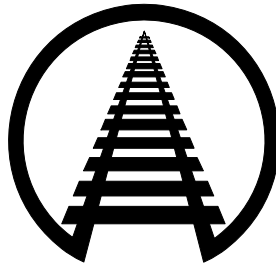


Rail Time Indicators

*A Review of Key Economic Trends
Shaping the Demand for Rail Transportation*



**Policy & Economics Department
Association of American Railroads
Washington, DC**

April 14, 2010

Rail Time Indicators is a non-technical summary of many of the key economic indicators potentially of interest to U.S. freight railroads. It is issued monthly free of charge by the Policy and Economics Department of the Association of American Railroads.

To be put on the e-mail distribution list for Rail Time Indicators, send a request including your name and business affiliation, if any, to Beth Eagney at beagney@aar.org.

If you have questions or comments about the content of Rail Time Indicators, please contact Dan Keen (dkeen@aar.org) or Shannon Stare (ssstare@aar.org).

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SUMMARY OF MOST RECENT DATA

| Economic Indicator | Most Recent Data |
|---|--|
| U.S. Freight Rail Traffic (p. 2) | <p><u>Unadjusted for Seasonal Variation:</u> Carloads in March 2010 ↑ 7.5% from March 2009, weekly average of 288,793 highest since Nov. 2008. Intermodal in March 2010 ↑ 12.1% from March 2009, weekly average of 204,879 second highest since November 2008.</p> <p><u>Adjusted for Seasonal Variation:</u> Carloads in March 2010 ↑ 3.9% from February 2010. Intermodal in March 2010 ↑ 2.1% from February 2010.</p> |
| Canadian Freight Rail Traffic (p. 3) | <p><u>Unadjusted for Seasonal Variation:</u> Carloads in March 2010 highest since November 2008, ↑ 21.5% from March 2009. Intermodal in March 2010 ↑ 12.0% from March 2009.</p> <p><u>Adjusted for Seasonal Variation:</u> Carloads in March 2010 ↑ 3.5% from February 2010. Intermodal in March 2010 ↓ 0.9% from February 2010.</p> |
| Gross Domestic Product (p. 15) | ↑ 5.6% in Q4 2009 (final estimate). |
| Purchasing Managers Index (p. 16) | ↑ to 59.6 in March 2010 from 56.5 in February 2010. Highest level since August 2004. |
| Manufacturing Inventories and Sales (p. 16) | From Jan. 2010 to Feb. 2010, manufacturing sales ↓ 0.1% , inventories ↑ 0.5% , and inventory-to-sales ratio ↑ 0.6% . |
| Industrial Production (p. 18) | ↑ 0.1% in February 2010 from January 2010. |
| Capacity Utilization (p. 19) | ↑ to 72.7% in February 2010 from 72.5% in January 2010. |
| Employment (p. 20) | ↑ 162,000 in March 2010 from February 2010 – biggest gain since March 2007. |
| Unemployment Rate (p. 20) | Steady at 9.7% in March 2010, same as February 2010. |
| Class I Railroad Employment (p. 21) | ↑ to 146,308 in Feb. 2010 from 145,609 in Jan. 2010. |
| Consumer Confidence (p. 22) | ↑ to 52.5 in March 2010 from 46.4 in February 2010. |
| Retail Sales (p. 23) | ↑ 1.6% in March 2010 from February 2010. |
| Light Vehicle Sales (p. 24) | ↑ 13.6% in March 2010 from February 2010 to annualized 11.8 million – second highest since September 2008. |
| Housing Starts (p. 24) | ↓ 5.9% in February 2010 from January 2010. |
| Consumer Price Index (p. 25) | ↑ 0.1% in March 2010 from February 2010. |
| U.S. Dollar Exchange Rate (p. 26) | ↓ 0.8% in March 2010 from February 2010. |
| Rail Freight Cars in Storage (p. 26) | ↓ to 387,029 on April 1, 2010 (25.0% of the fleet) from 418,552 (26.9%) on March 1, 2010. More than 61,000 cars were taken out of storage in the first quarter. |

U.S. AND CANADIAN FREIGHT RAILROAD TRAFFIC

Who releases it and when?

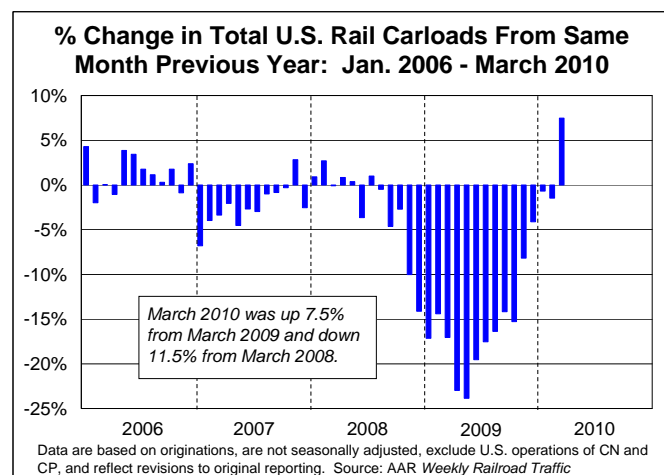
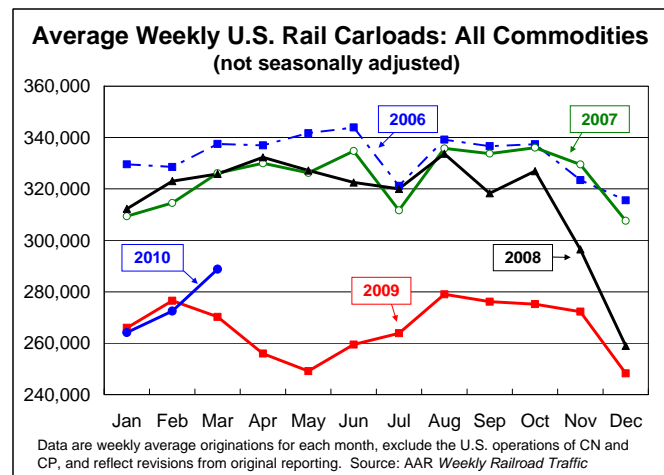
- The Association of American Railroads (AAR) releases its Weekly Railroad Traffic report every Thursday morning. The report contains rail traffic data for the previous week. Weekly data are aggregated into monthly figures in Rail Time Indicators.

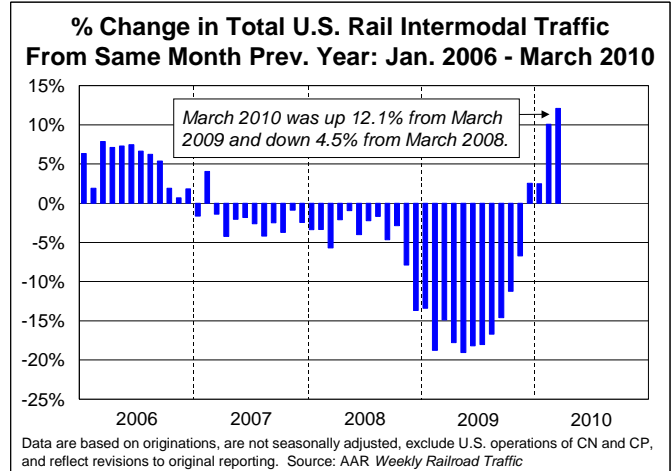
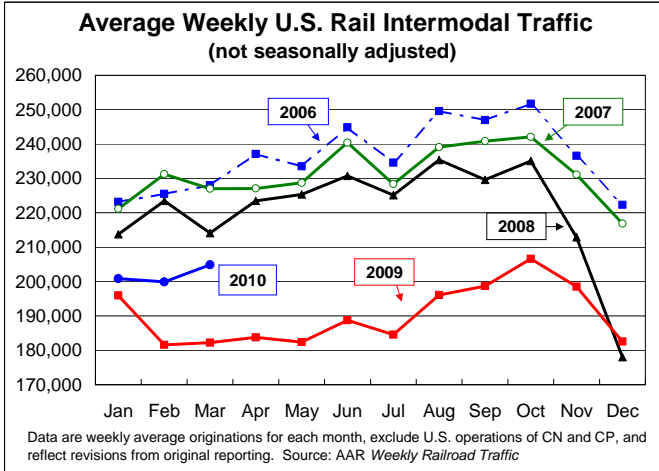
What is it and why is it important?

- The AAR traffic report details rail carloadings by railroad for 19 different major commodity categories, as well as intermodal units (trailers and containers). Railroads that report their data to the AAR collectively account for the vast majority of total U.S. and Canadian freight rail traffic.
- Freight railroading is a “**derived demand**” industry — demand for rail service occurs as a result of demand elsewhere in the economy for the products that railroads haul. Thus, rail traffic is a useful gauge of broad national and international economic activity.

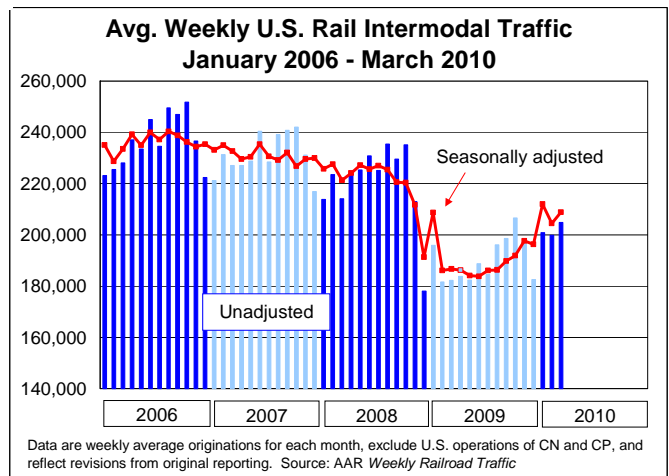
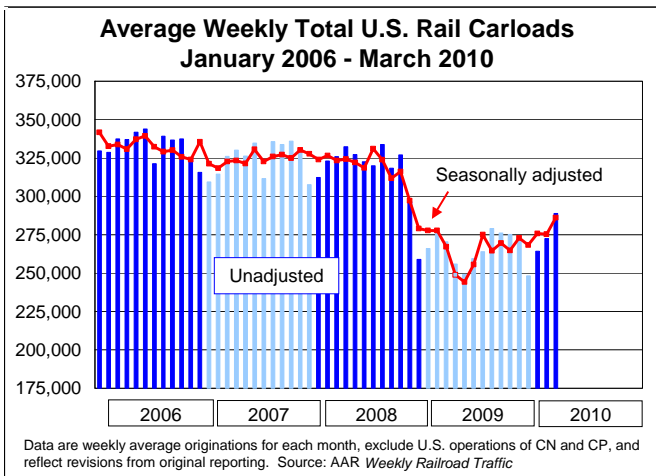
What are the latest numbers for U.S. railroads?

- On a non-seasonally adjusted basis, U.S. freight railroads originated 1,443,967 carloads in March 2010, **up 7.5% (100,624 carloads)** from March 2009 and the **first year-over-year increase since July 2008** (see chart below).
- March 2010's average of 288,793 carloads per week is the **highest since November 2008** (see chart at right).
- In March 2010, **16 of the 19** major commodity categories tracked by the AAR saw carload gains compared to March 2009.
- Note, though, that carloads in March 2010 were still 11.5% lower than they were in March 2008, and in all 19 commodity categories carloads were lower in March 2010 than they were in March 2008. Railroads need many more monthly increases to get back to where they were prior to the downturn.
- Commodities showing carload gains in March 2010 over March 2009 included grain (up 20.4%, or 19,610 carloads), chemicals (up 15.5%, or 19,222 carloads), and primary metal products (up 66.1%, or 18,835 carloads). See the tables and charts beginning on page 5 for commodity-level details.
- On a non-seasonally adjusted basis, U.S. railroads originated 1,024,393 intermodal trailers and containers in March 2010, an average of 204,879 per week — **up 12.1%** from March 2009, **down 4.5%** from March 2008, and the highest monthly average since October 2009. (Intermodal traffic is not included in carload figures.) March 2010 marks the fourth straight year-over-year increase for intermodal traffic.





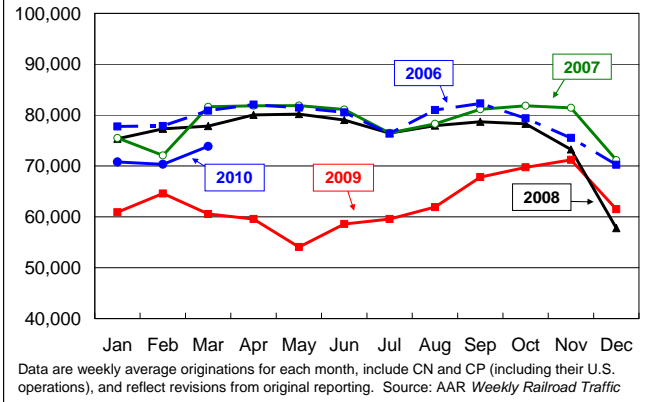
- On a seasonally adjusted basis, U.S. carloads in March 2010 were up 3.9% from February 2010 (see chart below left). Meanwhile, seasonally adjusted intermodal traffic was up 2.1% in March 2010 from February 2010 (see chart below right).**



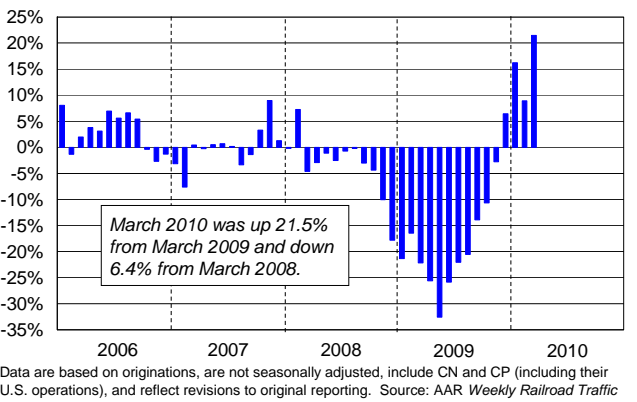
What are the latest numbers for Canadian railroads?

- In March 2010, Canadian freight railroads originated 369,293 carloads — an average of 73,859 carloads per week. That's **up 21.5% from March 2009** but **down 6.4% from March 2008**. Data for Canadian railroads include their U.S. and Canadian operations combined.
- Canadian rail carloadings in March 2010 were **higher in 15 of the 19 major commodity categories than in March 2009** and **higher than 9 of the 19 compared to March 2008**.
- Commodities showing carload gains on Canadian carriers in March 2010 over March 2009 included metallic ores (up 25,982 carloads, or 61.4%), chemicals (16,916 carloads, or 29.8%), and motor vehicles and parts (up 7,436 carloads, or 41.9%). The table on page 6 and charts that follow have more commodity-level detail.
- Canadian intermodal traffic totaled 220,903 trailers and containers in March 2010, or 44,181 units per week. That's **up 12.0% from March 2009** but **down 3.9% from March 2008**.

