can't
16 influence things, right. I think we believe that you have to try.

17 And you have to -- I mean, we were told no one's ever going
18 to let you do those signal suspensions different from the
19 rulebooks. I mean, that was that was an internal Amtrak
20 discussion -- you know, people saying, oh, you're not going to be
21 able to do that. Well, the host railroads will never let you do
22 that.

23 Well, I think Theresa indicated that we've done it a fair
24 amount, and we've never gotten any pushback. So that emboldens
25 you a little bit to say maybe there's more common ground here than

1 we can go forward with.

2 Q. Right. Yeah, I think -- I mean, it gets really interesting.
3 And so, along that vein, if we just give you an opportunity to --
4 and you've already kind of talked about this, but I mean are there
5 any challenges that, you know, that you face specifically with
6 those railroads in terms of things that you -- sort of out of your
7 control, and how do you handle it?

8 A. I'm going to say that I can't recall a specific instance in
9 the last year where we've had a conversation that said we can't
10 deal with that. We -- you know, we have we have our host railroad
11 group. we have our transportation experts that are out throughout
12 the system and we -- they have been able to negotiate things.

13 And sometimes the solution may be a little different than
14 what we had envisioned, but it's generally been better or at least
15 as good. So we we've been happy with that. We just had -- we had
16 requested, just as an example, with Sound Transit to add a speed
17 sign or to change the signage at the critical curve where we had
18 the Train 501 accident.

19 And that was in our risk mitigation plan for that route --
20 post-accident. And our local folks went and talked to Sound
21 Transit about it and ended up negotiating a different solution,
22 but one that we're totally fine with. Instead of just a bigger
23 sign, they've actually put in place a stepdown speed restriction
24 with extra signage -- so it's probably a better solution.

25 So I think, you know, we're trying to be open about things

1 like that too. I mean, I think one of the things in this, in
2 safety management is you can't assume you always have the right
3 answer, right. But the more dialogue, the more you talk, the
4 better solutions you come up with, so.

5 Q. Great. So how about, you know, to the extent that you can,
6 can you just talk about what went on in your department as you --
7 and you can just use the example of signal suspensions. That's as
8 good as anything else. In terms of how did you develop this new
9 process for how Amtrak is going to handle that? You know, who's
10 doing the work? Who's -- you know, how does that break out?

11 A. I think it started pretty quickly after we had the accident.
12 And we understood that, you know, sort of what had happened and
13 that we had just accepted the host railroad rules for that without
14 any real consideration of that. And we started to ask ourselves,
15 was that the best solution for the hundreds of passengers in the
16 back of the train and our employees?

17 We have the benefit of having some pretty skilled people in
18 the safety department that are pretty smart at risk assessments,
19 and we turned them loose to say, how would we assess the risk of a
20 signal suspension and how would we come up with a process that
21 does something different?

22 So we had that process developed. We worked with our
23 transportation folks and developed a methodology with which that
24 could be applied. We had to coordinate it with our operations
25 control center, our CNOC, because that's really where the

1 information came in from. And then we started to apply it. And,
2 of course, we learn as we with that.

3 And then you've got to communicate widely the expectation
4 that this will be accomplished, right. When we're going through a
5 lot of change management, it's easy for the safety department to
6 come up with a new process, but you have to make sure somebody's
7 using it, right. So we were sort of constantly saying, is there
8 evidence that we're using this process, right, and is it working?

9 So -- and that's where we find out that, yeah, every time
10 we've put it out there, it's been accepted, it's been used. We
11 had, I think, some initial discussions about -- it actually was
12 going to be okay to say we're going to cancel a trip if the signal
13 suspension is long enough or complicated enough or we're going to
14 route around and not go to a couple of stations and we'll figure
15 that out for the customers -- because that was a bit of a mindset
16 change for, I think, a lot of our folks who are very mission-
17 oriented, right, which is a good thing.

18 But -- so, you know, clearly it was, I think -- and this is a
19 strategy we followed for the other risk assessments that we did.
20 The safety department has the expertise to sort of build the
21 process. And then we work with the experts in the local area --
22 because we will never have enough people to be experts on every
23 mile of track that we have.

