

# 10 Freight Rail Fast Facts

Finding solutions to the challenges our nation and planet face require strong partnerships, innovative thinking and resilient grit. No other industry knows this better than rail, which has been transforming for nearly 200 years to keep meeting America's changing needs. Together, freight and passenger railroads help deliver economic growth, support job creation, provide crucial environmental benefits and increase our nation's productivity and competitiveness. As the 117<sup>th</sup> Congress gets underway, here are 10 quick facts to know about North America's freight rail network.

- 1. We've Got the Tab:** Unlike other modes of transportation — such as highways — America's freight railroads overwhelmingly own, build, maintain, operate and [pay for their infrastructure](#) with little government assistance. Thanks to balanced economic regulation, America's freight railroads spend approximately \$25 billion a year on capital expenditures and maintenance expenses, including locomotives, tracks and technology. On average, freight railroads spend six times more on capital expenditures as a percentage of revenue than the average U.S. manufacturer.
- 2. Safe & Getting Safer:** A commitment towards an [accident-free future](#) is in the DNA of every railroader. Thanks to ongoing investments, employee training, technology and community outreach, recent years have been among the safest ever for the freight rail industry. Railroads focus on reducing the leading causes of rail related accidents while safeguarding their employees as well as pedestrians and drivers. These efforts have helped lower train and hazmat accident rates by 35% and 64%, respectively, since 2000 while the rail employee injury rate in 2020 was at an all-time low.
- 3. #EcoFriendly:** Railroads are a responsible way to mitigate the transportation-related causes of [climate change](#). Railroads account for roughly 40% of U.S. long-distance freight volume (measured by ton-miles) — more than any other mode of transportation — but only 1.9% of U.S. transportation-related greenhouse gas (GHG) emissions. Even more impressive; U.S. freight railroads, on average, move one ton of freight more than 480 miles on *one* gallon of fuel. These sustainability creds are made possible by railroads' commitment to innovating technologies, investing in new equipment and pioneering more efficient operations.
- 4. Economically Critical:** America's privately owned freight railroads are the [most productive and cost-effective in the world](#), connecting consumers and businesses across the country. Freight rail accounts for around 40% of intercity ton-miles — more than any other mode of transportation — and hauls one-third of the country's exports. Research from Towson University's Regional Economic Studies Institute found that in 2017 alone, Class I railroads' operations and capital investment supported over 1.1 million jobs, \$219.5 billion in economic output, and \$71.3 billion in wages, while also creating nearly \$26 billion in total tax revenues. And not only did freight railroads deliver for America throughout the COVID-19 pandemic, they will continue to provide safe and reliable service for crucial goods as the nation digs out of the current recession.
- 5. Not Your Grandpa's Railroad:** Today's freight rail network looks like something we once only dreamed of in [sci-fi novels](#). Trains powered by 200-ton locomotives equipped with supercomputers capable of processing a billion data points per second move across the country. Inspection drones fly high over rail yards and bridges while ground-penetrating radar and wayside sensors identify possible track defects. And with the newly implemented Positive Train Control (PTC) systems, on-board computer software can now automatically stop a train in certain instances to reduce specific types of human-caused errors. Policymakers can help railroads maintain this forward momentum by providing a regulatory environment that incentivizes developing technologies that further improve rail safety and efficiency.



**6. Customer-focused:** Shippers from nearly every industrial, wholesale, retail and resource-based sector of the U.S. economy rely on freight railroads to move their raw materials and finished goods to market domestically and globally. By optimizing operations, railroads improved capacity, reliability and productivity across the rail network while delivering record performance and service levels at competitive prices. In fact, the affordability of freight rail saves rail customers (and, ultimately, American consumers) billions of dollars each year and enhances the global competitiveness of U.S. products. Average rail rates (measured by inflation-adjusted revenue per ton-mile) are 44% lower today than in 1981, meaning the average rail shipper can move much more freight for around the same price it paid 40 years ago. Railroads must be able to continue adapting to stay agile and responsive as consumer and market trends evolve, the competitive landscape changes and freight demand grows an expected 30% by 2040.



**7. Partners to Passenger Rail:** Freight railroads are committed to working with passenger carriers such as Amtrak to maintain a healthy, vibrant rail network. Amtrak is an important part of America's surface transportation system, providing an environmentally friendly way for millions of people to reach their destination each year. Of the more than 22,000 miles on which it operates, Amtrak owns approximately 620 miles in the Northeast and Michigan. Some of the remaining miles are owned by states or regional transportation authorities, but the vast majority are owned by freight railroads. In fact, 70% of the train-miles operated by Amtrak are on tracks owned by these freight railroads, meaning freight rail's infrastructure investments benefit commuters and consumers.



**8. Adapting to COVID-19:** Railroads and their pandemic response teams continue to safeguard their employees and maintain the flow of goods necessary to keep America moving. Freight railroads nimbly responded to [COVID-19](#) by following CDC guidelines, providing information to employees from trusted public health authorities and adapting operations to limit potential exposure. Railroads have also heeded the call of rapidly shifting markets to meet business and customer demand, including a marked increase in ecommerce. As state and local authorities formulate their vaccine distribution strategies, they should acknowledge the rail industry's crucial role in keeping supply chains and the economy functioning throughout the pandemic, and provide its essential workforce with access to vaccines, consistent with the prioritization recommendations set forth by the CDC.



**9. Part of Your Policy Solutions:** Because railroads take freight off highways — reducing congestion, road deterioration and GHG emissions — the industry is uniquely positioned to achieve policy priorities such as mitigating climate change and revitalizing public infrastructure such as highways. Exploring [policies that incentivize freight-by-rail movements](#) can serve as a useful tool for the administration and Congress.



**10. Next Step - The Future:** To remain the best freight rail network in the world, North America's freight railroads need data driven policies that allow innovative thinking and ongoing transformation. The bipartisan reformation of freight rail's economic regulation 40 years ago via the [Staggers Rail Act](#) shows the positive impact smart policies can have. Future growth requires equally sensible policy. Mandating specific practices, like staffing or train makeup, would undermine the efficiency and the benefits freight rail provides to the U.S. public. Moving forward, the industry must have operational and safety regulation that allows railroads to [compete](#), invest back into their networks and continue delivering for our national economy.