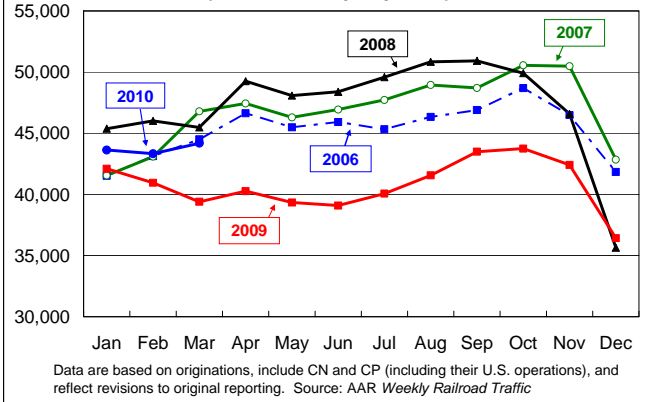
Avg. Weekly Canadian Rail Carloads: All Commodities (not seasonally adjusted)



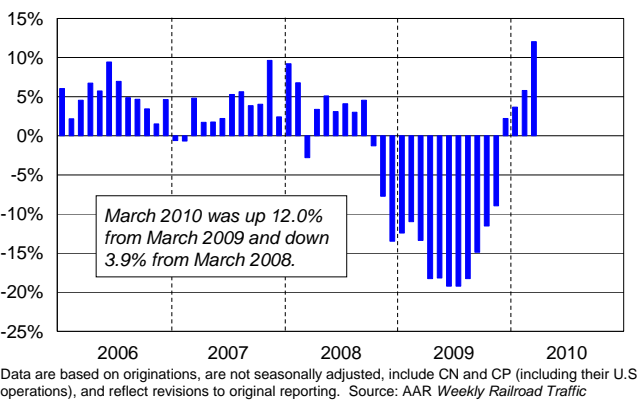
% Change in Total Canadian Rail Carloads From Same Month Previous Year: Jan. 2006 - March 2010



Average Weekly Canadian Rail Intermodal Traffic (not seasonally adjusted)

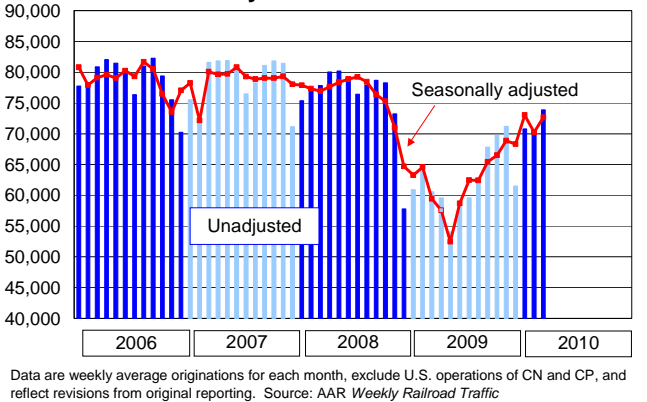


% Change in Total Canadian Intermodal Traffic From Same Month Previous Year: Jan. 2006 - March 2010

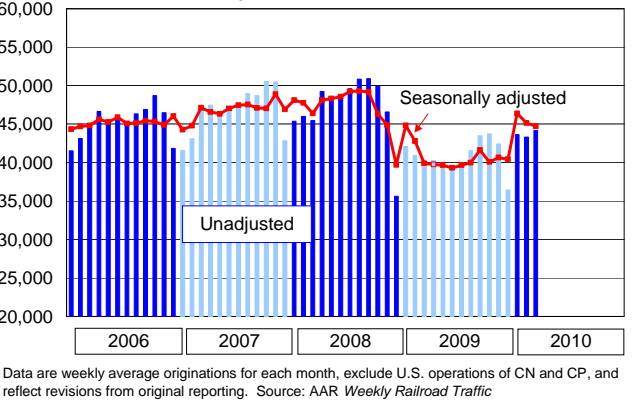


- On a seasonally adjusted basis, total Canadian rail carloads in March 2010 were up 3.5% from February 2010, while seasonally adjusted Canadian intermodal traffic was down 0.9% in March 2010 from February 2010 (see charts below).

Average Weekly Total Canadian Rail Carloads January 2006 - March 2010



Avg. Weekly Canadian Rail Intermodal Traffic January 2006 - March 2010

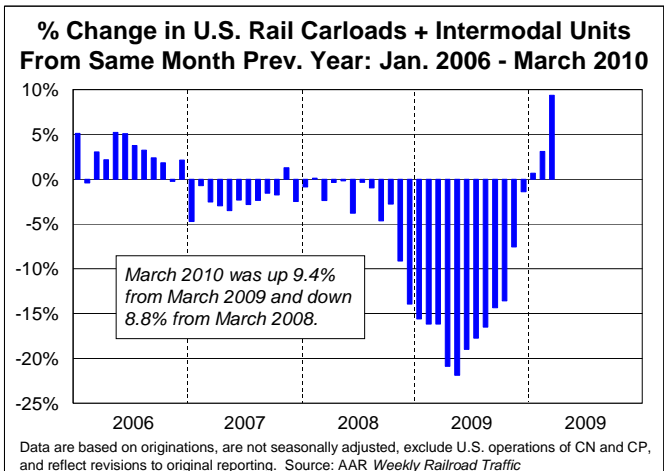
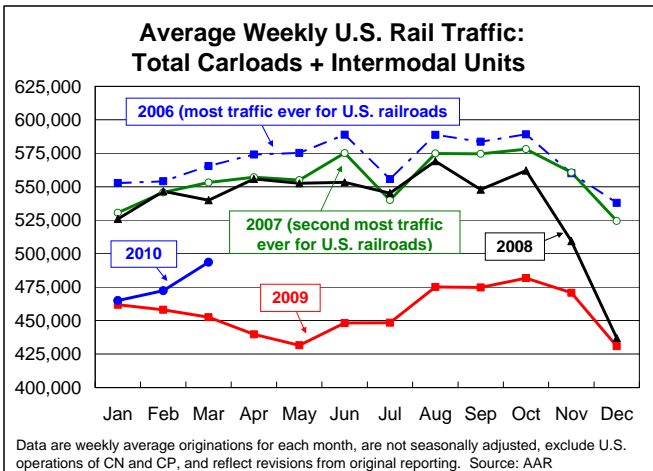


U.S. RAIL TRAFFIC: MARCH 2010*
(5 weeks ending April 3, 2010)

| Commodity | Mar 10 | Mar 09 | Mar 08 | Difference | | % Change | |
|---|------------------|------------------|------------------|----------------|-----------------|--------------|---------------|
| | | | | '10-'09 | '10-'08 | '10-'09 | '10-'08 |
| Agricultural & food products | 204,519 | 178,529 | 221,856 | 25,990 | -17,337 | 14.6% | -7.8% |
| Grain | 115,728 | 96,118 | 125,275 | 19,610 | -9,547 | 20.4% | -7.6% |
| Farm products excl. grain | 4,400 | 3,803 | 5,522 | 597 | -1,122 | 15.7% | -20.3% |
| Grain mill products (1) | 44,057 | 39,519 | 44,627 | 4,538 | -570 | 11.5% | -1.3% |
| Food products | 40,334 | 39,089 | 46,432 | 1,245 | -6,098 | 3.2% | -13.1% |
| Chemicals and petroleum | 169,387 | 149,563 | 185,617 | 19,824 | -16,230 | 13.3% | -8.7% |
| Chemicals | 143,555 | 124,333 | 154,832 | 19,222 | -11,277 | 15.5% | -7.3% |
| Petroleum products (2) | 25,832 | 25,230 | 30,785 | 602 | -4,953 | 2.4% | -16.1% |
| Coal | 673,687 | 674,346 | 725,305 | -659 | -51,618 | -0.1% | -7.1% |
| Forest products | 48,351 | 46,425 | 65,476 | 1,926 | -17,125 | 4.1% | -26.2% |
| Primary forest products (3) | 8,579 | 6,602 | 10,743 | 1,977 | -2,164 | 29.9% | -20.1% |
| Lumber & wood products | 13,703 | 11,800 | 19,094 | 1,903 | -5,391 | 16.1% | -28.2% |
| Pulp & paper products | 26,069 | 28,023 | 35,639 | -1,954 | -9,570 | -7.0% | -26.9% |
| Metallic ores and metals | 82,210 | 55,315 | 105,814 | 26,895 | -23,604 | 48.6% | -22.3% |
| Metallic ores (4) | 17,424 | 12,687 | 23,472 | 4,737 | -6,048 | 37.3% | -25.8% |
| Coke | 17,471 | 14,148 | 19,214 | 3,323 | -1,743 | 23.5% | -9.1% |
| Primary metal products (5) | 47,315 | 28,480 | 63,128 | 18,835 | -15,813 | 66.1% | -25.0% |
| Motor vehicles & parts | 63,173 | 52,995 | 91,164 | 10,178 | -27,991 | 19.2% | -30.7% |
| Nonmetallic minerals & prod. | 137,545 | 130,651 | 162,563 | 6,894 | -25,018 | 5.3% | -15.4% |
| Crushed stone, gravel, sand | 79,575 | 77,648 | 93,549 | 1,927 | -13,974 | 2.5% | -14.9% |
| Nonmetallic minerals (6) | 24,217 | 22,137 | 28,544 | 2,080 | -4,327 | 9.4% | -15.2% |
| Stone, clay & glass prod. (7) | 33,753 | 30,866 | 40,470 | 2,887 | -6,717 | 9.4% | -16.6% |
| Other | 65,095 | 55,519 | 74,355 | 9,576 | -9,260 | 17.2% | -12.5% |
| Waste & scrap materials (8) | 40,245 | 29,991 | 48,890 | 10,254 | -8,645 | 34.2% | -17.7% |
| All other carloads | 24,850 | 25,528 | 25,465 | -678 | -615 | -2.7% | -2.4% |
| TOTAL ALL CARLOADS | 1,443,967 | 1,343,343 | 1,632,150 | 100,624 | -188,183 | 7.5% | -11.5% |
| Trailers | 158,947 | 162,655 | 243,655 | -3,708 | -84,708 | -2.3% | -34.8% |
| Containers | 865,446 | 751,223 | 829,358 | 114,223 | 36,088 | 15.2% | 4.4% |
| TOTAL ALL INTERMODAL | 1,024,393 | 913,878 | 1,073,013 | 110,515 | -48,620 | 12.1% | -4.5% |

- (1) - flour, animal feed, corn syrup, corn starch, soybean meal, etc. (5) - primarily iron & steel products; some aluminum, copper, etc.
 (2) - liquefied gases, asphalt, fuel oil, lubricating oil, jet fuel, etc. (6) - phosphate rock, rock salt, crude sulphur, clay, etc.
 (3) - wood raw materials such as pulpwood and wood chips (7) - cement, ground earths or minerals, gypsum
 (4) - overwhelmingly iron ore, but some aluminum ore, copper ore, etc. (8) - scrap metal and paper, construction debris, ashes, etc.

*Data are originations and are not seasonally adjusted. Includes BNSF, CSX, KCS, NS, UP, Birmingham Southern, Florida East Coast, Lake Superior & Ishpeming, and Paducah & Louisville. Does not include CN's and CP's U.S. operations. Source: AAR *Weekly Railroad Traffic*

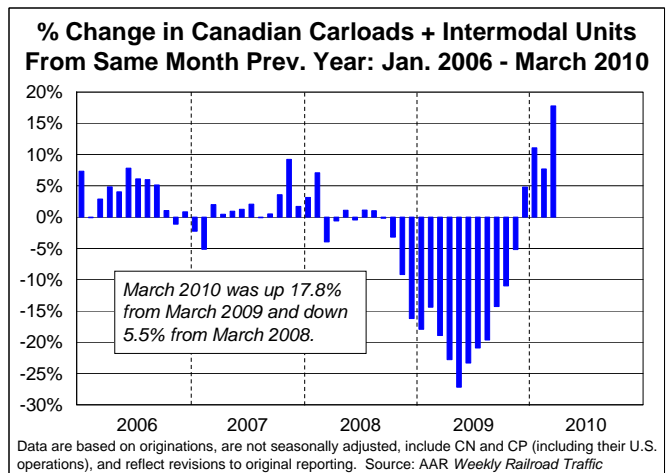
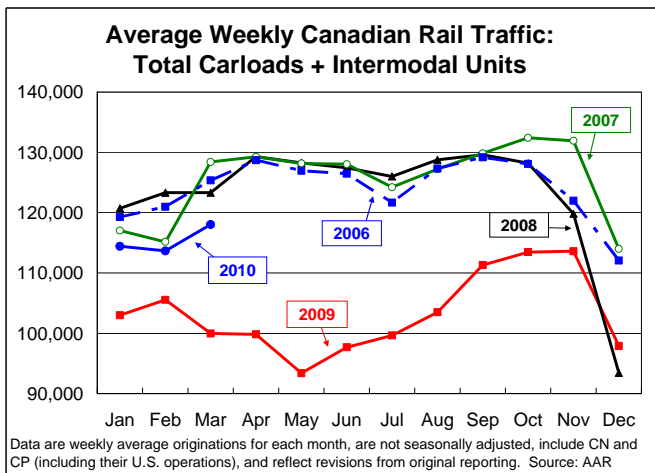


CANADIAN RAIL TRAFFIC: MARCH 2010*
(5 weeks ending April 3, 2010)

| Commodity | Mar 10 | Mar 09 | Mar 08 | Difference | | % Change | |
|---|----------------|----------------|----------------|---------------|----------------|--------------|---------------|
| | | | | '10-'09 | '10-'08 | '10-'09 | '10-'08 |
| Agricultural & food products | 82,012 | 85,912 | 81,074 | -3,900 | 938 | -4.5% | 1.2% |
| Grain | 48,102 | 48,673 | 47,685 | -571 | 417 | -1.2% | 0.9% |
| Farm products excl. grain | 14,069 | 19,571 | 13,566 | -5,502 | 503 | -28.1% | 3.7% |
| Grain mill products (1) | 7,502 | 6,719 | 8,359 | 783 | -857 | 11.7% | -10.3% |
| Food products | 12,339 | 10,949 | 11,464 | 1,390 | 875 | 12.7% | 7.6% |
| Chemicals and petroleum | 77,261 | 59,977 | 82,792 | 17,284 | -5,531 | 28.8% | -6.7% |
| Chemicals | 73,626 | 56,710 | 79,572 | 16,916 | -5,946 | 29.8% | -7.5% |
| Petroleum products (2) | 3,635 | 3,267 | 3,220 | 368 | 415 | 11.3% | 12.9% |
| Coal | 34,320 | 28,328 | 42,995 | 5,992 | -8,675 | 21.2% | -20.2% |
| Forest products | 36,570 | 34,233 | 44,063 | 2,337 | -7,493 | 6.8% | -17.0% |
| Primary forest products (3) | 7,922 | 7,208 | 7,616 | 714 | 306 | 9.9% | 4.0% |
| Lumber & wood products | 10,887 | 9,737 | 13,759 | 1,150 | -2,872 | 11.8% | -20.9% |
| Pulp & paper products | 17,761 | 17,288 | 22,688 | 473 | -4,927 | 2.7% | -21.7% |
| Metallic ores and metals | 83,126 | 52,721 | 81,680 | 30,405 | 1,446 | 57.7% | 1.8% |
| Metallic ores (4) | 68,283 | 42,301 | 66,245 | 25,982 | 2,038 | 61.4% | 3.1% |
| Coke | 2,311 | 1,947 | 1,774 | 364 | 537 | 18.7% | 30.3% |
| Primary metal products (5) | 12,532 | 8,473 | 13,661 | 4,059 | -1,129 | 47.9% | -8.3% |
| Motor vehicles & parts | 25,183 | 17,747 | 28,071 | 7,436 | -2,888 | 41.9% | -10.3% |
| Nonmetallic minerals & prod. | 20,320 | 15,284 | 21,528 | 5,036 | -1,208 | 32.9% | -5.6% |
| Crushed stone, gravel, sand | 8,542 | 4,151 | 7,515 | 4,391 | 1,027 | 105.8% | 13.7% |
| Nonmetallic minerals (6) | 5,666 | 6,198 | 7,036 | -532 | -1,370 | -8.6% | -19.5% |
| Stone, clay & glass prod. (7) | 6,112 | 4,935 | 6,977 | 1,177 | -865 | 23.9% | -12.4% |
| Other | 10,501 | 9,774 | 12,403 | 727 | -1,902 | 7.4% | -15.3% |
| Waste & scrap materials (8) | 5,925 | 4,396 | 7,985 | 1,529 | -2,060 | 34.8% | -25.8% |
| All other carloads | 4,576 | 5,378 | 4,418 | -802 | 158 | -14.9% | 3.6% |
| TOTAL ALL CARLOADS | 369,293 | 303,976 | 394,606 | 65,317 | -25,313 | 21.5% | -6.4% |
| Trailers | 7,929 | 8,360 | 9,283 | -431 | -1,354 | -5.2% | -14.6% |
| Containers | 212,974 | 188,831 | 220,605 | 24,143 | -7,631 | 12.8% | -3.5% |
| TOTAL ALL INTERMODAL | 220,903 | 197,191 | 229,888 | 23,712 | -8,985 | 12.0% | -3.9% |

- (1) - flour, animal feed, corn syrup, corn starch, soybean meal, etc. (5) - primarily iron & steel products; some aluminum, copper, etc.
 (2) - liquefied gases, asphalt, fuel oil, lubricating oil, jet fuel, etc. (6) - phosphate rock, rock salt, crude sulphur, clay, etc.
 (3) - wood raw materials such as pulpwood and wood chips (7) - cement, ground earths or minerals, gypsum
 (4) - overwhelmingly iron ore, but some aluminum ore, copper ore, etc. (8) - scrap metal and paper, construction debris, ashes, etc.