24 But every mile of track at Amtrak has engineers that operate
25 on it and has a road foreman or supervisors that are familiar with

1 it, so we need their input. And that's the same philosophy that
2 we applied for the PTC risk assessments that we did as well. So
3 just making sure we developed the process and safety and then the
4 transportation team implemented it, and then we'll oversee it.

5 Right? I mean, I think this is a good time. A philosophy
6 that I have tried to embrace and bring to Amtrak is that the
7 safety organization, we are a support organization to the
8 operation, but we are also a check and balance organization. If
9 we see something that's not right, we're going to push back.

10 And that's one of the -- safety assurance one of the tenants
11 of a safety management system. So I think that might be a little
12 different than how things have happened in the past, but I think
13 two things make that possible. One is the expectation that we're
14 going to do it and that we'll build some processes that do that,
15 which is the internal valuation process, the safety assurance
16 process.

17 The other thing is the separation from the operation, right.
18 And COO and myself report directly to the president and CEO. And
19 we can -- if we ever did have a debate, we can discuss it, right,
20 in an impartial way. But we've had several times when we've sort
21 of said that, you know, no, we are going to do this because this
22 is the this is the right thing to do for Amtrak.

23 It may not be the convenient thing to do for the operation.
24 And that's a bit of a culture change, I think, that the company's
25 going through. And I would say, generally, it's being accepted

1 now. I don't -- I mean, there's some grumbling or some pushback
2 occasionally, but generally, that that role is, as a check and
3 balance, is being accepted.

4 Q. Okay, great. So just in terms of -- help me to understand
5 just some of the specifics. So CNOC, you know, I understand is
6 where you're going to get information. You've got to, you know,
7 let's say you're doing a single suspension. I mean, how does that
8 work get assigned? Is that -- is there somebody in the system
9 safety department then or is that somebody in a different group?

10 A. You know, that might be one where I need to ask -- I need to
11 phone a friend to find out, specifically, how we go from the
12 initial call. See, I want to give you the wrong information.

13 Q. That's okay.

14 A. So I don't know how you want to do that.

15 MR. LANDMAN: Well, we can always supplement the record with
16 that.

17 MR. HYLANDER: Yeah, we can't tell you that.

18 DR. HOEPF: Sure. Yeah, that's --

19 MR. HYLANDER: But there is a process. It goes from host
20 railroad to CNOC --

21 DR. HOEPF: Okay.

22 MR. HYLANDER: CNOC into the operation, and then it's -- we
23 have a feedback loop where we capture the data.

24 DR. HOEPF: Sure.

25 MR. HYLANDER: But I can't tell you specifically how it --

1 who gets the call. I don't know that myself.

2 DR. HOEPF: Oh, that's okay. And I'd rather you didn't --

3 MR. HYLANDER: Yeah.

4 DR. HOEPF: -- speculate. You know, that's totally fine.

5 You can provide us with a brief explanation of that later.

6 BY DR. HOEPF:

7 Q. Same kind of question just in terms of, you know, you were
8 talking about the assurances. And, you know, so -- you know,
9 who's actually going out and doing that? You know, how do you
10 get --

11 A. Yeah.

12 Q. -- the feedback in terms of, okay, we just said that they
13 were going to take a different route around the signal suspension,
14 you know, on so-and-so's territory. How are you verifying that
15 they actually did that?

16 A. So that's a that's a good question. I'm going to say that
17 typically we -- if there was a different route, we would know it
18 through the routing documentation on the train. But I'm not going
19 to tell you that we validate every one of those, okay. That is
20 not something that we are doing.

21 When I talk about assurance and internal evaluation, our
22 strategy there is to really say we've identified what we think are
23 critical safety procedures that we either have or don't have
24 today, okay. And then we want to make sure that those procedures
25 are documented and that, ultimately, we're following those

1 procedures and then are those procedures effective or not, right?

2 That's what we're building our internal evaluation program
3 on. And I'm just stealing -- I don't think it's unique, but my
4 mind set of how we're going to do that is stolen right from what
5 we did at the airline, okay, where we had 50 critical procedures
6 that we audited over the course of 3 years, and I had dedicated
7 people that would go in and review that, right.

