

What Railroads Haul: Motor Vehicles & Parts

Freight railroads offer North American automakers safe and reliable rail service, laying the groundwork for continued growth and vehicle sales that span the globe. No matter where the plants are located, the rail network is the backbone of the auto supply chain. In fact, railroads are involved in all stages of auto manufacturing. For example, they move iron ore and coke needed to make steel; deliver semi-finished goods to manufacturing plants where they are used to produce auto parts; and move finished parts and final vehicles.

Railroads are a “heavy hauler” serving many customers.

The North American auto industry includes manufacturing facilities located throughout the continent. Railroads serve most of the 70-plus automobile manufacturing plants across North America. Railroads move big volumes, long distances, safely and reliably. For a single manufacturing plant that serves an entire continent, it would be impossible to be successful without using rail.

In recent years, U.S. Class I railroads have hauled an average of 1.4 million carloads of assembled motor vehicles. In addition, freight rail hauls hundreds of thousands of carloads and intermodal containers of auto parts from suppliers to automobile manufacturing plants.

Railroads continually invest and innovate to maximize efficiency and meet customer needs.

Automobiles must arrive at the dealer in pristine condition. To meet this customer need, railroads have purchased new autoracks — railcars specifically designed to transport finished vehicles from assembly plant to destination — and upgraded old ones.

These purchases have included thousands of traditional autoracks with innovative new designs, as well as thousands more that can be converted from two to three levels to accommodate different types of automobiles. Unlike traditional autoracks, these new rail cars can accommodate pickups, SUVs and sedans, which means they keep moving even when consumer tastes in vehicles change.

Railroads have also continued to invest heavily in their privately owned and maintained 140,000-mile network to continue meeting the needs of their auto customers. For example, to better serve new facilities in the southeast United States and in Mexico, railroads have raised tunnel clearances on many lines in the region so they can accommodate the newest autorack designs, and millions of dollars have been invested in facilities specifically designed to handle automobiles.

Key Takeaways

- Each year, freight rail moves nearly 75% of the new cars and light trucks purchased in the U.S. In 2019, railroads moved 1.8 million carloads of motor vehicles and parts.
- In 2019, automakers sold 17 million cars and light trucks in the United States, an achievement made possible by freight rail and the larger integrated transportation network.
- Today, huge quantities of auto parts move in intermodal trains, taking advantage of intermodal's reliability, high productivity and cost effectiveness.
- In 2019, U.S. companies exported more than \$52.3 billion in autos and auto parts to Canada and more than \$36 billion to Mexico.



Example of an autorack.