*CN and CP, including their U.S. operations. Data are originations and are not seasonally adjusted. Source: AAR Weekly Railroad Traffic



COMBINED U.S. AND CANADIAN RAIL TRAFFIC: MARCH 2010*

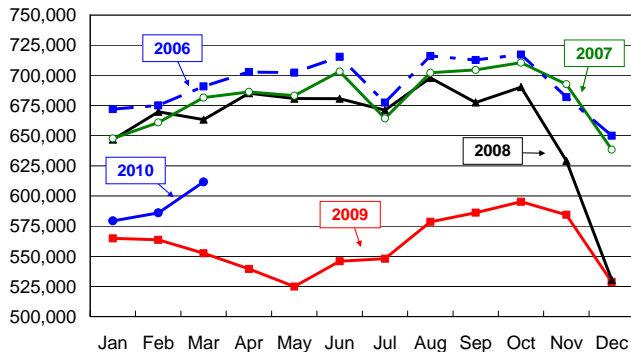
(5 weeks ending April 3, 2010)

| Commodity | Mar 10 | Mar 09 | Mar 08 | Difference | | % Change | |
|---|------------------|------------------|------------------|----------------|-----------------|--------------|---------------|
| | | | | '10-'09 | '10-'08 | '10-'09 | '10-'08 |
| Agricultural & food products | 286,531 | 264,441 | 302,930 | 22,090 | -16,399 | 8.4% | -5.4% |
| Grain | 163,830 | 144,791 | 172,960 | 19,039 | -9,130 | 13.1% | -5.3% |
| Farm products excl. grain | 18,469 | 23,374 | 19,088 | -4,905 | -619 | -21.0% | -3.2% |
| Grain mill products (1) | 51,559 | 46,238 | 52,986 | 5,321 | -1,427 | 11.5% | -2.7% |
| Food products | 52,673 | 50,038 | 57,896 | 2,635 | -5,223 | 5.3% | -9.0% |
| Chemicals and petroleum | 246,648 | 209,540 | 268,409 | 37,108 | -21,761 | 17.7% | -8.1% |
| Chemicals | 217,181 | 181,043 | 234,404 | 36,138 | -17,223 | 20.0% | -7.3% |
| Petroleum products (2) | 29,467 | 28,497 | 34,005 | 970 | -4,538 | 3.4% | -13.3% |
| Coal | 708,007 | 702,674 | 768,300 | 5,333 | -60,293 | 0.8% | -7.8% |
| Forest products | 84,921 | 80,658 | 109,539 | 4,263 | -24,618 | 5.3% | -22.5% |
| Primary forest products (3) | 16,501 | 13,810 | 18,359 | 2,691 | -1,858 | 19.5% | -10.1% |
| Lumber & wood products | 24,590 | 21,537 | 32,853 | 3,053 | -8,263 | 14.2% | -25.2% |
| Pulp & paper products | 43,830 | 45,311 | 58,327 | -1,481 | -14,497 | -3.3% | -24.9% |
| Metallic ores and metals | 165,336 | 108,036 | 187,494 | 57,300 | -22,158 | 53.0% | -11.8% |
| Metallic ores (4) | 85,707 | 54,988 | 89,717 | 30,719 | -4,010 | 55.9% | -4.5% |
| Coke | 19,782 | 16,095 | 20,988 | 3,687 | -1,206 | 22.9% | -5.7% |
| Primary metal products (5) | 59,847 | 36,953 | 76,789 | 22,894 | -16,942 | 62.0% | -22.1% |
| Motor vehicles & parts | 88,356 | 70,742 | 119,235 | 17,614 | -30,879 | 24.9% | -25.9% |
| Nonmetallic minerals & prod. | 157,865 | 145,935 | 184,091 | 11,930 | -26,226 | 8.2% | -14.2% |
| Crushed stone, gravel, sand | 88,117 | 81,799 | 101,064 | 6,318 | -12,947 | 7.7% | -12.8% |
| Nonmetallic minerals (6) | 29,883 | 28,335 | 35,580 | 1,548 | -5,697 | 5.5% | -16.0% |
| Stone, clay & glass prod. (7) | 39,865 | 35,801 | 47,447 | 4,064 | -7,582 | 11.4% | -16.0% |
| Other | 75,596 | 65,293 | 86,758 | 10,303 | -11,162 | 15.8% | -12.9% |
| Waste & scrap materials (8) | 46,170 | 34,387 | 56,875 | 11,783 | -10,705 | 34.3% | -18.8% |
| All other carloads | 29,426 | 30,906 | 29,883 | -1,480 | -457 | -4.8% | -1.5% |
| TOTAL ALL CARLOADS | 1,813,260 | 1,647,319 | 2,026,756 | 165,941 | -213,496 | 10.1% | -10.5% |
| Trailers | 166,876 | 171,015 | 252,938 | -4,139 | -86,062 | -2.4% | -34.0% |
| Containers | 1,078,420 | 940,054 | 1,049,963 | 138,366 | 28,457 | 14.7% | 2.7% |
| TOTAL ALL INTERMODAL | 1,245,296 | 1,111,069 | 1,302,901 | 134,227 | -57,605 | 12.1% | -4.4% |

- (1) - flour, animal feed, corn syrup, corn starch, soybean meal, etc.
- (2) - liquefied gases, asphalt, fuel oil, lubricating oil, jet fuel, etc.
- (3) - wood raw materials such as pulpwood and wood chips
- (4) - overwhelmingly iron ore, but some aluminum ore, copper ore, etc.
- (5) - primarily iron & steel products; some aluminum, copper, etc.
- (6) - phosphate rock, rock salt, crude sulphur, clay, etc.
- (7) - cement, ground earths or minerals, gypsum
- (8) - scrap metal and paper, construction debris, ashes, etc.

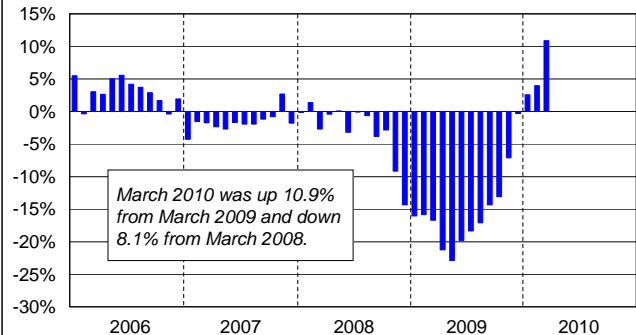
*Data are originations and are not seasonally adjusted. Source: AAR Weekly Railroad Traffic

**Average Weekly U.S. + Canadian Rail Traffic:
Total Carloads + Intermodal Units**



Data are weekly average originations for each month, are not seasonally adjusted, and reflect revisions from original reporting. Source: AAR Weekly Railroad Traffic

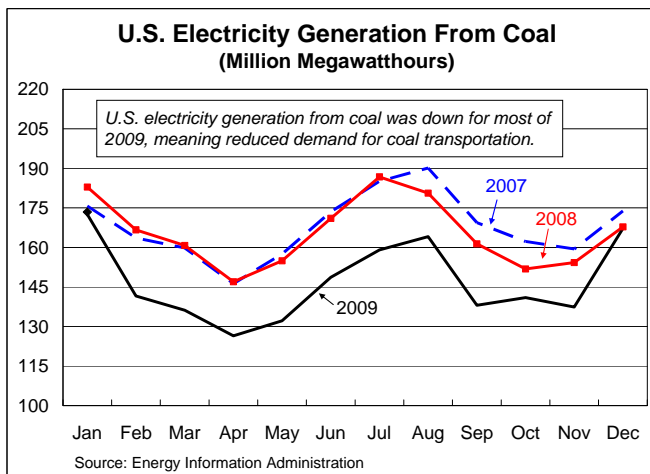
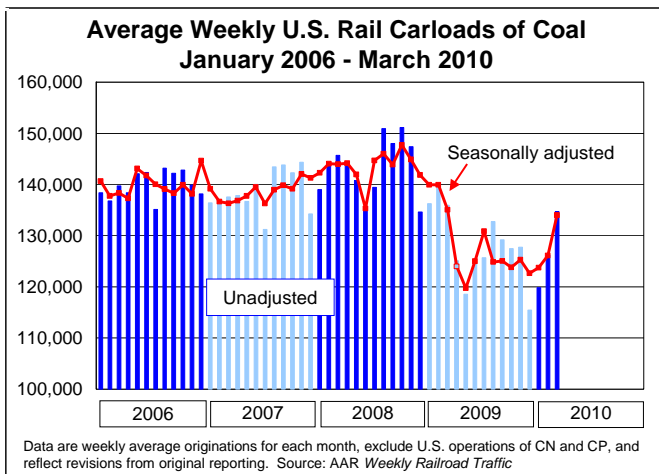
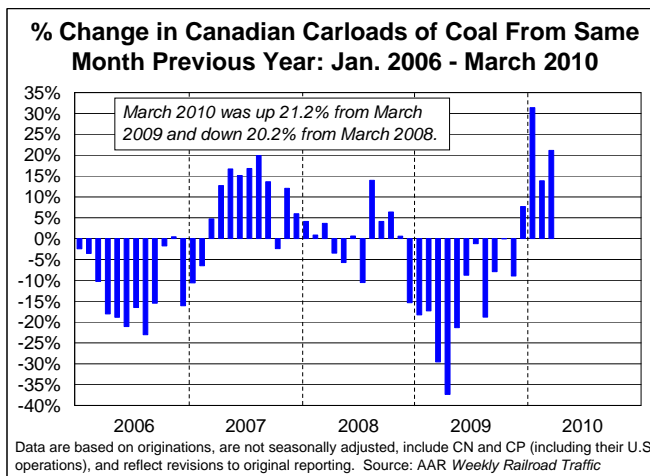
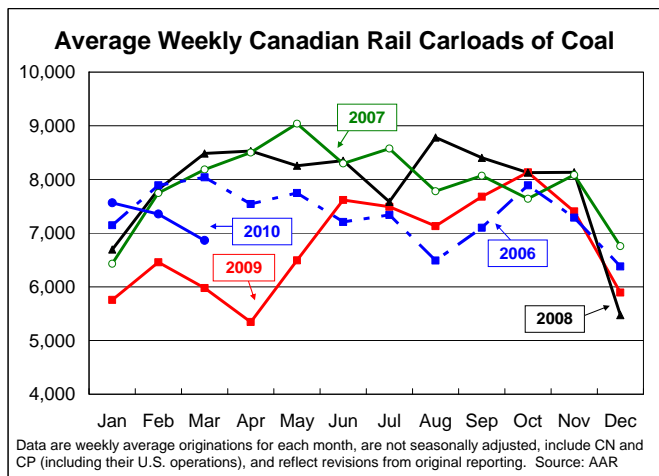
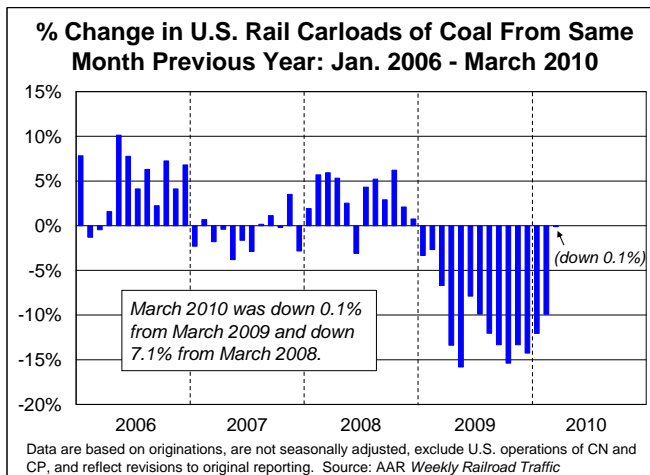
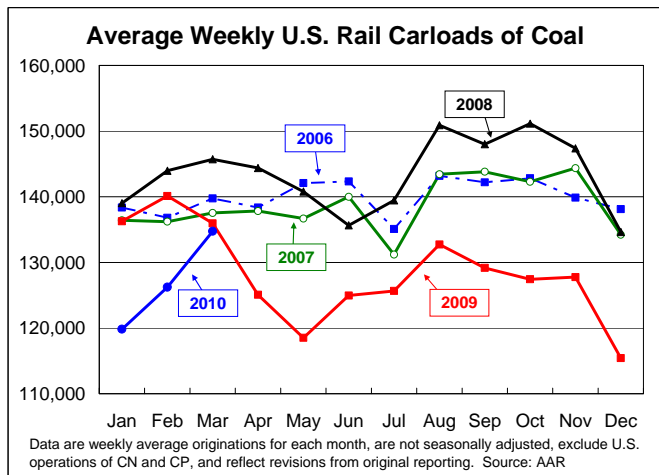
**% Change in Combined U.S. + Canadian Rail Carloads
+ Intermodal Units From Same Month Prev. Year:
Jan. 2006 - March 2010**



Data are based on originations, are not seasonally adjusted, and reflect revisions to original reporting. Source: AAR Weekly Railroad Traffic

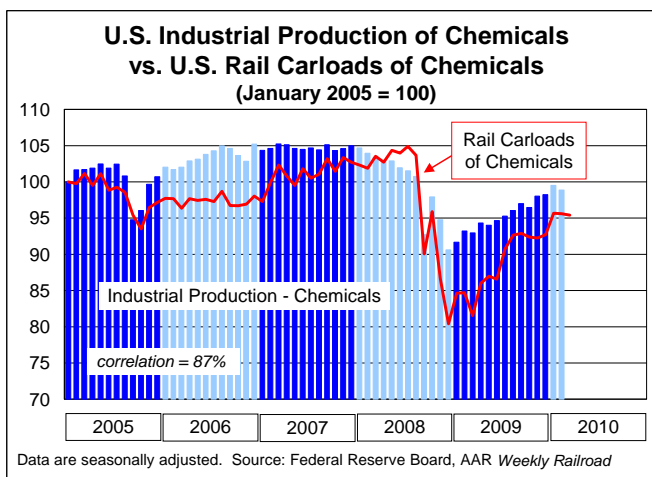
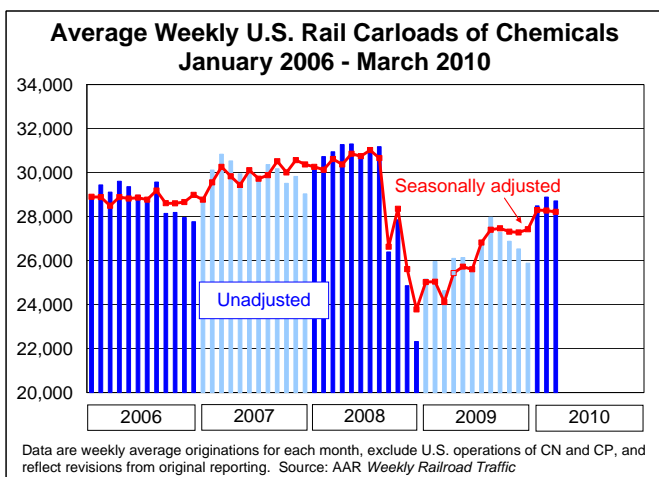
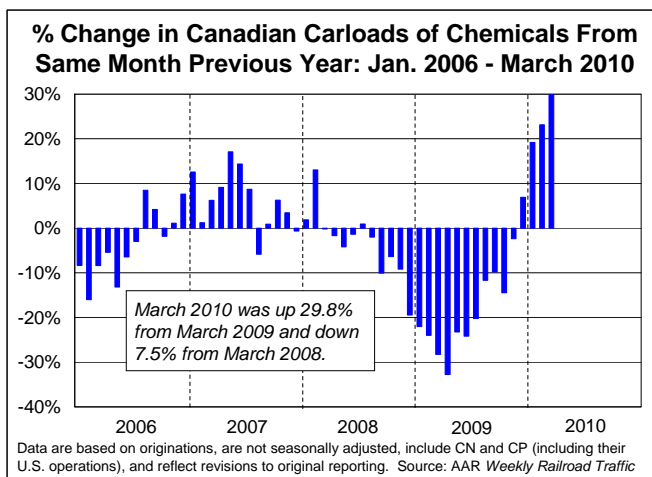
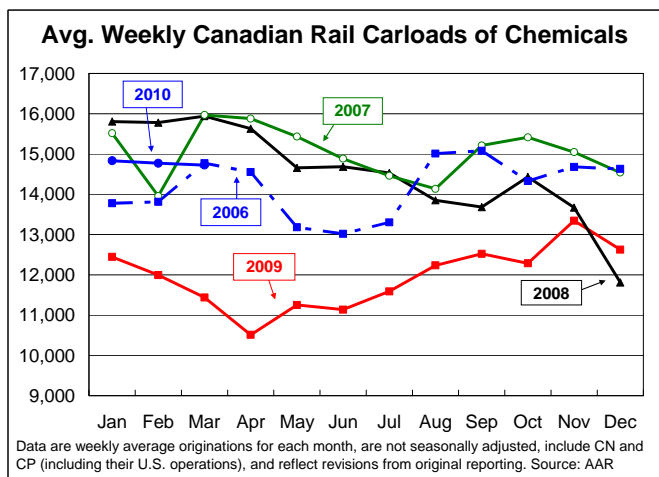
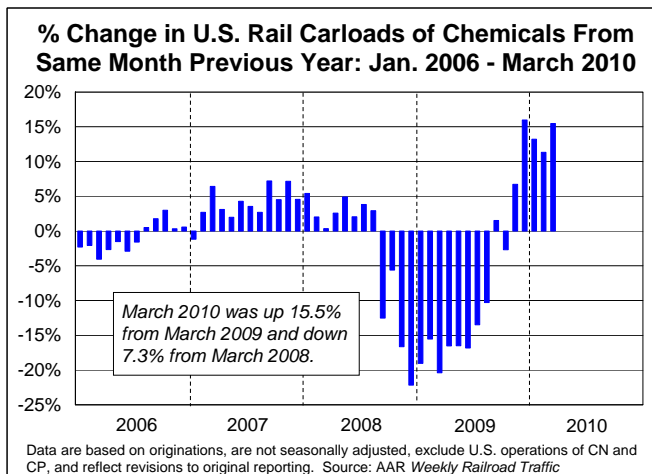
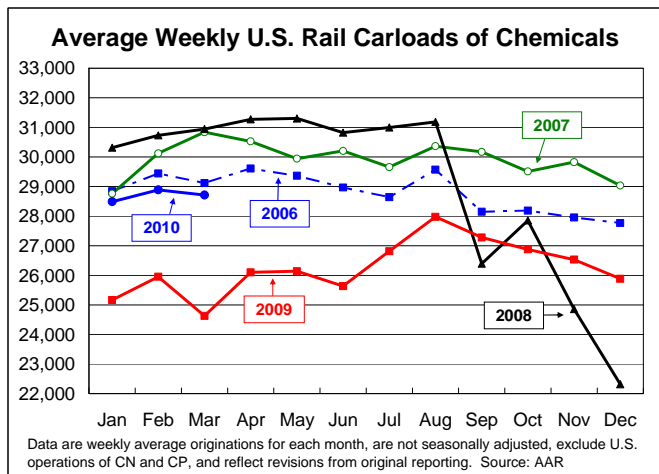
COAL