8 And that's how I think you ensure or assure that the things
9 you think are happening are happening, right -- the programs are
10 in place. So, you know, we actually are using a signal suspension
11 process because not only have we seen that they've been issued and
12 that they're in the database, but they're completed and signed
13 off, right.

14 And then I think we want to have, you know, engineer training
15 is a critical process. There's -- so we've identified that list
16 and we're now beginning the effort of going through and saying,
17 okay, of these, which ones are we going to look at each year.

18 Q. Right.

19 A. So -- and that's something that we're just starting, right.
20 We actually set aside significant money. We've hired a firm to
21 help us do that, to get started with that. And we're making --
22 we'll make a decision, as we go through the year, whether we'll
23 bring that in-house or whether we'll continue to use an outside
24 firm for that. But, to me, that's a critical element of SMS that
25 we have to have, is the assurance arm.

1 Q. Okay, I gotcha. I appreciate the comments on that. And, I
2 mean, just a quick follow up question around the assurances. I
3 mean, just to talk about another example, we talked about -- and
4 not to get to it a lot of the details of it, but you talked about
5 Amtrak because it had a 60-mile-an-hour slow-by.

6 And you can talk me through the assurances that you would
7 have? Or is that kind of something still in development that, in
8 terms of --

9 A. No. Well, that one's a little more visible.

10 Q. Okay.

11 A. Because I can tell you every morning, when we talk about --
12 so we -- you are all familiar with the 60-mile slow-by that we put
13 in place last year. And, basically every morning, on the morning
14 operations call, the engineering department will get up -- will
15 say that, okay, we have 8 miles of slow-by today in this
16 particular location. And then the reality is that causes a delay
17 to the schedule, right -- or depending on how long it is, it
18 causes a delay to the schedule, and that delay is tracked.

19 So I feel very confident that those are in place and
20 happening because, quite frankly, the operation doesn't like it,
21 right, I mean, because it's an impact to them. But having said
22 that, they've been supportive and are doing it. So there are
23 crosschecks like that that we can have that are very visible.

24 Q. Okay. Okay, I gotcha. I guess -- and that's helpful, so I
25 appreciate --

1 A. And then, of course, there's the efficiency testing --

2 Q. Right.

3 A. -- right, that happens hundreds of times every day, right.
4 It is all the efficiency testing that's happening throughout the
5 system. And if there is a slow-by, right, and it's not complied
6 with, that would be a violation, and we would have visibility to
7 that. Now not every slow-by is being efficiency tested but it's -
8 - as part of a broader data set --

9 Q. Right.

10 A. -- we would have visibility to that.

11 Q. Okay. I gotcha. I gotcha. Yeah, thank you. That's
12 helpful. You know, we had talked to Justin Meko yesterday and,
13 you know he was talking a little bit about the breakdown of, you
14 know, training systems safety compliance group. And we talked a
15 little bit about the compliance group being sort of specializing
16 in assurances. I wasn't sure I was kind of your perspective in
17 terms of this --

18 A. Well, it is. We -- so, we added -- well, in fairness, we had
19 the group and then they all took a voluntary departure program.
20 But we rebuilt the group. We added we created an organization of
21 three operational quality assurance folks. And what they do is
22 they go out and -- what are we seeing from our data is a
23 particular issue or problem area and then they can go out and they
24 can do audits against our policies and procedures.

25 So, you know, we weren't happy with our PTC performance in

1 the Southwest. So we sent a team out there and they looked at
2 mechanical doing, what's transportation doing; are they following
3 the procedures, do they have the right information? So they did
4 an audit of all that and we identified a handful of things for
5 correction.

6 They went down, I think, to New Orleans because we -- in the
7 yard, in New Orleans we had -- in a relatively short order, we had
8 like three yard derailments. And so, they went down there to see,
9 are there issues here that need to be addressed?

10 So we've built that group back up. They're targeted to go
11 out where the data is sort of operationally pointing them. And
12 then, you know, part of that is getting them more quality capable,
13 if I can say that, right. We're training them on how to be a good
14 quality auditor.

