America’s freight railroads are the best in the world. Fueled by billions of dollars in annual private investment — averaging about $25 billion the past five years — railroads maintain and modernize the nation’s nearly 140,000-mile rail network to provide safe and efficient transportation for nearly every industrial, wholesale, retail and resource-based sector of the economy.

- **Critical For the Economy:** Every year, railroads save American consumers billions of dollars thanks to their safety, reliability, and cost-effectiveness. Railroads also generated nearly $26 billion in tax revenues. In addition, millions of Americans work in industries that are more competitive in the tough global economy thanks to the affordability and productivity of America’s freight railroads.

- **Safe & Getting Safer:** Thanks to large investments to upgrade and modernize the network, America’s railroads have achieved significant safety improvement across every important category over the last 20 years. Between 2000 and 2021, the train accident rate was down 33% and between 2000 and 2020, the hazmat accident rate was down 60%. The rail employee injury rate in 2020 was an all-time low. In fact, railroads today have lower employee injury rates than most other major industries, including trucking, airlines, agriculture, mining, manufacturing, and construction — even lower than food stores.

- **Future Focused:** Innovative technologies like ultrasound and drones allow railroads to inspect infrastructure and equipment with ever-greater precision and frequency. Life-saving technology called Positive Train Control (PTC) has been fully deployed on high-volume and passenger lines. PTC monitors train speed and location, signals, track switches, and much more to prevent certain train-to-train collisions and derailments caused by human error.

- **Sustainable:** As the most fuel-efficient way to move freight over land, a freight train, on average, moves one ton of freight nearly 500 miles on one gallon of fuel. Moving goods by rail instead of truck reduces greenhouse gas emissions up to 75%, on average. If 25% of the truck traffic moving at least 750 miles went by rail instead, annual greenhouse gas emissions would fall by approximately 13.2 million tons; If 50% of the truck traffic moving at least 750 miles went by rail instead, greenhouse gas emissions would fall by approximately 26.5 million tons.

- **Trade Connector:** 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.

- **Vital Employer:** Freight railroads have approximately 135,000 employees. In 2020, Class I freight rail employee compensation, including benefits, averaged approximately $135,700 per year, 56% 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.

Forty years ago, the U.S. rail industry was on the brink of ruin because excessive regulation was strangling it. Congress wisely chose to largely deregulate the industry. Protections against unreasonable railroad behavior were retained, but otherwise railroads were largely freed to act like most other businesses in terms of managing their assets and pricing their services. This balanced approach to rail regulation has been a tremendous success, leading to sharply lower rail rates, some $760 billion dollars in reinvestments back into the industry since 1980 — by railroads themselves, not taxpayers — and much safer and more efficient railroads.

The STB must maintain the current regulatory framework, which balances the needs of both railroads and rail customers. Wholesale changes would compromise railroads’ ability to earn the revenue required to meet their customers’ needs and ensure that the U.S. freight rail industry remains the best in the world.

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

Freight railroads are constantly innovating, implementing new technologies to improve safety and efficiency. Through huge private investments in future-focused solutions, railroads continue to work hard to improve employee safety and reduce accident rates. Ensuring continued progress requires 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, such as measures that mandate two people be in a locomotive cab at all times in the future. There is 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 HTF.

Commercial trucking is freight railroads’ biggest customer and its biggest competitor. Today, large trucks don’t come close to paying for the damage they do to our public highways. This underpayment puts the rail sector — which fully covers its costs — at a competitive disadvantage and is a major reason for the insolvency of the Highway Trust Fund (HTF), which has required $143 billion in general taxpayer funds since 2008 and will require tens of billions of dollars in coming years as well.

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.