U.S. railroads averaged 134,737 coal carloads per week in March 2010, down just 0.1% from March 2009. That's a major improvement from the double-digit percentage declines common in the past year, and marks the third straight monthly increase in carloadings. Coal carloads fell sharply in April 2009, so it's likely that the year-over-year percentage change in April 2010 will be positive for the first time since December 2008. The chart on the bottom right shows that electricity generation from coal was lower in 2009 than earlier years. Much of the recent increase in coal traffic is reportedly due to exports.



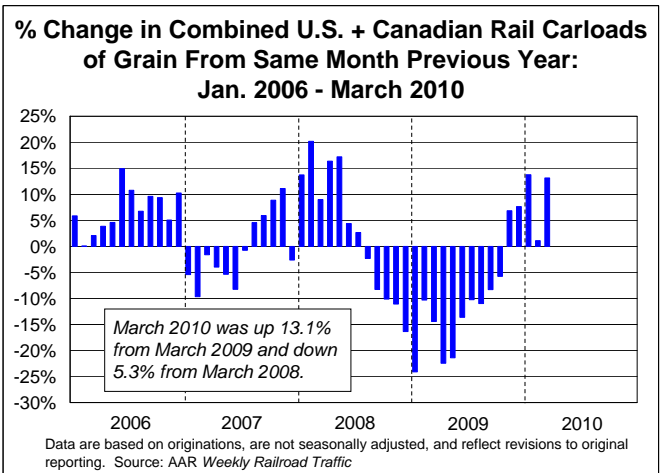
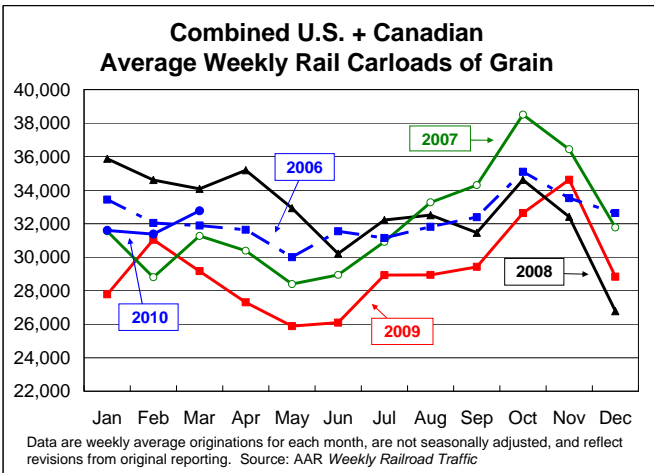
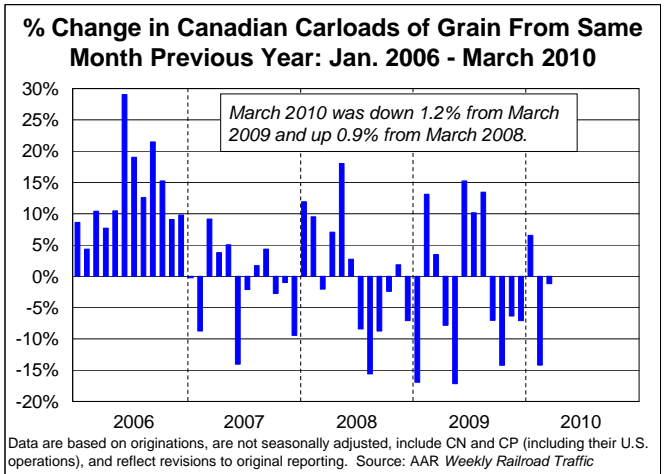
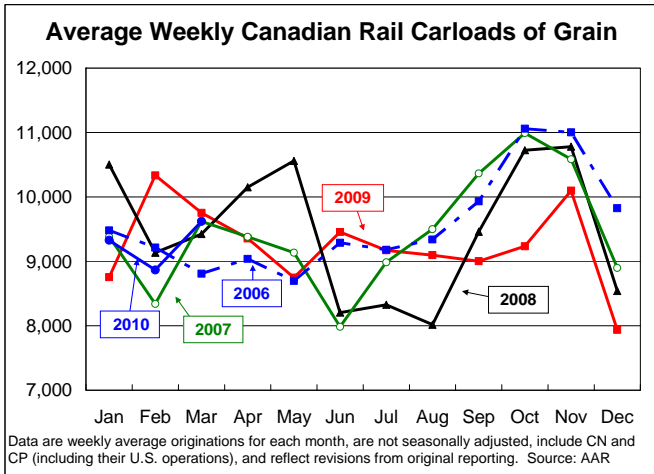
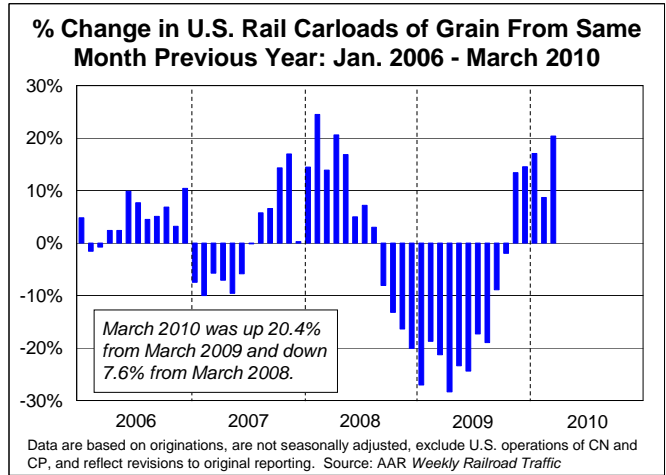
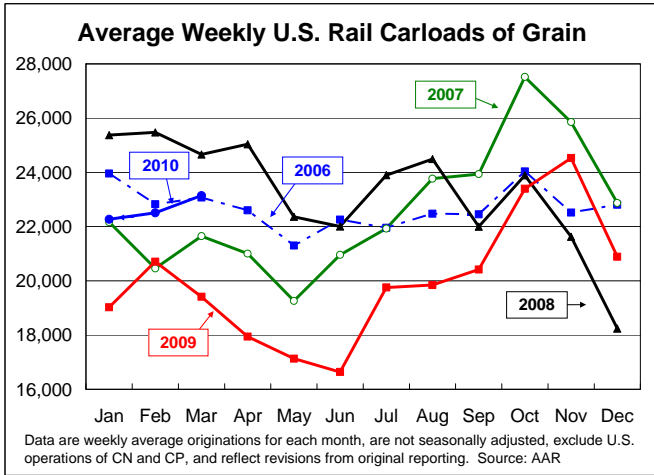
CHEMICALS

Carloads of chemicals on U.S. railroads averaged 28,711 per week in March 2010, up 15.5% from March 2009. Truth be told, March 2009 was an easy comparison — other than December 2008, March 2009 had the lowest weekly average chemical carloads of any month since July 1993. Seasonally adjusted chemical carloads on U.S. railroads have been trending upward since early 2009 (see chart bottom left), in line with an increase in chemical industrial production (see chart bottom right). Chemicals are a raw material in a huge variety of industrial applications.

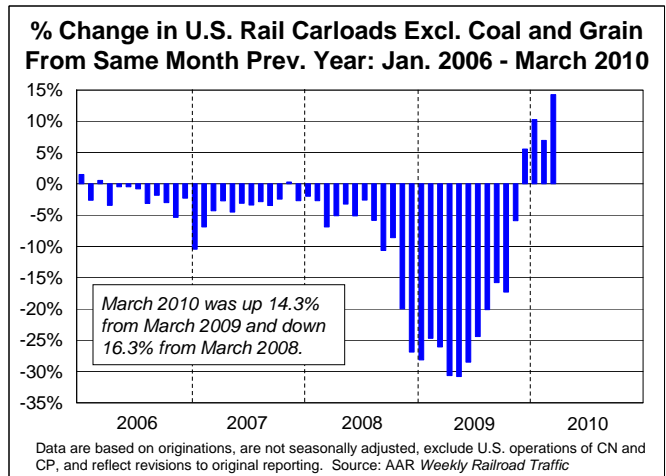
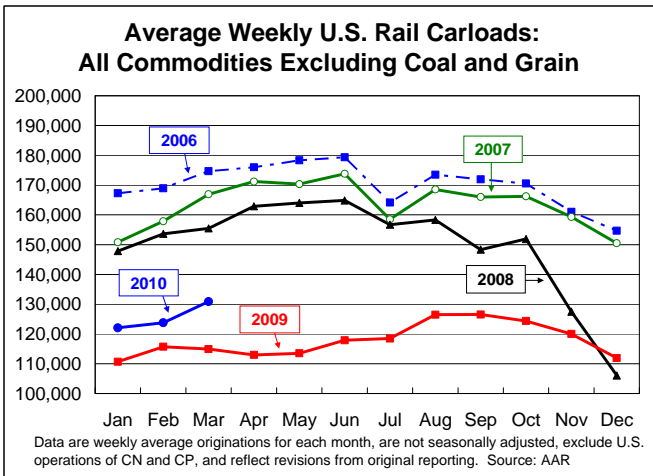


GRAIN

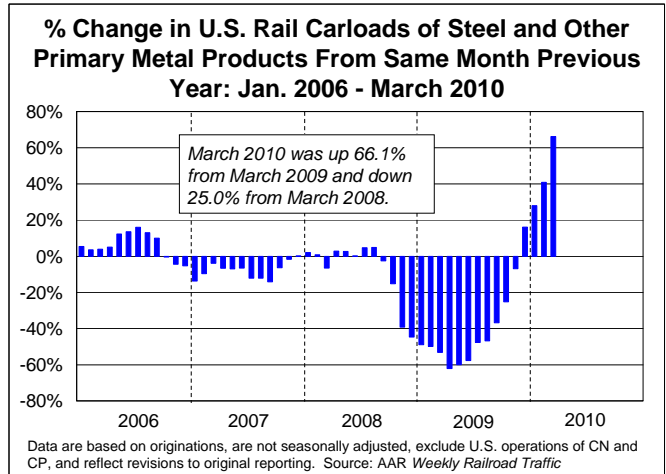
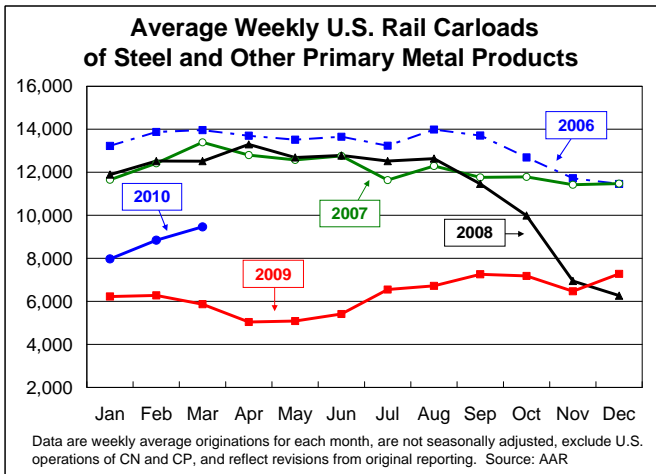
As the charts below show, grain carloadings on both U.S. and Canadian railroads fluctuate a great deal. Part of that is due to fluctuations in grain production and part to fluctuations in the grain marketplace. For example, grain exports rise and fall depending on global market conditions (exports are surging now). In March 2010, U.S. railroads averaged 23,146 carloads of grain, which was up 20.4% from March 2009 but down 7.6% from March 2008.



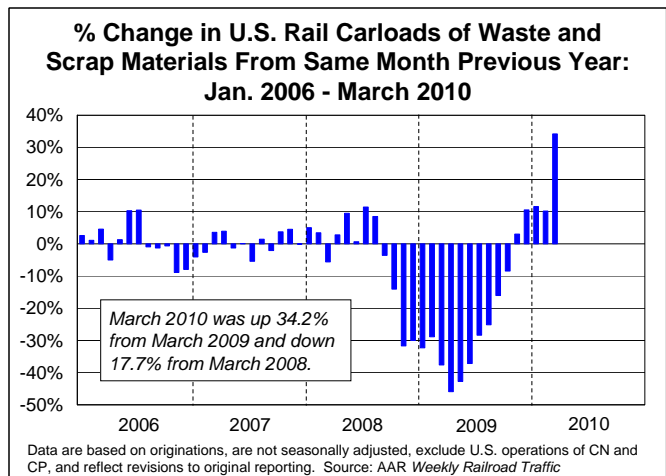
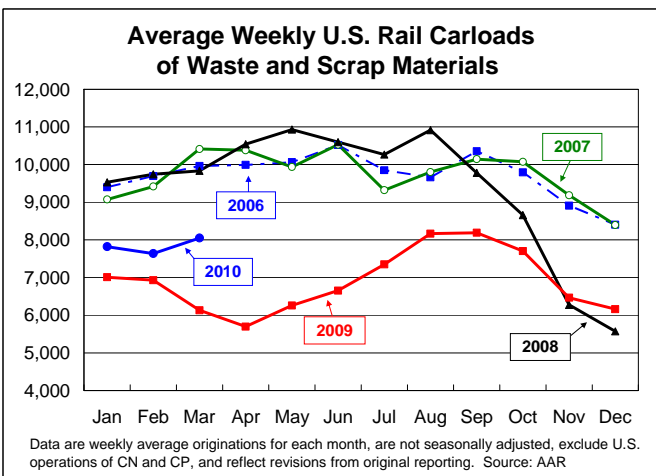
ALL COMMODITIES EXCLUDING COAL AND GRAIN



