

Freight Rail Works for America



By providing safe and efficient transportation for nearly every industrial, wholesale, retail and resource-based sector of the economy, freight railroads play a fundamental role in America's economic growth and high quality of life.

Private Rail Network

America's freight rail industry is one of the most efficient and cost-effective transportation networks in the world. Fueled by billions of dollars in annual private investment — averaging about \$27 billion the past five years — railroads maintain and modernize the nation's nearly 140,000-mile rail network to deliver for America.



Economically Critical

In 2017, Class I railroads' operations and capital investments supported over 1.1 million jobs, \$219.5 billion in economic output and \$71.3 billion in wages, while creating nearly \$26 billion in total tax revenues. One job in the rail sector supports eight others across the economy.

Safe & Getting Safer

Recent years have been the safest for the rail industry, with 2017 marking the lowest rate of track-caused accidents ever. Railroads train 20,000 first responders annually. More than 99.999% of all hazmat moved by rail reaches its destination without a release caused by an incident.

Future Focused

Innovative technologies like ultrasound and drones allow railroads to inspect infrastructure and equipment with greater precision and frequency. America's freight railroads continue to meet all Positive Train Control (PTC) deadlines.

Sustainable

As the most sustainable way to move goods over land, a freight train, on average, moves one ton of freight 479 miles on one gallon of fuel. Moving goods by rail instead of truck reduces greenhouse gas emissions by an average of 75%.

Trade Connector

Global commerce is directly tied to 42% of rail traffic and 50,000 domestic rail jobs, worth \$5.5 billion in annual wages and benefits. Railroads haul roughly 33% of U.S. exports, allowing U.S. industries to compete abroad while providing consumers access to a greater variety of goods.

Employee Driven

In 2017, freight railroads employed roughly 170,000 people — the vast majority of whom are unionized and earn an average of \$125,400 per year in total compensation — 60% more than the average U.S. employee.

Smart Policies Work for America

To continue the safe and efficient operations that move America forward, railroads must have smart policies that allow them to invest, innovate and compete.

Maintaining railroads' existing economic regulatory framework benefits the economy.

Partial economic deregulation for private freight railroads nearly 40 years ago saved the industry from ruin. This balanced framework — overseen by the Surface Transportation Board (STB) — allows freight railroads to manage assets and pricing without overt government intervention while also providing a venue for shippers to address rail service concerns. This market-based framework helps the industry serve customers while still earning reasonable revenues that correlate strongly with investment, safety improvements and productivity gains.

The STB must maintain the current regulatory framework, which balances the needs of both railroads and shippers, and not implement wholesale changes that would compromise the ability of railroads to earn the revenue necessary to reinvest in the network and their employees to meet customer demand.

Establishing sensible operational regulations will spur innovation and make a safe network even safer.

An increasingly technological freight rail industry is innovating to improve safety and efficiency. Through private investment in future-focused solutions, the rail sector continues to set new safety benchmarks, including increasing employee safety and decreasing train accident rates and overall fatalities. Ensuring continued progress requires sensible operational regulations that do not impede industry transformation and innovation.

Policymakers should embrace performance-based regulations that hold railroads accountable for safety performance while also enabling and incentivizing railroads to develop safer, more efficient practices and technology. Lawmakers should also avoid one-size-fits-all policies that hinder modernization, including policies that mandate specific operating models, such as measures that mandate two people be in a locomotive cab at all times in the future. There is simply no safety justification for a crew size mandate, and these decisions are best handled through collective bargaining.

Re-establishing equality among transportation modes will help create a solvent Highway Trust Fund.

Commercial trucking is freight railroads' biggest customer and its biggest competitor. At current configurations, large trucks only pay for 80% of the damage they inflict on crumbling public infrastructure. This underpayment puts the rail sector — which fully covers its costs — at a competitive disadvantage and is symptomatic of the insolvency of the Highway Trust Fund (HTF), which has required \$143 billion in general taxpayer funds since 2008.

In the near term, Congress must reject overtures to allow for bigger and heavier trucks on roads, bridges and highways. No such proposal can be taken seriously until the HTF imbalance is fairly and sustainably addressed. Looking forward, federal infrastructure policy should remedy this fundamental imbalance by ensuring commercial users of infrastructure pay for their use, which could be done through a host of mechanisms, such as a vehicle miles traveled (VMT) fee. This approach could be applied to commercial vehicles to account for distance traveled and the weight of freight-carrying trucks.