Freight Rail and International Trade

Freight Rail Policy Stance: Freight railroads support a modernized North American Free Trade Agreement (NAFTA) that retains the benefits of the original agreement while updating rules to reflect today's modern economy. The railroads oppose withdrawal from the agreement.

Why This Matters: The global supply chain is integrated. Policymakers must be careful not to enact measures that roll back U.S. participation in trade and potentially harm more workers than are helped.

By linking businesses to each other here and abroad, freight railroads have played a crucial role in America's economic development for more than 185 years. American life is driven by employment and consumption, which is made possible by domestic and international trade. This trade, which happens across North America, depends on manufacturing and creating goods and services, transporting them to market and then selling them via various retail means — in person or electronically.

International trade, facilitated largely through free trade agreements, such as NAFTA, has benefited the U.S. economy. When U.S. companies — such as freight rail customers — have access to global markets, businesses and customers American's gain access to a greater variety of goods at a lower cost. Federal policymakers should be looking at ways to open more markets for trade, not considering policies to unnecessarily stop sustained growth.

While agreements can always be improved and must put domestic workers first, lawmakers should not promote policies that would unwittingly roll back U.S. participation in international trade.

At a Glance

- Railroad Impact
  An impressive 42% of rail carloads and intermodal units and 35% of annual rail revenue are directly associated with international trade. About 50,000 rail jobs, worth over $5.5 billion in annual wages and benefits, depend directly on international trade.

- National Impact
  Withdrawing from NAFTA would negatively impact over $1 trillion of North American trade, jeopardize 14 million U.S. jobs and expose U.S. businesses to $15.5 billion in new tariffs. Withdrawal could also cost consumers at least $7 billion.

- Agriculture Impact
  The agriculture sector exported nearly $43 billion worth of goods to NAFTA partners in 2016 (a 450% increase since NAFTA's formation). One in every 10 planted acres in the U.S. feeds people in Mexico and Canada. Exiting could cost the U.S. at least 50,000 agriculture jobs and $13 billion in GDP from farming alone.

- Auto Impact
  The auto industry accounts for more than 7 million jobs in the U.S. In 2015, U.S. companies exported over $30 billion in auto parts to Canada and more than $29 billion in U.S. parts to Mexico.