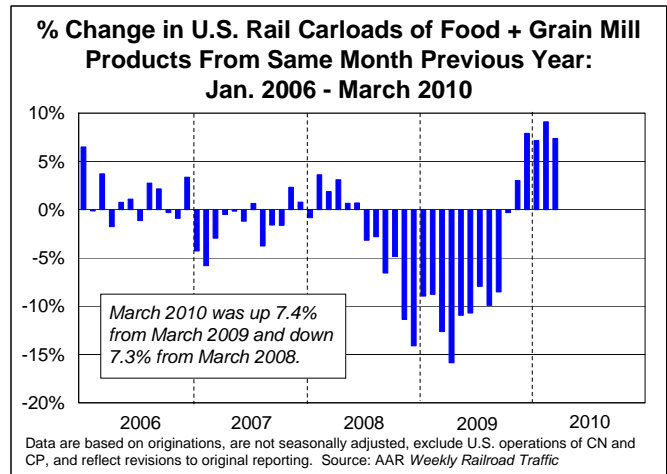
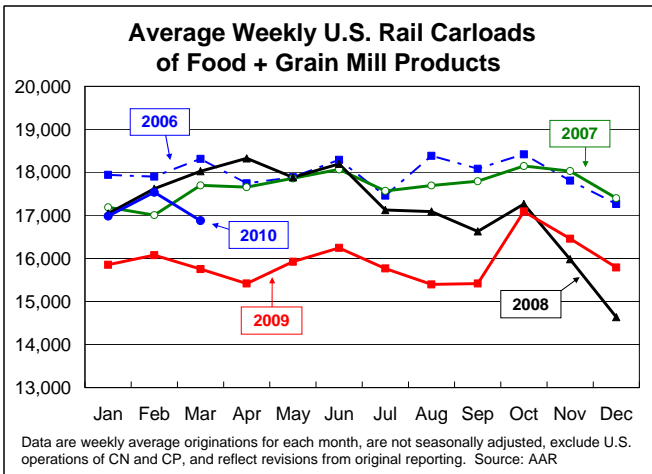
PRIMARY METAL PRODUCTS (MAINLY STEEL)



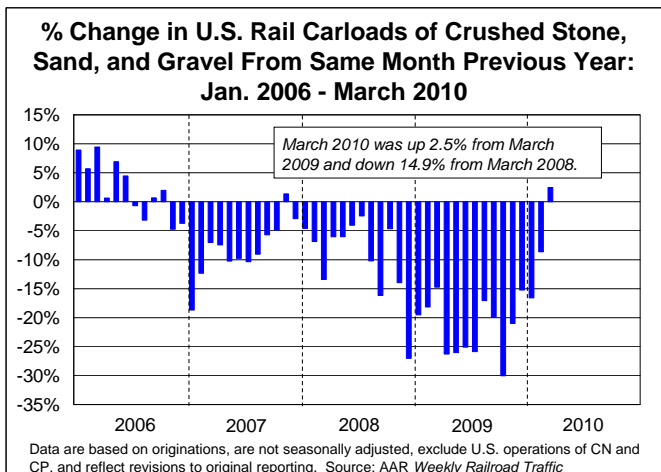
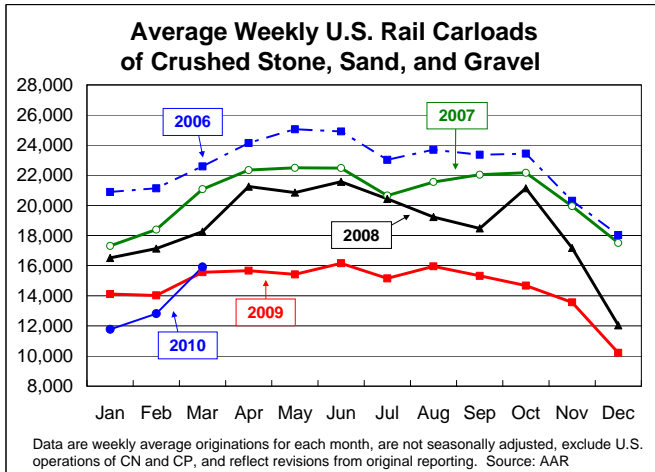
WASTE & SCRAP MATERIALS (SCRAP STEEL, SCRAP PAPER, CONSTRUCTION DEBRIS, ETC.)



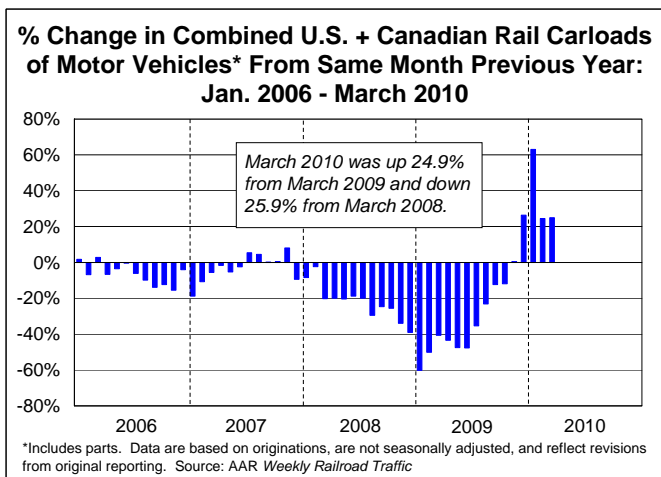
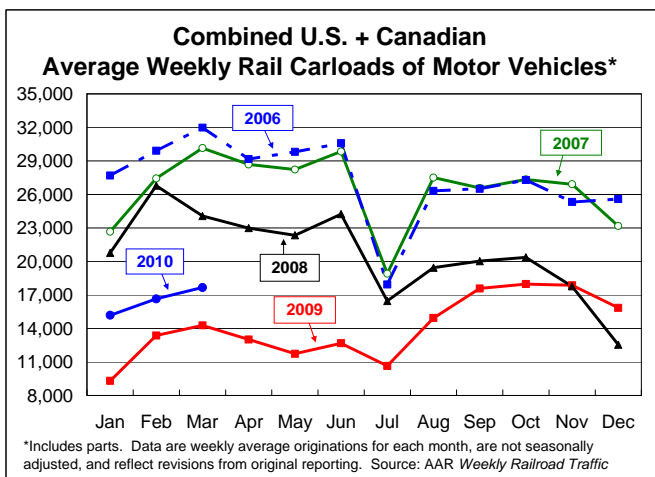
FOOD AND GRAIN MILL PRODUCTS



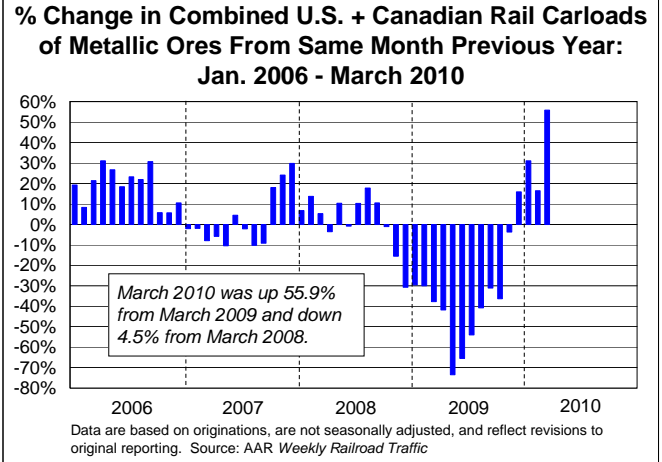
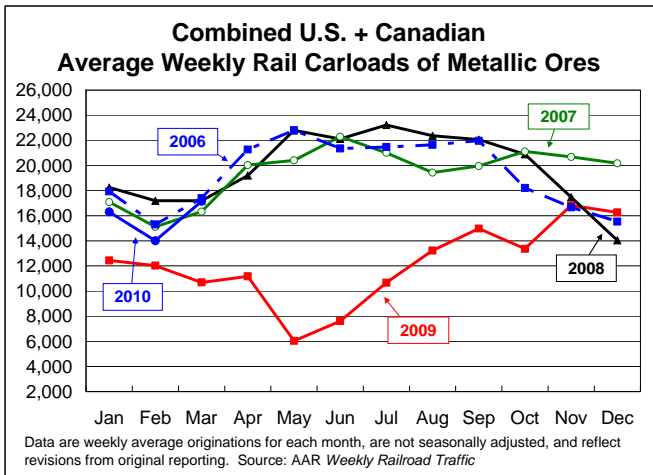
CRUSHED STONE, SAND, AND GRAVEL



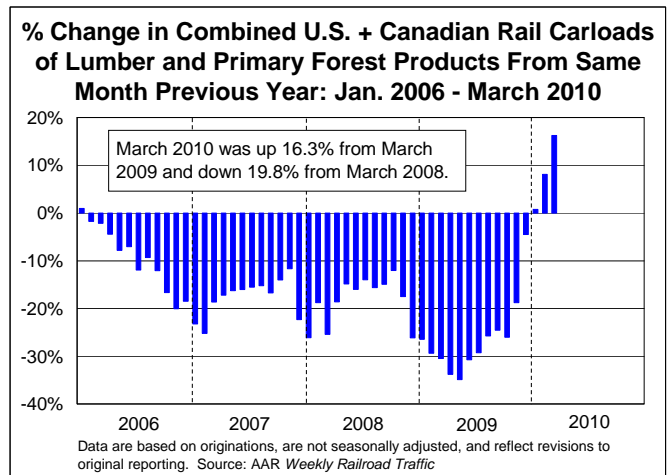
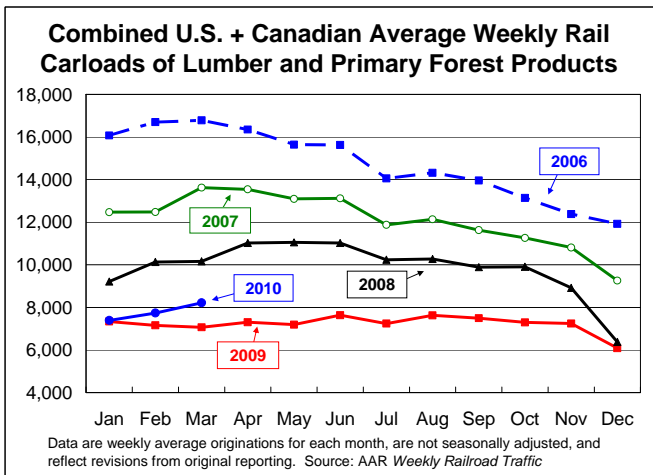
MOTOR VEHICLES AND EQUIPMENT



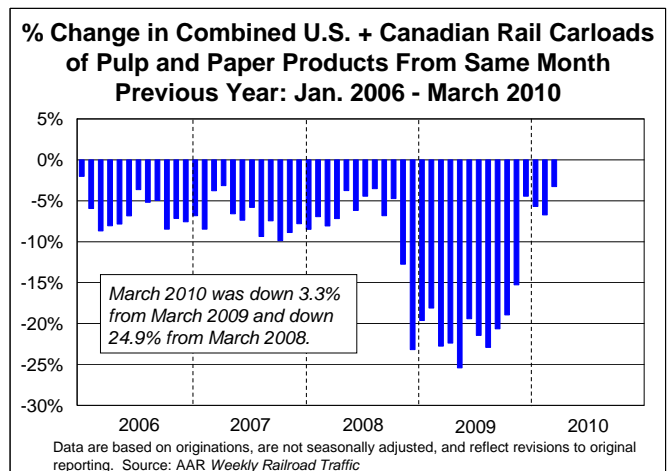
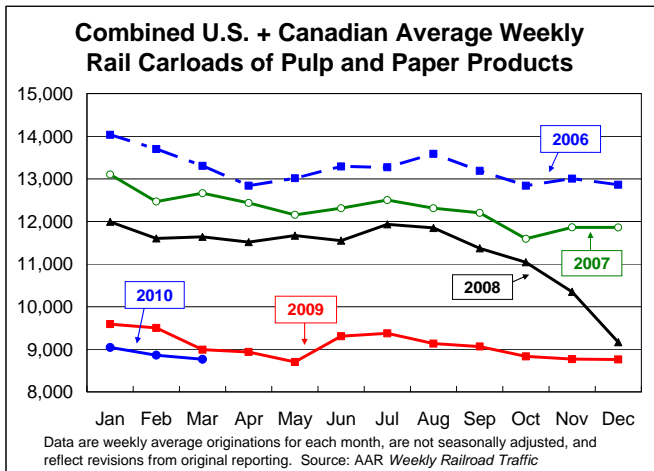
METALLIC ORES



LUMBER AND WOOD PRODUCTS + PRIMARY FOREST PRODUCTS

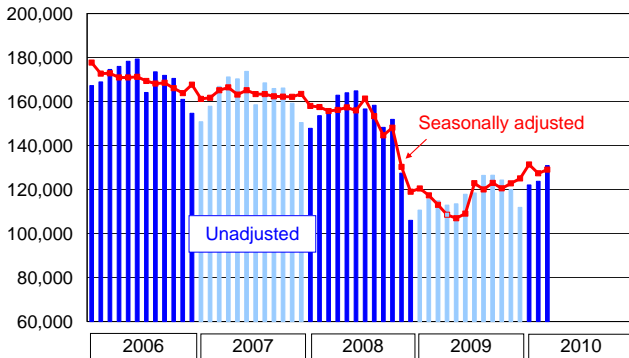


PULP AND PAPER PRODUCTS



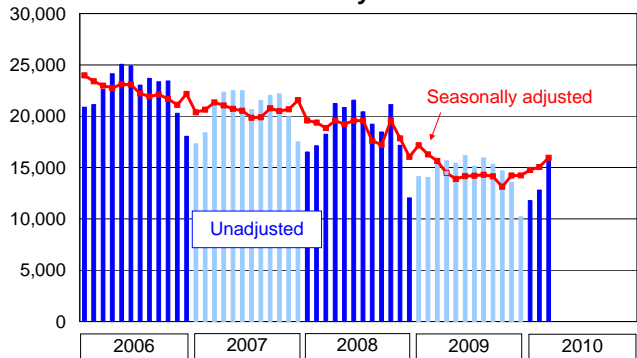
SEASONALLY ADJUSTED RAIL TRAFFIC FOR SELECT COMMODITIES

Avg. Weekly Total U.S. Rail Carloads Excluding Coal and Grain: Jan. 2006 - March 2010



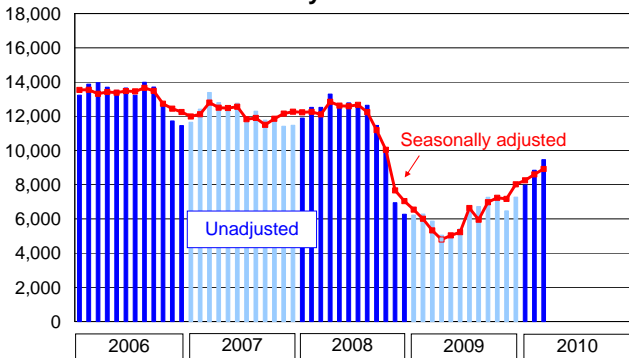
Data are weekly average originations for each month, exclude U.S. operations of CN and CP, and reflect revisions from original reporting. Source: AAR Weekly Railroad Traffic

Avg. Weekly U.S. Rail Carloads of Crushed Stone, Sand and Gravel: January 2006 - March 2010



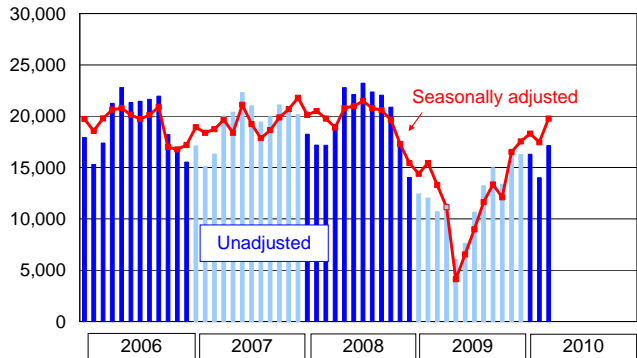
Data are weekly average originations for each month, exclude U.S. operations of CN and CP, and reflect revisions from original reporting. Source: AAR Weekly Railroad Traffic

Avg. Weekly U.S. Rail Carloads of Primary Metal Products: January 2006 - March 2010



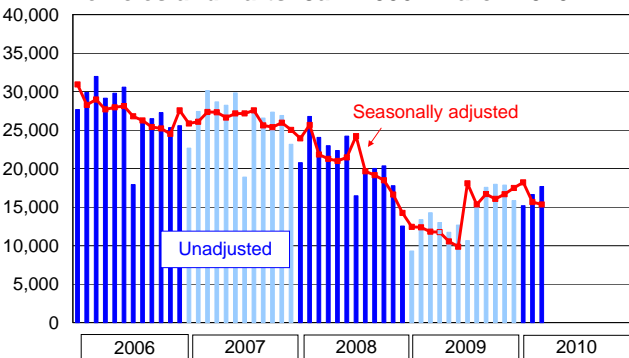
Data are weekly average originations for each month, exclude U.S. operations of CN and CP, and reflect revisions from original reporting. Source: AAR Weekly Railroad Traffic

Avg. Weekly U.S. + Canadian Rail Carloads of Metallic Ores: Jan. 2006 - March 2010



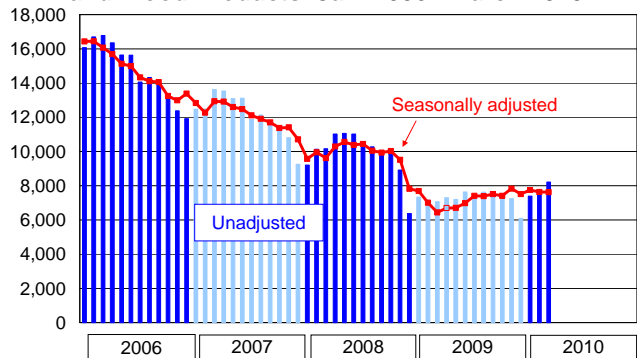
Data are weekly average originations for each month, exclude U.S. operations of CN and CP, and reflect revisions from original reporting. Source: AAR Weekly Railroad Traffic

Avg. Weekly U.S. + Canadian Rail Carloads of Motor Vehicles and Parts: Jan. 2006 - March 2010



Data are weekly average originations for each month, exclude U.S. operations of CN and CP, and reflect revisions from original reporting. Source: AAR Weekly Railroad Traffic

Avg. Weekly U.S. + Canadian Rail Carloads of Lumber and Wood Products: Jan. 2006 - March 2010



Data are weekly average originations for each month, exclude U.S. operations of CN and CP, and reflect revisions from original reporting. Source: AAR Weekly Railroad Traffic

Where to go for more information:

- Weekly AAR press releases on railroad traffic are available on the AAR web site [here](#).