15 And so, there's that piece, which is sort of the day-to-day
16 operation piece and then the internal evaluation program is more
17 the systemic piece -- do you actually have the processes in place
18 to manage. So I think they work hand-in-hand.

19 And I think, over time, we need to figure out what's the
20 right balance of resource and people in both those groups to
21 achieve that. But my first priority is let's get him started,
22 let's get something in place and go. And that's why that's sort
23 of on the list this year as a targeted area.

24 Q. Right. Yeah, that's also a great help. Thank you. Really
25 interesting stuff. Just one final question, at least for this

1 round. I think it's really interesting to talk, you know, just to
2 talk to the last pillar of promotion and culture.

3 I think it's really interesting, the focus you mentioned of,
4 you know, just culture. And I know you weren't around for the old
5 Chester, you know, investigation and following report for that,
6 but that was identified as --

7 A. Right.

8 Q. -- as a big piece there as well as, you know, the closed
9 policy stuff, the -- closed call reporting, the union
10 participation in the safety program.

11 A. Yeah.

12 Q. I'd be curious to hear, I mean, how is the -- and you've
13 already commented on this to some extent but, you know, how is the
14 rollout of this going? And are the unions buying into this? Is
15 the culture changing? Is it -- where are you at?

16 A. Well, so the best answer I can give you is, is the union
17 buying into it, is I spoke for 50 minutes 2 weeks ago at the Union
18 General Chairman Meeting that we sponsor twice a year.

19 Q. Mm-hmm.

20 A. And I talked about this, in particular. And I think the
21 feedback that I got was, we like this; this is good; this is
22 clearly heading in the right direction -- but we're seeing some
23 missteps in application.

24 So for example, you say that, you know, we're going to
25 investigate thoroughly and find out if something was a mistake or

1 intentional disregard before we issue any discipline, if it's
2 needed. But why do I have employees that are getting discipline
3 letters when the investigation isn't even complete yet, right.

4 So -- and I think we recognize that that's possible because
5 we haven't totally aligned yet our discipline management practices
6 with the just culture practices that we have. And we have to do
7 that. You know, you're well aware of our cardinal rules. And,
8 you know, I call that a total outsized impact on the operation.

9 All right, we haven't applied cardinal rules in months,
10 right. We've investigated, we've mitigated. Our major operating
11 rule violations, you know, a lot of those would have resulted in
12 some form of discipline, and only a small portion of those do.

13 So we're changing the culture. I think people are starting
14 to see it and feel it, but we've got to get her act together on
15 tightening up the processes. And we're making that a priority
16 over the next several months with -- not only with the safety
17 team, but with the labor relations team, with the transportation
18 team and with the unions, quite frankly. We have to sort of get
19 everybody on board.

20 We -- one thing I learned in my prior life in aviation, you
21 will never get everybody to agree all the time on, you know, the
22 root cause of something, but what you really have to focus on is
23 consensus. Can you live with the outcome?

24 And, you know, we have work to do with our leadership team
25 because, you know, as you push out a lot of these programs and

1 you're allowing more of a consensus-building approach on the
2 investigation and in the corrective actions, a lot of management
3 feels like that's their job.

4 And, you know, we have to get people comfortable with, as
5 long as the right outcome happens, why do you care whether you
6 define the outcome or a consensus group defined the outcome. What
7 difference does it make, as long as the right outcome happens in
8 terms of education or training or discipline or whatever it is.

9 So we have work to do there, but we've charted a path forward
10 there. And -- but I have no misconception that 6 months from now
11 I can sit here and say that's all solved.

12 Q. Right.

13 A. Because it's -- we have 13 unions.

14 Q. Yeah.

15 A. Right? And --

16 Q. Yeah, that's interesting. Yeah, I mean, it's a big issue,
17 and changing culture, obviously, is not something that turns on a
18 dime and, you know. So just to clarify, so, I think what I heard
19 you say is that the cardinal rules do still exist, but --

20 A. They exist in paper and policy.

21 Q. In paper and policy. And even though, in reality, management
22 is not using them on a -- very much, they're having -- the
23 perception from labor is that it's still a threat? Is that kind
24 of --

25 A. I think that's fair.

1 Q. Okay.

2 A. However, let me also be clear. We are rapidly going down the
3 path, as discussed at our last executive safety council meeting,
4 of eliminating the cardinal rules, right.

