

Freight and Passenger Rail: Finding the Right Balance

ASSOCIATION OF AMERICAN RAILROADS

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WHAT SHOULD BE DONE?

Policymakers should support **expansion of freight and passenger rail**. For passenger rail expansion to proceed, all parties — policymakers, railroads, and others — must have a clear understanding of what is needed in terms of new or existing rail infrastructure.

WHY?

More freight and passenger railroading would mean less pollution, lower greenhouse gas emissions, more transportation options, more inter-connected communities, and greater transportation efficiency — it's the **smart, sensible way to help solve America's 21st-century transportation challenges**. Because America's economic health and global competitiveness would suffer if freight railroads were impaired by passenger railroads, great care must be taken to ensure that there is enough capacity for current and future freight and passenger rail service.

More Freight and Passenger Rail Would Be Good for America

- Key strategic transportation goals — such as ensuring safe and efficient **transportation choices**, advancing **economic development** and redevelopment, **reducing our dependence on fossil fuels**, **lowering our carbon emissions**, and supporting more **interconnected, livable communities** — can be achieved through greater investments in freight and passenger rail. **More railroading simply makes good sense.**
- Freight railroads are **three or more times** more fuel efficient than trucks, and passenger trains are up to 25 percent more efficient than autos or airplanes per passenger-mile. According to one recent study, implementation of pending plans for high speed rail corridors could result in an annual reduction of **3 million tons** of carbon dioxide.
- Ensuring that there is **enough rail capacity** and an appropriate **regulatory and legal framework** will be critical factors in determining how well railroads of all types are able to meet America's transportation demands today and tomorrow.

Reshaping America's Transportation System By Expanding Rail Will Be Challenging

- Our economy cannot prosper without a healthy freight rail system. Simply put, whenever Americans grow something, eat something, mine something, make something, turn on a light, or get dressed, **freight railroads** were probably involved somewhere along the line.
- As the FRA's recent [Vision for High Speed Rail in America](#) points out, a combination of express and regional high-speed corridors — evolving from upgraded, reliable intercity

passenger rail service — has helped reduce fuel use, enhance mobility, and foster interconnected communities all around the world. **Why not here too?**

- Already, freight railroads are **successful partners with passenger railroads** all over America. Dozens of existing or planned commuter railroads operate (or hope to operate) at least partially on freight-owned tracks or rights-of-way. On average, each day in 2008 approximately 78,500 people rode one of 315 Amtrak trains on 43 different routes — 29 million passengers in total. Some **71 percent** of the miles traveled by Amtrak trains were on tracks owned by freight railroads.
- **Striking the right balance while growing both passenger and freight rail** is key to ensuring that railroads keep America's economic engine running. Access by passenger railroads to freight-owned tracks or rights-of-way should not impede service to present or future freight rail customers. After all, if passenger rail impedes freight rail and forces freight that otherwise would move by rail onto the highway, the primary reasons for having passenger rail in the first place would be compromised.
- Recently-released federal guidelines make clear that states applying for grants for intercity and high speed rail projects need to have **written agreements** with host freight railroads on issues such as safety, infrastructure capacity, compensation, and liability. In this way, many of the issues that could potentially hinder rail projects are dealt with up front, when resolution is likely to be easiest to achieve.

Safety Is the Top Priority

- Railroads are an **extremely safe** way to move both people and freight — and everyone involved in railroading wants to keep it that way.
- Under the right conditions, passenger trains operating at lower speeds may be able to safely share a track or right-of-way with freight trains. Among other things, there must be **adequate capacity**, and **compensation and liability issues must be responsibly and fairly addressed**.
- Determining whether tracks or rights-of-way can be shared requires case-by-case evaluations. In all cases, though, **safety concerns must be paramount**.
- At higher speeds, passenger trains should operate on **separate tracks** from freight railroads. That's the safest option, and it's how it's done in most of the world. Safety also requires that true high speed passenger rail corridors be **"sealed"** — *i.e.*, no highway-rail grade crossings.
- An accident involving a passenger train on freight-owned property, though rare, could involve major casualties and potentially-ruinous liability claims. Because of this risk, freight railroads must be **adequately protected from liability** that would not have resulted but for the presence of passenger service. Inadequate liability protection would constitute an unwarranted subsidy of passenger railroads by freight railroads.

Full Compensation is the Fair Solution

- If passenger trains use freight railroad assets and property, they must provide the host railroad with a **reasonable return on investment**, including recouping costs associated with developing passenger rail project proposals. Firms that provide locomotives, fuel, or

food for dining cars are not expected to subsidize passenger rail, so there's no reason to expect freight railroads to either.

- In some areas, heavy freight traffic means there is no spare capacity for passenger trains. In these areas, passenger trains cannot operate unless new capacity is added. Since the benefits of passenger rail are public benefits, the public should pay for this capacity.
- Operating high speed passenger trains at speeds greater than existing freight or passenger operations will require **significantly higher maintenance costs** and **enhanced track infrastructure**. Host freight railroads should be fully compensated for these costs.

Conclusion

- **Freight railroads want passenger railroads to succeed**, they work cooperatively with passenger railroads to help make this happen, and they support government efforts to grow passenger rail in ways that complement freight rail growth.
- At the same time, America's economic health and global competitiveness depends critically on having a **healthy freight rail system**. That's why expanding passenger rail on corridors owned by freight railroads will require a partnership between freight and passenger railroads that protects the business needs and responsibilities of both parties.
- **Freight railroads are committed** to working with government officials, passenger rail stakeholders, and others to ensure that the future development of passenger rail, including high speed rail, will yield a **winning result for all parties involved**.