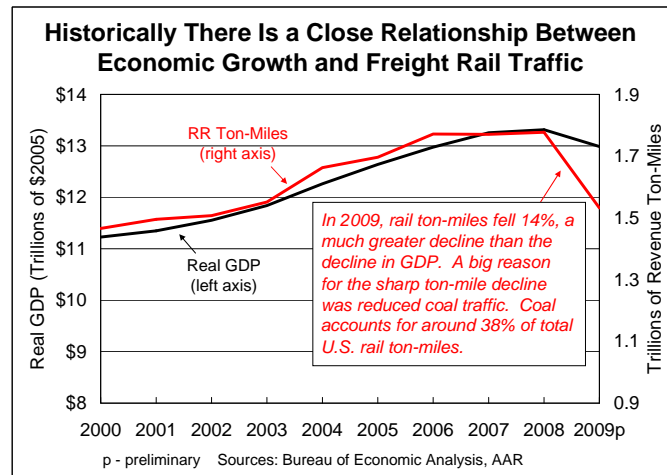
GROSS DOMESTIC PRODUCT (GDP)

Who releases it and when?

- U.S. Bureau of Economic Analysis (BEA), measured quarterly and revised as better data become available.

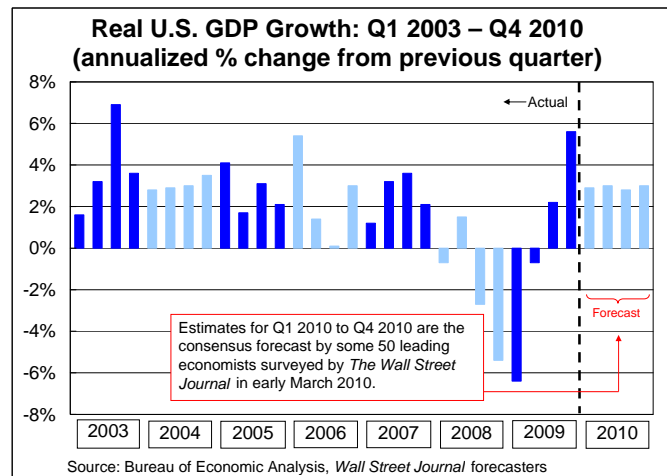
What is it and why is it important?

- GDP — the output of goods and services produced by labor and property located in a country — measures the size of an economy and how fast it's growing. Assuming it's measured accurately, it's probably the single most conclusive piece of information on the health of an economy.
- In the United States, GDP growth and freight rail traffic (measured in ton-miles) have historically been closely correlated (see chart at right). That correlation was undermined in 2009 when rail ton-miles fell far more than GDP.



What are the latest numbers?

- **U.S. GDP rose at an annual rate of 5.6%** in Q4 2009 from Q3 2009, according to final BEA figures released March 26.
- Each month, The Wall Street Journal asks around 50 leading economists to predict how the economy will fare in the year ahead. In the most recent survey, released March 12, the consensus called for around 3% growth for 2010 — unchanged from forecasts for the past several months.
- What the WSJ said: “The U.S.’s long-term debt ... has ballooned during the recession, and 43 economists expressed little to no confidence that the government would act to reduce the debt before another major financial-market crisis occurs. Although the economists put the odds of a double-dip recession at just 17%, risks to recovery remain.” Risks cited by the WSJ economists include possible consumer retrenchment, the lack of credit to small and medium-size businesses, the potential for another decline in home prices, the U.S. budget deficit, and commercial real estate losses. Rising oil prices are another possible risk.



Where to go for more information:

- The most recent BEA news release on GDP, including links to detailed data tables, is [here](#). The first estimate of Q1 2010 GDP will be released on April 30. Click [here](#) for more on the most recent WSJ survey of economists; a new survey will be released any day now.

PURCHASING MANAGERS INDEX (PMI)

Who releases it and when?

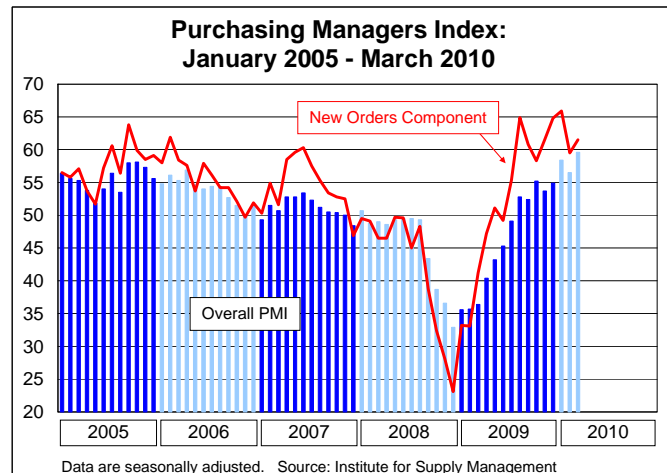
- Institute for Supply Management (ISM – formerly the National Association of Purchasing Managers), near the beginning of each month.

What is it and why is it important?

- The PMI combines data on new orders, inventory, production, supplier deliveries, and employment. It's based on a survey of several hundred supply managers at manufacturers throughout the country. Supply managers typically handle purchasing/procurement, inventory control and management, and physical distribution and warehousing. The PMI is considered an indicator both of actual "on-the-ground" conditions as well as near- to medium-term sentiment.
- Manufacturing accounts for approximately 12% of U.S. GDP — not as much as it used to be, but the U.S. is still the world's top manufacturer. In fact, by itself, U.S. manufacturing would still be around the eighth largest economy in the world. And, of course, much of what railroads haul consists of raw materials for manufacturing or finished manufactured goods.
- According to the ISM, a **PMI > 50 indicates that overall manufacturing is expanding**; a PMI < 50 indicates that manufacturing is contracting. Also according to the ISM, a PMI greater than 41.2, over time, generally indicates an expansion of the overall economy.

What are the latest numbers?

- The overall PMI rose from 56.5 in February 2010 to **59.6 in March 2010**, its **highest level since August 2004**. Meanwhile, the "new orders" component of PMI rose from 59.5 in February 2010 to 61.5 in March 2010.
- What the ISM said regarding the March PMI: "The manufacturing sector grew for the eighth consecutive month during March. ... Both new orders and production rose above 60 percent this month, closing the first quarter with significant momentum going forward. ... The Inventories Index provided a surprise as it indicated growth for the first time following 46 months of liquidation — perhaps signaling manufacturers' willingness to increase inventories based on expected levels of activity."
- We say this every month and we know you're as tired of reading it as we are of writing it, but we still think the PMI is higher than it has a right to be. How can a key indicator be at 2004 levels?



Where to go for more information:

- The press release for the March PMI is [here](#). The April PMI will be released on May 3, 2010.

MANUFACTURING INVENTORIES AND SALES

Who releases it and when?

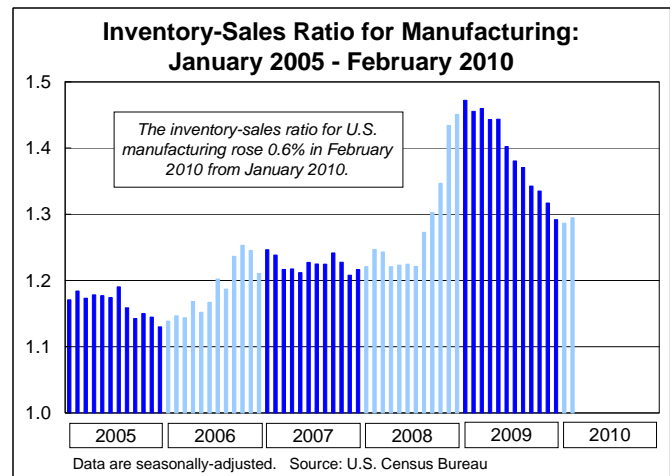
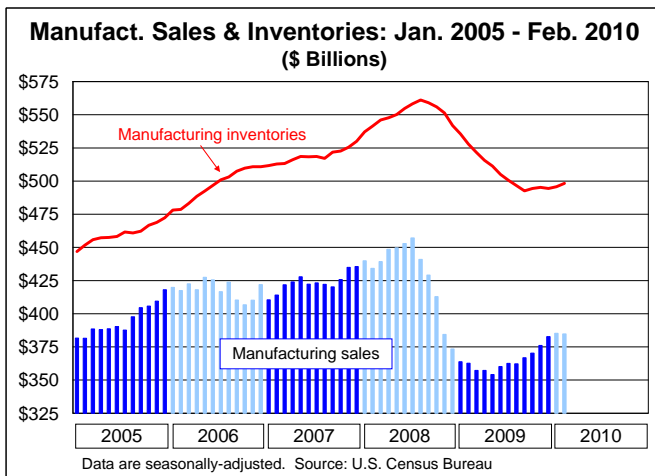
- The U.S. Census Bureau, near the beginning of each month, covering the month two months prior. (E.g., the report released in early April has data covering February.)

What is it and why is it important?

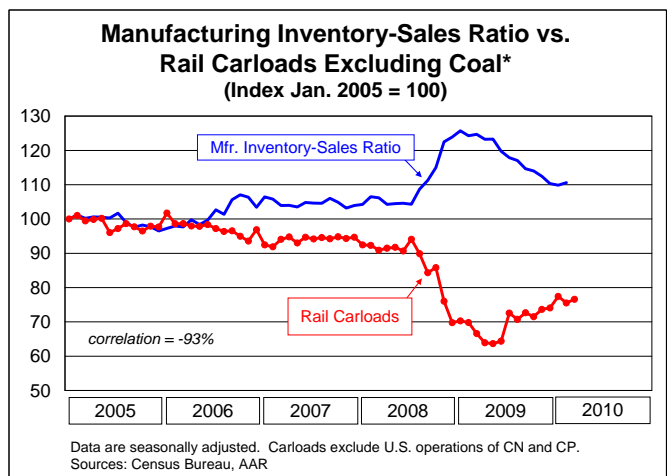
- The report is based on data reported from manufacturing establishments with \$500 million or more in annual shipments covering 89 industry categories. Figures are seasonally adjusted.
- Manufacturers **don't want to hold too much inventory** because it costs money to store it and it can become obsolete or spoil. Moreover, inventory earns no return on investment. But manufacturers **don't want too little inventory either**, or they could lose sales. Like Goldilocks, they want an inventory level that's "just right."
- When sales fall, inventories must rise if production is kept at the same pace. Eventually, **when inventories are too high, "de-stocking" occurs** via production cuts. This leads to job losses, fewer raw material purchases, and other negative economy-wide effects.
- When sales rise, either inventories must fall, production must increase, or both. Eventually, inventories becomes too low and **"re-stocking" occurs** via production increases. This means more employment, more raw material purchases, and other positive economy-wide effects.

What are the latest numbers?

- **Manufacturing sales fell 0.1% in February 2010** from January 2010, but the severe winter storms are probably to blame. Prior to February's decline, sales had risen five straight months. Sales in February 2010 were 6.1% higher than in February 2009. **Manufacturing inventories rose 0.5% in February 2010** from January 2010 and were 5.6% lower than in March 2009.



- The resulting **inventory-sales ratio** for manufacturing **rose 0.6%** in February 2010 to 1.295 (see chart above right).
- Although the inventory-sales ratio has fallen considerably in the past year, it's still higher than it was. The ratio rose sharply in mid-2008, peaked in early 2009, and has fallen since. Even so, the last time prior to 2008 that the inventory-sales ratio was as high as it was in February 2010 was December 2002. Thus, more inventory destocking could be in order.
- Unless the close correlation (see chart at right) between rail carloads and the inventory-sales ratio weakens



considerably, until more destocking occurs rail carloads could have a hard time returning to where they were a few years ago.

Where to go for more information:

- The Census Bureau's full report on manufacturing sales and inventories in February is [here](#). Figures for March 2010 will be released on May 4, 2010.

INDUSTRIAL PRODUCTION

Who releases it and when?

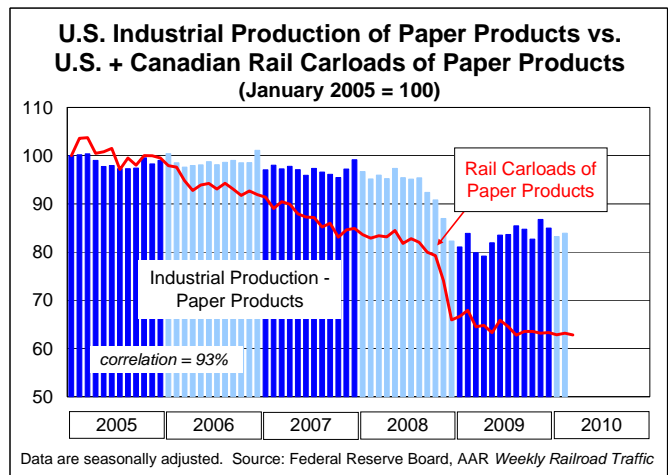
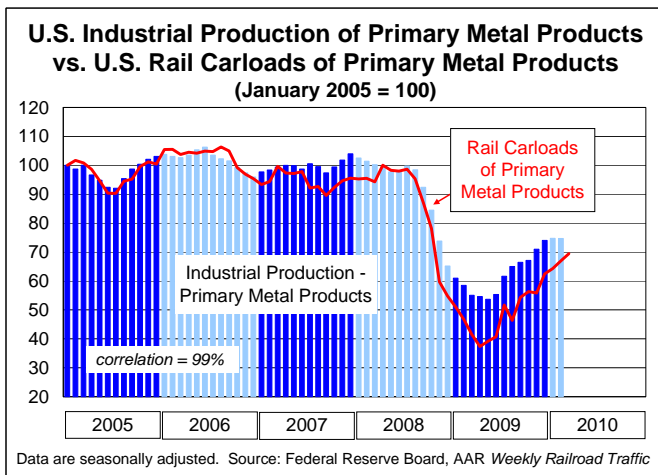
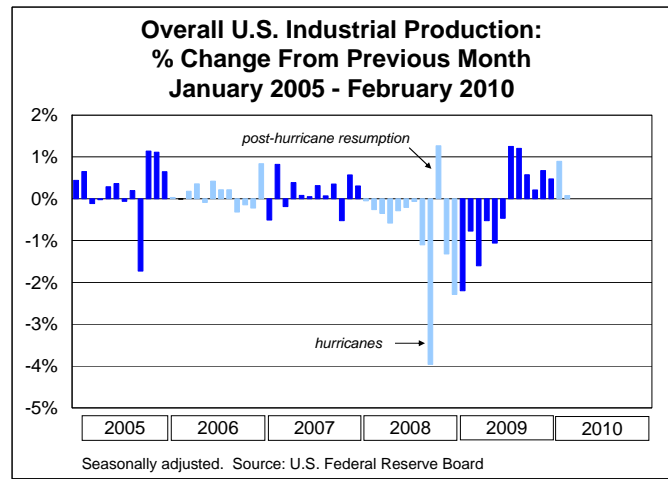
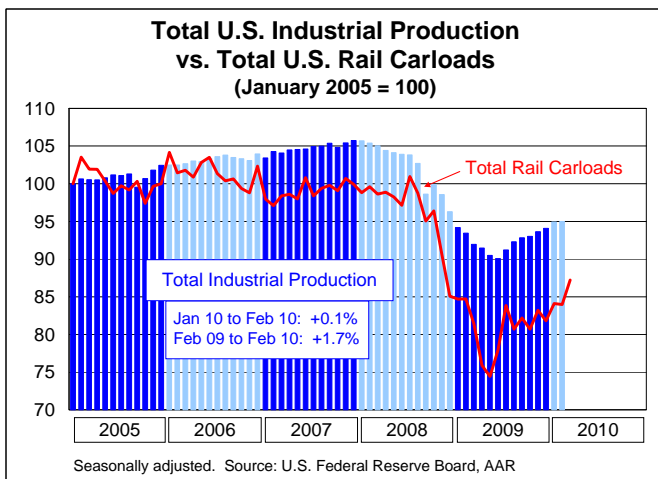
- The U.S. Federal Reserve Board, around the middle of each month.