5 Q. Okay.

6 A. The reason we have not just blindly eliminated them is
7 because we have hundreds of frontline supervisors who need to
8 understand what replaces them and what's that process. And their
9 concern is lack of accountability, right.

10 Now, the safety team is less concerned about that, if I could
11 say, because we understand that in a just culture environment
12 there is accountability, right. There's learning and there is
13 accountability for those intentional or willful disregard events.
14 But we have to build the processes around that and make people --
15 make hundreds of supervisors comfortable with that, so, in the
16 day-to-day interactions.

17 So trust me, I have routine conversations with our CEO about,
18 why have we not yet eliminated cardinal rules. And I say we have
19 in practice -- we have not in policy -- because we're working on
20 it. And, you know, I think within a couple of months it'll be --
21 the policies will be cleaned up. But --

22 Q. I gotcha.

23 A. It's still, then, how do you -- you know, you still have
24 people all over the country that you have to get aligned.

25 Q. Right. Right. I gotcha. So you're seeing more of a policy

1 where the cardinal rules are going to be -- you have to have
2 something to replace it with, and that something more clearly
3 defines what is defined as, you know, reckless behavior versus
4 responsible --

5 A. Well, how do you do an investigation into an incident that
6 happens.

7 Q. Yeah.

8 A. And how do you determine if it's a mistake or at-risk
9 behavior or intentional, right? Mistakes are pretty easy.
10 Sometimes intentional's pretty easy. It's that middle ground of
11 reckless behavior that's -- excuse me of at-risk behavior that is
12 a little harder to differentiate.

13 DR. HOEPF: Really interesting stuff. Thank you, Ken. Okay.

14 MR. HIPSKIND: Thanks, Mike. So for the group, we've got
15 about 20 minutes. So I'm going to change a little bit of the
16 format of some questions. I only have a couple of things to do.
17 I know Steve's got a question. But I also want to characterize
18 some of Theresa's presentation, so I'm going to try and move
19 pretty rapidly here.

20 BY MR. HIPSKIND:

21 Q. So Ken first thought I have is do you have a high level of
22 assurance that you're going to have the budget, the money and the
23 manpower -- experienced people in the same department, in an
24 adequate, sufficient number -- and that you're going to have the
25 support and methodology to not only sustain but maintain and

1 progress your vision of implementation of SMS?

2 A. I do. And I would like to say that one of the things that
3 tempers the pace at which we go is the amount of change that we
4 are introducing into the organization. And it's important not to
5 overwhelm the organization and make everything different.

6 And so, when you do that, we have a highly competent safety
7 team. I can boldly say that it's the most competent team I've
8 ever worked with in terms of their experience level. I think we
9 have the priorities established.

10 We have a clear direction from the senior leadership on
11 what's important in terms of implementing safety management system
12 and positive train control. We have our priority list on
13 information technology items. And we have prioritized those that
14 we think are most important. And we understand that, you know, if
15 we could do it all at once you'd still have the huge culture issue
16 that, with people, that takes time.

17 So I think we're very consciously metering things out and
18 trying to build the right priorities. You know, you intuitively
19 would love to say, yeah, I want more. But the reality is you just
20 can't absorb more in terms of a whole organization and the change.

21 So I have -- as we have come forward and said we need
22 something for the safety team, whether it was -- I'm thinking
23 Justin walked you through yesterday, sort of the additional road
24 foreman, the operational quality assurance folks, some of those
25 things -- they have all been approved.

1 We have money in the budget for the Aware project that you
2 saw. We're working on a safety management system program. We're
3 upgrading our simulators for the locomotive engineers. And none
4 of -- you know, we have asked -- what we have asked for, we have
5 received, okay.

6 But we haven't gone and all asked for it all at once either
7 because we know we can't absorb it that way. So we've tried to
8 prioritize what we think is the is the most important.

