

Freight Rail and Automotives: Moving Nearly 75% of America's New Cars and Light Trucks

Railroads' involvement in the automotive industry dates back to the early 1900s and Henry Ford's innovative Highland Park assembly plant. As demand for new automobiles grew, railroads even designed a railcar specifically for the movement of automobiles. This innovation greatly increased the number of autos carried per railcar from two to ten or more.

Today, railroads are involved in many stages of auto manufacturing. They move the raw iron ore and coke needed to make steel, deliver semi-finished products to manufacturing plant where they are used to produce auto parts and move the final vehicles.

Using a combination of boxcars and intermodal containers, railroads transport hundreds of thousands of carloads of auto parts each year. Many larger parts — such as frames, engines, transmissions and axles — are too big or heavy to move in large quantities by truck, and as a result, are largely hauled by freight rail from auto parts suppliers to automobile manufacturing plants.

Current Stats: In 2016, U.S. Class I railroads moved 1.2 million carloads of motor vehicles and equipment (4.3% of total carloads), carrying 22.2 million tons (1.5% of total tons) and earning gross revenue of \$5.5 billion (8.4% of total revenue).

International Trade Impact: Freight rail moves the imports and exports of Canadian and Mexican automotive products to and from auto factories in dozens of U.S. states. Automobiles and auto parts are among the three largest rail commodities shipped to Mexico. In 2016, 13 automakers manufactured 12.2 million vehicles in the U.S. — more than one million more vehicles that were manufactured in the U.S. the year before NAFTA took effect. The makers also launched 15 new plants since the creation of NAFTA, leading to 50,000 direct and 350,000 indirect auto jobs.

At a Glance

- **75% of New Cars**
Each year, freight rail moves nearly 75% of the new cars and light trucks purchased in the U.S.
- **Serving Many Customers**
Railroads serve most of the 70-plus automobile manufacturing plants across North America, including in Georgia, Illinois, Indiana, Ohio and Texas.
- **1 Train = 750 Automobiles**
As an affordable way to move goods on a massive scale, railroads are the preferred transportation provider of the automotive industry. A single train can move approximately 750 automobiles.
- **Upgrades to Railcars**
Automobiles must arrive at the dealer in pristine condition, so railroads have made critical improvements to their operations, such as upgrading railcars used to transport autos and moving them in dedicated trains from the assembly plant to destination.