What is it and why is it important?

- Industrial production figures are based on the monthly raw volume of goods produced by U.S. industrial firms such as factories, mines, and electric utilities. The industrial sector generally exhibits the most volatility in output during a business cycle.

What are the latest numbers?

- **Industrial production rose 0.1% in February 2010** from January 2010, with the increase probably held down a bit by the February snowstorms. Industrial production has now risen for seven straight months.



Where to go for more information:

- The Federal Reserve release on industrial production in February is [here](#). March 2010 data will be released on April 15, 2010.

CAPACITY UTILIZATION

Who releases it and when?

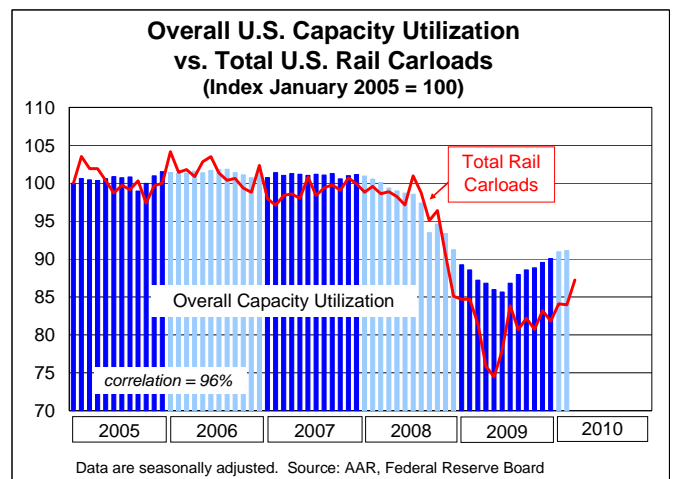
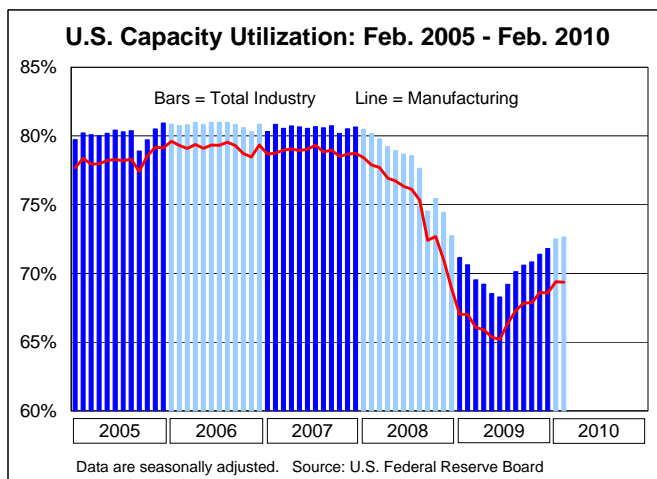
- The U.S. Federal Reserve Board, around the middle of each month.

What is it and why is it important?

- Capacity utilization attempts to capture the concept of sustainable maximum output — *i.e.*, the highest output a plant can maintain assuming a realistic work schedule, normal downtime, and sufficient availability of inputs to operate the capital in place.
- In theory, a capacity utilization rate of, say, 70% means there is room to increase production up to 100% without having to build new plants or add equipment. In practice, capacity utilization rates (at least on an economy-wide basis) never come close to 100%. Utilization levels above 82%-85% are generally considered "tight" and forecast price increases or supply shortages in the near future. The farther below this level, the more slack there is in the economy or particular sector.

What are the latest numbers?

- **Capacity utilization for total industry** (mining, manufacturing, and gas and electric utilities) **rose to 72.7% in February 2010**, up from 72.5% in January 2010 and its highest point since December 2008. It's now risen for eight straight months, but it still isn't even half way back to where it was in 2006 and 2007.
- Capacity utilization for manufacturing remained at **69.4%** in February 2010, but that's up from a low of 65.2% in June 2009. Like industrial production, the capacity utilization numbers support the idea that the economy may have actually bottomed out in mid-2009.



Where to go for more information:

- The Federal Reserve release on capacity utilization in February is [here](#). March 2010 data will be released on April 15, 2010.

NUMBER OF EMPLOYED PERSONS AND UNEMPLOYMENT RATE

Who releases it and when?

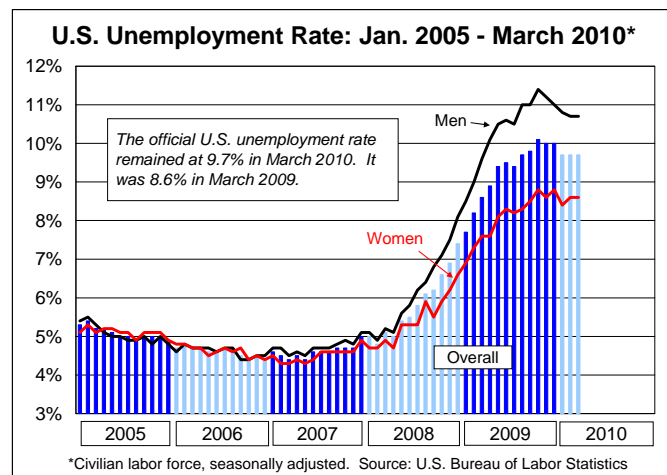
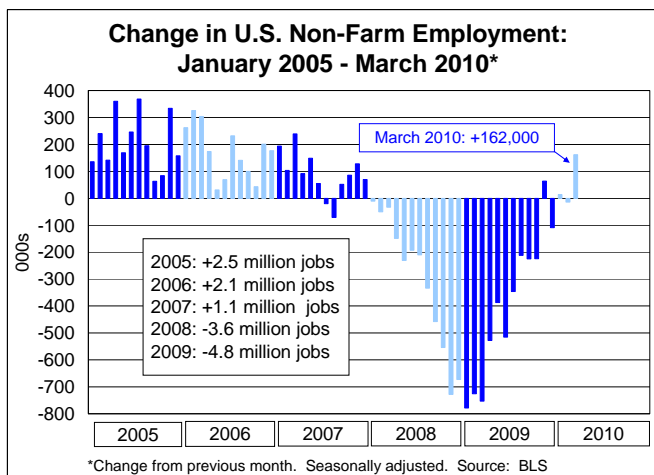
- U.S. Bureau of Labor Statistics (BLS) near the beginning of each month.

What is it and why is it important?

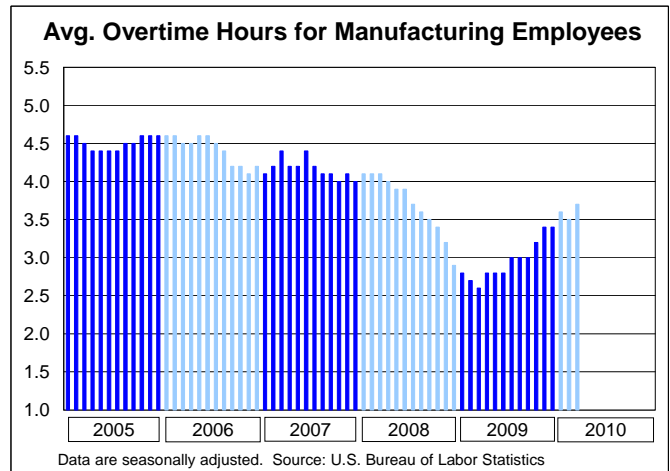
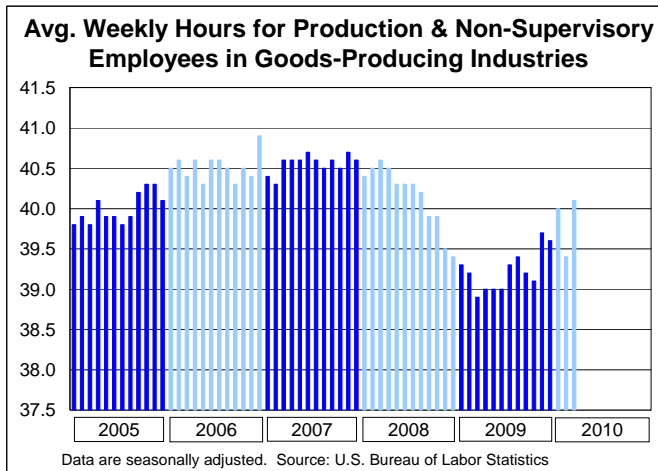
- The figures provide a snapshot of the strength of the U.S. labor market and are based on surveys of tens of thousands of households and businesses. In the United States, a gain of at least **150,000 or more jobs from one month to the next is generally considered solid job growth.**
- Employment is often considered a lagging indicator because employers often decide to wait until they're sure an economic recovery is here to stay before making new hires. Weak job numbers cause even the still-employed to become less confident of the future, and, therefore, less prone to spend money (see "Consumer Confidence" and "Retail Sales" below).

What are the latest numbers?

- Net U.S. non-farm employment rose by **162,000 in March 2010** and the official unemployment rate in March 2010 was **9.7%**, the same as in February and January 2010



- The employment situation in March provides a good opportunity for the kind of “on the one hand, on the other hand” analysis that makes economists so unpopular at parties. On the one hand:
 - ✓ The increase in jobs in March was the third increase in the past five months and **the biggest monthly gain since March 2007.**
 - ✓ Job gains in March were **spread across industries** — manufacturing, retail, and leisure and hospitality jobs, for example, all grew for the third straight month. Even construction jobs grew in March — not much, to be sure, but a few is better than none.
 - ✓ The number of temporary employees rose for the sixth straight month in March, the number of average weekly hours for employees in goods-producing industries rose to its highest level since August 2008 (see chart top left next page), and average overtime hours for manufacturing employees rose to their highest level since July 2008 (see chart top right next page). All of these could portend further job gains in the months ahead (and, hopefully, more business for railroads) as employers decide to add permanent jobs rather than continue to rely on temps or extending existing employees too far.



- On the other hand:
 - ✓ The net job gain in March was less than the 200,000-300,000 many analysts expected.
 - ✓ 48,000 of the new jobs in March consisted of temporary government jobs related to the decennial census.
 - ✓ The number of long-term unemployed (more than 27 weeks) was a record 6.5 million, or 44% of total unemployed.
- A person is not counted as unemployed (and included in the official unemployment rate) unless he or she is considered part of the labor force. Among other things, that means being willing to work and actively looking for a job. In the first three months of 2010, the official labor force grew by approximately 850,000, including nearly 400,000 in March. It's widely thought that a good chunk of this recent increase in the labor force consists of people who are not as discouraged as they used to be and are getting back into the job hunt.
- However, that also means it will be harder to bring down the official unemployment rate. For example, in March the increase in the size of the labor force exceeded the 162,000 net job gain mentioned earlier. As a result, the unemployment rate actually rose in March to a point just shy of rounding up to 9.8%. The unemployment rate is among the most visible of all economic indicators. It is closely correlated to consumer confidence, which in turn is closely associated with consumer spending and thus GDP. In short, an improvement in the economy that leads more people back into the labor force could actually create a sort of negative feedback loop that discourages further economic improvement.

Where to go for more information:

- The BLS press release on the employment situation in March 2010 is [here](#). Data for April 2010 will be released on May 7, 2010.

CLASS I RAILROAD EMPLOYMENT

Who releases it and when?

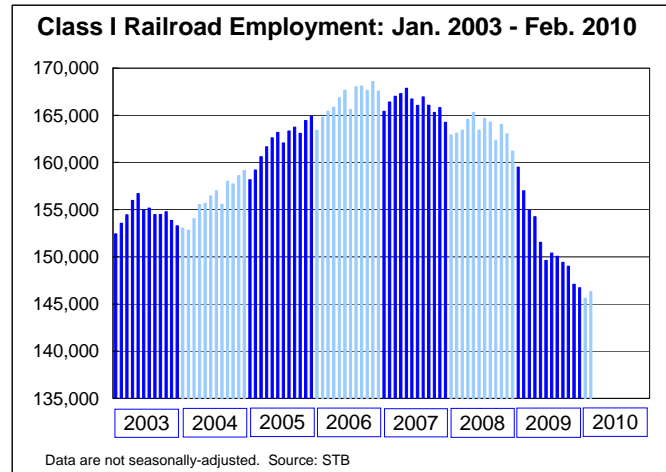
- Surface Transportation Board (STB), around the middle of the month.

What is it and why is it important?

- Report showing the average number of Class I employees at mid-month. These numbers are not seasonally adjusted. As in other industries, employment in the rail industry is in large part a function of the level of business — *i.e.*, how much freight is being hauled.

What are the latest numbers?

- Class I freight railroad employment **rose to 146,308 in February 2010**, up approximately 700 from January 2010 and only the second month-to-month increase since November 2008. After the February increase, the rail industry is down nearly 22,300 employees (13%) from its recent peak in November 2006.
- More than two-thirds of the increase in rail employment in February consisted of train and engine employees — *i.e.*, engineers and conductors who operate trains.



Where to go for more information:

- The STB web site for employment data is [here](#).

CONSUMER CONFIDENCE

Who releases it and when?

- The Conference Board, last Tuesday of the month.

What is it and why is it important?

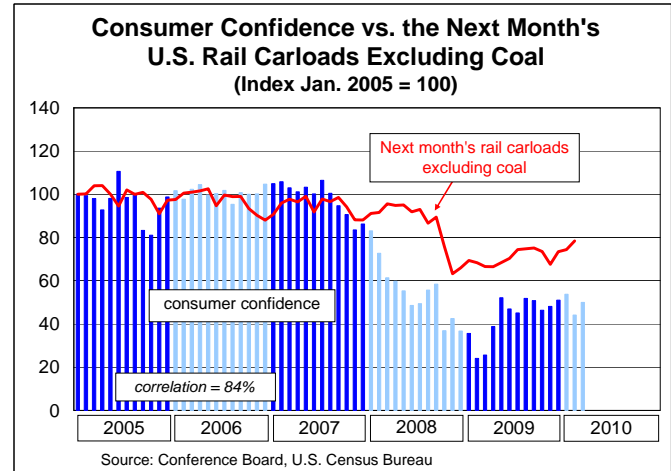
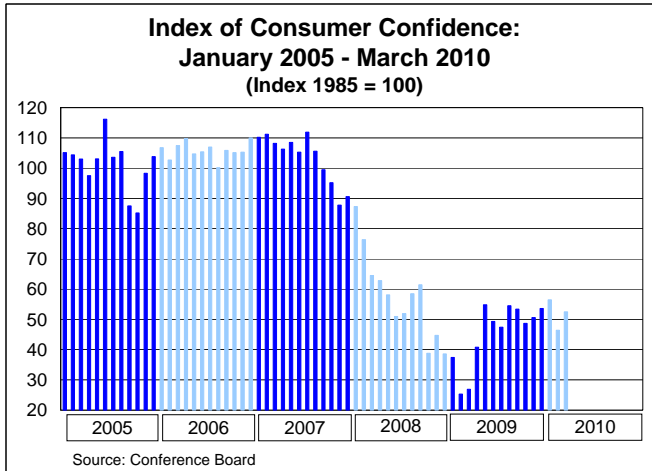
- An index based on a monthly survey of 5,000 U.S. households designed to gauge the financial health, spending power, and confidence of the average consumer. Respondents are asked about current conditions ("Present Situation Index") and their expectations for the next six months ("Expectations Index").
- The index is designed to predict **future consumer spending**, on the theory that the more confident consumers are about their job prospects, income, etc. the more likely they are to make purchases, especially big-ticket items.