9 MR. HIPSKIND: Okay, thank you. So for the readers we have
10 mentioned of the Amtrak roadmap. I'm pleased to announce you can
11 go and look for that in the docket. That will be a docket item.
12 It's a visual diagram that tries to capture the topics and the
13 timelines of everything that's contained in your SSPP, so, I would
14 encourage the readers to access the docket.

15 BY MR. HIPSKIND:

16 Q. Now, a couple of things that I noticed is there are items
17 that are targeted in the third year that we've already addressed
18 and accomplished. So you're not just doing this by the calendar.
19 You're doing it where you see the opportunity and pulling some
20 things forward.

21 A. That's correct. And in some cases, some items will take more
22 than one year to accomplish.

23 Q. Oh, okay.

24 A. So, you know, our -- what we -- I've developed a rather
25 complicated -- or complicated is maybe the wrong word -- a

1 comprehensive simulator strategy which starts with fixing up our
2 simulators that we currently have and improving them and then
3 figuring out how to integrate them better into the training
4 program and then adding an Asella-21 simulator or things of that
5 nature, and that will take -- those are a multi-year project.

6 So we have started that. Same thing with our training
7 program and complying with Part 243. And we're well under the way
8 in that. It shows as a 2020 accomplishment, but, you know, we're
9 halfway through that. We think we're actually compliant, by the
10 letter of the law, with 243 right now, even though it's not
11 required yet, but we have a strategy that takes us out even beyond
12 that.

13 I think -- I would, guess, also like to say that roadmap is
14 not a stationary document, right. We update it. We are
15 intending, as we go through this year, to add 2021 to that roadmap
16 because it's not just a -- it's a continuous process, a continuous
17 evolution process. So we will sort of shift the years over and
18 there'll be a new set of targets that we're getting to as we
19 mature safety management system.

20 Q. Okay, the next thing I want to quickly comment on is that we
21 were shown Amtrak's capability of developing a template, and the
22 template is designed to have local folks fill it out. And it is
23 for the purpose of defining a risk assessment, capturing all of
24 those things, filling in the blanks, but to make that assessment
25 and to have that assessment reviewed.

1 And that -- we understand that, when it comes to new service,
2 you can go out and perform that risk assessment before you even
3 engage with operations. So first things first, do the risk
4 assessment, and that you are currently using that tool where you
5 choose to use it and that you have used it. So correct, so far?

6 A. Yes, that's correct. Just, I would only say that we have not
7 actually introduced a lot of new service in the last year. We
8 have used it, and actually used it to the point where we're not
9 going to be able to do a adequate job with the information we
10 have, so we are not going to introduce the new service.

11 That was an example where we knew what we wanted to look at
12 and we knew we didn't have the data. So therefore, we can't
13 really do this. So I don't think it's appropriate to introduce
14 that new service until we can do it.

15 MR. HIPSKIND: Okay. But I just wanted to comment very
16 briefly that we were introduced to that.

17 MR. HYLANDER: Yeah.

18 MR. HIPSKIND: And, so I'm going to stop with mine. I know
19 we're a little bit time-limited. Steve, I know you had a
20 question?

21 MR. AMMONS: Yeah. Steve Ammons, CSX.

22 BY MR. AMMONS:

23 Q. Ken, earlier today, before going on the record, I heard some
24 conversation about trying to enhance focus, engagement inside the
25 locomotive cab. And you talking about your aviation history, it

1 just, it dawned on me that CSX borrowed from the aviation
2 industry, and I think most of the other railroads did too, we call
3 it Sterile Cab. I think it's called a Sterile Cockpit or
4 something like that in the aviation history.

5 But we still continue to try to improve that process and
6 strategies around increasing crew engagement inside the cabin.
7 I'm just curious, from your background, did you have any
8 strategies or do you have an strategies or ideas or thoughts on
9 not only how to enhance that sterile cockpit/sterile cab type of
10 environment, but how does an officer ensure that that's taking
11 place?

12 A. Yeah. So we have a little different situation in Amtrak
13 because we typically have one person, right. And I think we have
14 opportunity, when we do have two people, to do more and to tighten
15 up some of those procedures. And, in fact, during our PTC-risk
16 mitigations where some mitigations were for this section of track,
17 we should have two people in the cab, the question became, so what
18 are they going to do? And how -- what's that going to look like,
19 right?

20 I think that the simple answer to how do we ensure we're
21 getting the behavior in the cab that we want is, one thing I'm not
22 used to in aviation that we have, is inward-facing cameras. And
23 we can monitor, you know, some sample of those inward-facing
24 cameras and look for the right behaviors. And we do that.

25 So in the aviation world, that was not something that

1 existed. Of course, in the aviation world, there were always two
2 people, so you could sometimes -- the crew resource management
3 concept and the training that went with that and how does a junior
4 conductor talk to a senior engineer, for instance, if something is
5 not right and training people on how to do that.

6 In fairness, we have not spent a lot of time on that yet. I
7 see that, just like expanding a use of fatigue risk management
8 tools, as things that will come in our next iteration of the
9 roadmap plan. But there's clearly lessons to be learned on
10 sterile cockpit, I think, checklist mentality that we don't
11 necessarily have today.

12 Increasing situational awareness through technology is a huge
13 opportunity, I think, for us. I mean, I don't understand why we
14 don't have real moving maps. And I know I've had conversation
15 with the FRA and there's sort of mixed feelings on that, right.
16 It's the balance between the benefits of -- increasing situational
17 awareness was a real-ways type moving map versus looking out the
18 window, right.

19 But that -- other industries have solved that problem, right.
20 And whether it be autonomous vehicles or your car or aviation.
21 Heads-up displays -- why couldn't we do simple heads-up displays
22 so you are looking out the window and have all the information
23 presented before you?

24 You know, I think there's -- opportunities abound on that
25 front -- radar, right? I mean, I have -- well, let's just say, I

1 think there's opportunities to make things better there as
2 situational awareness overlays that we have yet to take advantage
3 of.

4 MR. AMMONS: Thank you. I'm good.

5 MR. HIPSKIND: Thanks, Steve. Ryan?

6 MR. FRIGO: Good.

7 MR. HIPSKIND: Good. Mike? He's good. Theresa?

8 MS. IMPASTATO: I have no questions.

9 MR. HIPSKIND: Mark?

10 MR. LANDMAN: I don't have anything to clarify.

11 MR. HIPSKIND: Oh, you guys are too easy. You're keeping me
12 on time. Shame on all of you.

13 Well, I have just a little bit of business. First of all,
14 I'm -- I'll ask you these questions. I think it'll give you some
15 time, if you do have some further comment. Is there anything --
16 Ken, is there anything you would like to add or change to our
17 dialogue here with you today?

18 MR. HYLANDER: Nothing I'd like to change.

19 MR. HIPSKIND: Okay. Would you like to add something?

20 MR. HYLANDER: Don't think so. I'm thinking back over the 2
21 hours and everything we've talked about.

22 MR. HIPSKIND: We have covered the waterfront --

23 MR. HYLANDER: Yeah.

24 MR. HIPSKIND: -- I assure you.

25 MR. HYLANDER: I think the only thing, and thinking about it,

1 I would just ask that some of the dates I gave on the aviation
2 development may not be 100 percent precise, but they would be in
3 the record somewhere with the FAA or whatever, but --

4 MR. HIPSKIND: I took them to be relative --

5 MR. HYLANDER: Yeah, relative, yes.

6 MR. HIPSKIND: -- to your recollection. So are there any
7 questions we should have asked but did not? Did we miss a big
8 topic area, in your mind?

9 MR. HYLANDER: No, I don't think so.

10 MR. HIPSKIND: I don't think so either. And is there anyone
11 else who we should interview? We've talked with Scot and Justin.
12 We're going to talk to Richard this coming Monday.

13 MR. HYLANDER: Could I go back? Actually, I do have one
14 thing that I think I'd like to --

15 MR. HIPSKIND: Absolutely. Absolutely.

16 MR. HYLANDER: It dealt with risk assessments.

17 MR. HIPSKIND: Okay.

18 MR. HYLANDER: Not only did we do risk assessments on our
19 operations, but we applied the same tool to tenant railroads on
20 the Northeast Corridor, so companies like MARC and New Jersey
21 Transit, that were not going to have PTC, we sat down with them
22 and walked them through the use of the tool and developed
23 appropriate mitigations with them. So that was an extension of
24 our process that was, I think, well received by the tenant
25 railroads.