What are the latest numbers?

- The consumer confidence index **rebounded to 52.5 in March 2010 from 46.4 in February 2010** (see chart top of next page).
- What the Conference Board said regarding the March index: "Consumer confidence, which had declined sharply in February, managed to recoup most of the loss in March. However, despite this month's increase, consumers continue to express concern about current business and labor market conditions. And, their outlook for the next six months is still rather pessimistic. Overall, consumer confidence levels have not changed significantly since last spring."
- Back in the December [Rail Time Indicators](#) (see page 20 [here](#)) we showed a chart showing the moderately strong positive correlation between consumer confidence and U.S. rail carloads excluding coal. It turns out the correlation is a bit stronger if consumer confidence is compared to the next month's rail carloads, as shown in the chart on the top right of the next page.

Where to go for more information:

- The Conference Board's press release on the consumer confidence index in March is [here](#). April's consumer confidence index will be released on April 27.



RETAIL SALES

Who releases it and when?

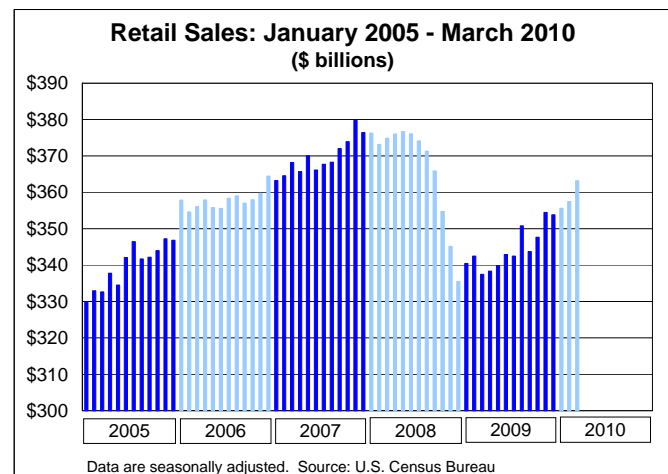
- The U.S. Census Bureau, around the ninth business day of each month.

What is it and why is it important?

- The Census Bureau surveys 5,000 retailers of all types to track the dollar value of physical merchandise sold. The data are adjusted for holiday differences and seasonal variations but are not adjusted for inflation. (The “personal consumption expenditures” component of GDP is adjusted for inflation, but is much less timely than retail sales.) Revisions to prior months’ retail sales data can be large.
- Personal consumption accounts for approximately 70% of U.S. GDP. Thus, the health of the economy depends largely on how much “stuff” people buy.
- It often takes time for consumers to recover from and respond to economic events. Thus, an increase in spending today may reflect the results of an economy that began to recover a few months earlier. A decrease in spending today may confirm an ongoing or worsening recession.

What are the latest numbers?

- Total retail sales were up 1.6% (\$5.7 billion) in March 2010 from February 2010. That’s the biggest increase in four months and continues a year-long upward trend. Retail sales in March 2010 were 7.6% higher than in March 2009.
- Of the \$5.7 billion increase in March 2010 retail sales, \$3.9 billion was auto related, another \$730 million was building materials and garden supplies, and the remainder spread among various retail categories. “Core” retail sales — retail sales excluding autos, gasoline, and building materials — rose 0.5% in March, the sixth increase in the past seven months for that measure.



Where to go for more information:

- The Census Bureau's press release on March retail sales is [here](#). April retail sales will be released on May 14, 2010.

LIGHT VEHICLE SALES

Who releases it and when?

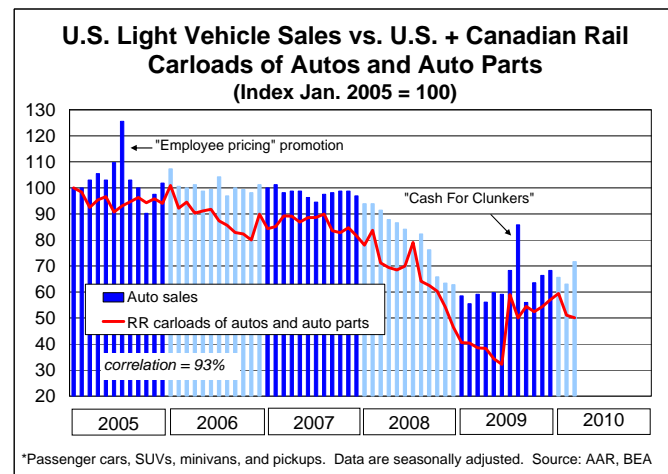
- The U.S. Bureau of Economic Analysis.

What is it and why is it important?

- Covers U.S. sales of cars and light trucks, including pickups and SUVs. Over the past 50 years, spending on motor vehicles has accounted, on average, for about 3.7% of U.S. GDP.
- In 2008, 6% of U.S. Class I railroad revenue came from hauling autos and auto parts.

What are the latest numbers?

- U.S. light vehicle sales **rose 13.6% in March 2010** from February 2010 to a seasonally-adjusted annualized selling rate (SAAR) of **11.8 million**. Excluding August 2009 when cash-for-clunkers artificially boosted auto sales, March's total was the highest level since September 2008 (see chart at right).
- Part of the gain in March is probably due to sales delayed by the February snowstorms, but there's almost certainly more to it than that. Auto sales have been trending slowly upward since t fall.



Where to go for more information:

- BEA data on auto sales are [here](#).

HOUSING STARTS

Who releases it and when?

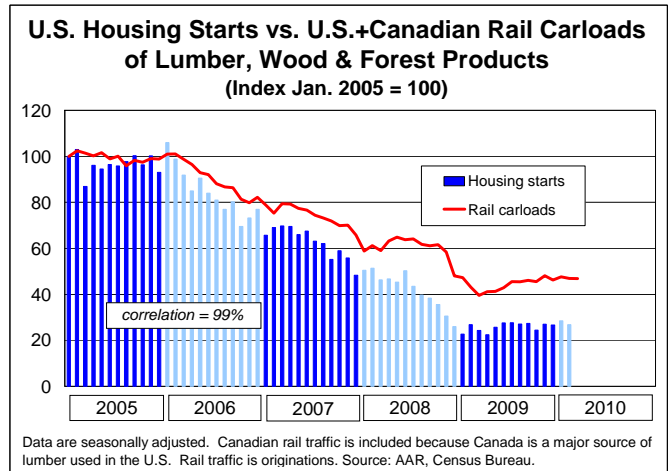
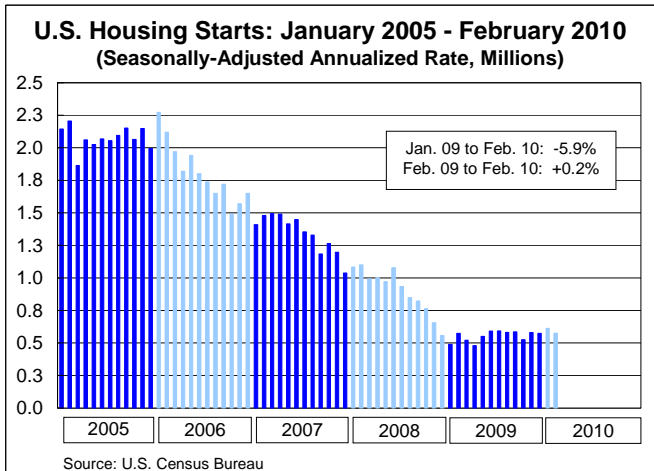
- Census Bureau, around the middle of each month. Prior months' data are subject to revision.

What is it and why is it important?

- A housing start is beginning the foundation of a residential home.
- Housing directly accounts for around 5% of the overall economy and has large spillover effects on other sectors, such as retail sales and manufacturing, since people buying new homes tend to spend on other goods such as furniture, lawn and garden supplies, and appliances.
- Housing starts are generally considered to be a "leading indicator" because construction growth usually picks up at the beginning of a business cycle. A number of factors affecting today's housing market, including a huge oversupply of existing houses, might mean that new construction will be more of a lagging indicator this time around.

What are the latest numbers?

- Seasonally-adjusted housing starts **fell 5.9% in February 2010 to an annualized 575,000** from a revised 611,000 in January 2010. February 2010's housing starts were almost the same as they were in February 2009. The bottom line is that the housing recession that's now more than four years old shows no sign of ending.



Where to go for more information:

- The Census Bureau's press release on housing starts in February is [here](#). March's housing starts will be released on April 16, 2010.

CONSUMER PRICE INDEX (CPI)

Who releases it and when?

- U.S. Bureau of Labor Statistics (BLS), mid-month.

What is it and why is it important?

- The CPI is the benchmark inflation guide for the U.S. economy. It measures the changes in the cost of a representative basket of consumer goods and services. The BLS collects prices from 23,000 retail and service establishments throughout the country.
- It's hard not to have at least a little inflation when an economy is growing, but inflation can harm economies in many ways. Just one example: inflation confuses price signals — producers don't know if higher prices are simply part of an inflation-related adjustment or if they signal higher demand that warrants expanded production.
- The CPI is the basis for cost-of-living adjustments for Social Security, federal retirement payments, many private pensions, and food stamps.

What are the latest numbers?

- The consumer price index** for all urban consumers (CPI-U) **rose 0.1%** on a seasonally adjusted basis in March 2010 from February 2010 and **is up 2.4%** on a **year-over-year basis**.
- According to the BLS, the increase in CPI in March was mostly due to an increase in the fresh fruits and vegetables index, which rose 4.6% in March and accounted for more than 60% of the all-items increase. "Core" inflation — CPI excluding food and energy — was virtually unchanged in March 2010 from February 2010.

Where to go for more information:

- The BLS press release on the March CPI is [here](#). April's CPI will be released on May 19.

U.S. DOLLAR EXCHANGE RATE

Who releases it and when?

- The Federal Reserve Board, daily.

What is it and why is it important?

- An index comprised of a weighted average of the value of the U.S. dollar against the currencies of a group of major U.S. trading partners.
- An exchange rate is the **price of one currency against another**. A weaker U.S. dollar (“depreciation”) means that U.S. imports become relatively more expensive and U.S. exports become relatively less expensive abroad. All else equal, that means fewer U.S. imports and more U.S. exports. Because the U.S. is such a huge market, prolonged weakness in the dollar’s value could harm the economies of export-driven countries around the world. Conversely, a stronger dollar (“appreciation”) means U.S. imports become relatively cheaper and U.S. exports become more expensive. All else equal, that means more U.S. imports and fewer U.S. exports.

What are the latest numbers?

- The U.S. dollar **fell 0.8% in March 2010**, the first decline in four months.
- The Obama Administration recently announced a “National Export Initiative” designed to double U.S. exports over the next five years. Many different factors influence export levels — the most important, of course, is having something that people abroad want to buy, but exchange rates are certainly a factor too. Theoretically, the United States could pursue a weak dollar policy as a way to help reach the export expansion goal.
- There is a lot of disagreement as to whether a strong dollar is better than a weak dollar. In Google, the number of “hits” for the search “benefits of a strong dollar” and the search “benefits of a weak dollar” are nearly the same. A quick look at a few of the results for each shows that passions run high on both sides.

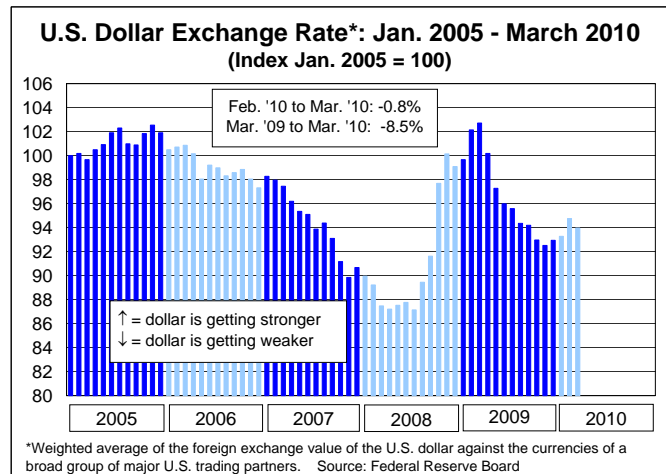
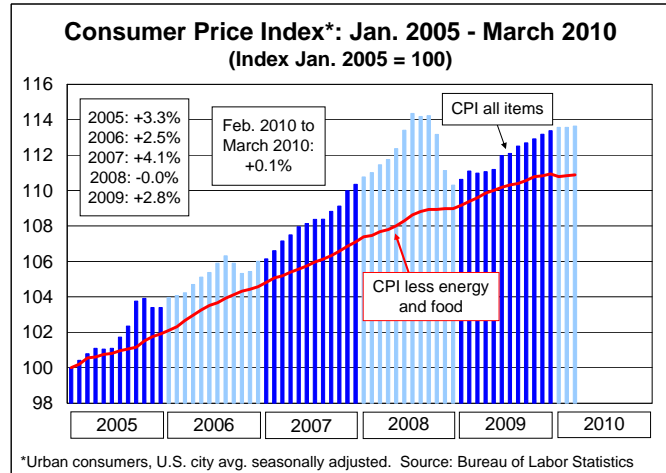
Where to go for more information:

- Exchange rate data from the Federal Reserve is [here](#).

RAIL FREIGHT CARS IN STORAGE

Who releases it and when?

- The Association of American Railroads, each month in [Rail Time Indicators](#).

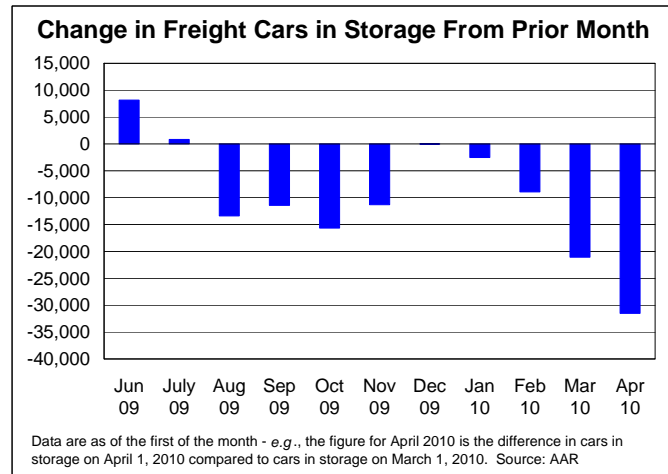
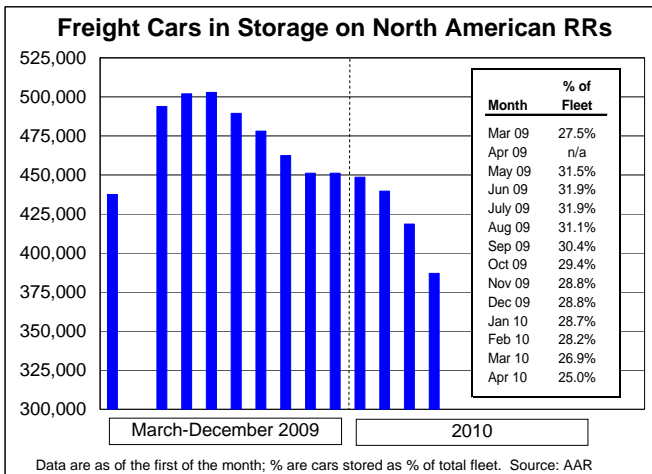


What is it and why is it important?

- A freight car is deemed to be “in storage” if it has not had a loaded revenue move in more than 60 days. Rail cars are stored when they are not needed due to lack of demand; they come out of storage when demand improves. Figures are for the entire North American rail freight car fleet and include rail cars owned by railroads, leasing companies, shippers, and others. The total freight car fleet changes from month to month as new cars are added and old cars are scrapped. Data prior to March 2009 are not available.

What are the latest numbers?

- As of April 1, 2010, there were 387,029 freight cars in storage, equal to 25.0% of the total freight car fleet (see chart below left). Since July 2009, nearly 116,000 freight cars have come out of storage, including 31,500 in March 2010. Over the past four months, the pace of cars coming out of storage has accelerated (see chart below right). Our best estimate is that, when the economy and the rail industry are at their healthiest, around 2% or 3% of freight cars are in storage.
- The reduction in cars in storage, including in March, has been broad based across the various freight car types — an indication of a broad increase in demand for rail service and, by implication, a broad improvement in the overall economy.



Where to go for more information:

- Contact Frank Hardesty of the AAR’s Policy and Economics Department at 202-639-2321 or fhardesty@aar.org.