1 MR. HIPSKIND: Okay, that's good to know. Anything else on
2 anybody's mind? Any other, further comment? Okay, I would just
3 like to express our deep appreciation for you being here today and
4 for you giving us the comparison, the contrast between your
5 experience with the aviation industry and what you're doing, what
6 you're trying to accomplish now at Amtrak.

7 So with that --

8 MR. HYLANDER: All right.

9 MR. HIPSKIND: -- our sincere thank you, and that will be the
10 end of the interview.

11 (Whereupon, the interview was concluded.)
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CERTIFICATE

This is to certify that the attached proceeding before the

NATIONAL TRANSPORTATION SAFETY BOARD


IN THE MATTER OF: COLLISION OF AMTRAK TRAIN #91 AND
A STATIONARY CSX TRANSPORTATION
TRAIN NEAR CAYCE, SOUTH CAROLINA
FEBRUARY 4, 2018
Interview of Ken Hylander

ACCIDENT NO.: RRD18MR003

PLACE: Washington, D.C.

DATE: March 27, 2019

was held according to the record, and that this is the original,
complete, true and accurate transcript which has been transcribed
to the best of my skill and ability.


Kimberlee S. Kondrat
Transcriber



I, Kenneth Hylender, have read the foregoing pages of a copy of my testimony given during a follow-up interview stemming from NTSB's investigation of the collision of Amtrak Train 91 with CSX local train F777 on February 4, 2018, in Cayce, South Carolina and these pages constitute a true and accurate transcription of same with the exception of the following amendments, additions, deletions or corrections:

pg 1 of 2

<u>PAGE NO:</u>	<u>LINE NO:</u>	<u>CHANGE AND REASON FOR CHANGE</u>
<u>6</u>	<u>25</u>	<u>Delta Air Lines not Airlines</u> / also this is repeated throughout the document
<u>7</u>	<u>18</u>	<u>assurance not management</u>
<u>13</u>	<u>16</u>	<u>insert after "through" - a lack of -</u>
<u>16</u>	<u>11</u>	<u>insert after "rubber" - jungle</u>
<u>17</u>	<u>15</u>	<u>delete "the senior vice president of safety"</u>
<u>19</u>	<u>7</u>	<u>add after January, 2018.</u>
<u>23</u>	<u>17</u>	<u>delete period after "have"</u>
<u>25</u>	<u>14</u>	<u>replace "a" with "I"</u>
<u>27</u>	<u>6</u>	<u>Mechanical not mechanic</u>
<u>36</u>	<u>8</u>	<u>AWARE not Aware</u>
<u>41</u>	<u>18</u>	<u>There are not they're</u>
<u>42</u>	<u>25</u>	<u>helpful not hopeful</u>

I declare that I have read my statements and that it is true and correct subject to any changes in the form or substance entered here.

Date: 4/18/19

Witness: [REDACTED]



I, Kenneth Hylader, have read the foregoing pages of a copy of my testimony given during a follow-up interview stemming from NTSB's investigation of the collision of Amtrak Train 91 with CSX local train F777 on February 4, 2018, in Cayce, South Carolina and these pages constitute a true and accurate transcription of same with the exception of the following amendments, additions, deletions or corrections:

pg 2 of 2

<u>PAGE NO:</u>	<u>LINE NO:</u>	<u>CHANGE AND REASON FOR CHANGE</u>
<u>54</u>	<u>15</u>	<u>evaluation instead of valuation</u>
<u>55</u>	<u>17</u>	<u>can instead of can't</u>
<u>62</u>	<u>14</u>	<u>our instead of her</u>
<u>67</u>	<u>1</u>	<u>AWARE not Aware</u>
<u>67</u>	<u>6</u>	<u>delete first "all"</u>
<u>68</u>	<u>4</u>	<u>ACELA-21 not Asella-21</u>

I declare that I have read my statements and that it is true and correct subject to any changes in the form or substance entered here.

Date: 4/18/19

Witness: [Redacted Signature]