Nearly every goods-related industry relies on freight rail to get its products to market in the U.S. and beyond. This critical, efficient, cost-effective network is the best in the world thanks to railroads’ billions of dollars in annual investments. Most of America’s freight railroads own, build, maintain, operate and pay for their infrastructure with little or no government assistance. The U.S. Department of Transportation expects total freight demand to grow 30% by 2040. This means today’s improvements are even more important for world-class service tomorrow.

**Numbers at a Glance**

- From 1980 to 2022, America’s freight railroads, the vast majority of which are privately owned, spent approximately $780 billion — averaging well over $23 billion a year over the past five years — on capital expenditures and maintenance expenses related to locomotives, freight cars, tracks, bridges, tunnels and other infrastructure and equipment. That is the equivalent of 39 cents out of each revenue dollar between 1980 and 2022.

- Over the last 15 years, freight railroads have invested, on average, $24.2 billion of their own capital into improving and maintaining their networks. To put this into perspective, that is $1 billion more than Congress’s 2023 historic investments in rail and multi-modal programs in the IIJA and the Omnibus combined.

- In the last 10 years, U.S. Class I railroads have spent more than $250 billion on infrastructure and equipment and have laid approximately six million tons of new rail.

- The average U.S. manufacturer historically spends about 3% of revenue on capital expenditures. The comparable figure for U.S. freight railroads between 2012 and 2021 averaged more than 18% or six times higher.

**KEY TAKEAWAY**

Each year, freight rail companies invest an average of $23 billion to bolster and modernize their privately owned nationwide networks. Investing six times more than the average U.S. manufacturer, railroads funnel their money into increasing safety, reducing GHG emissions and improving service.
Positive Impacts

- **Improved safety:** There is a direct correlation between rail’s private investments and increased safety. Since The Staggers Act of 1980, which allowed railroads to start pouring billions into their networks each year, the safety record has drastically improved. Railroads take a holistic approach to safety and strategically focus their investments on keeping infrastructure and equipment strong, training employees, evolving operations, deploying technology, safeguarding communities and training first responders.

- **A solution to climate change:** Freight rail is the most fuel-efficient way to move freight over land, and railroads are committed to combatting climate change. Investments in sustainable technologies have improved freight car designs, while more efficient locomotives have reduced energy consumption, pollution and greenhouse gas emissions.

- **Strong infrastructure:** Thanks in part to rail’s massive private investments, the American Society of Civil Engineers awarded the rail network a B, the highest grade in its last two Infrastructure Report Cards.

- **Reduced rates:** Since the Staggers Act was passed in 1980, which allowed railroads to make record investments into their networks, average rail rates adjusted for inflation have fallen 40%. This means the average rail shipper can move much more freight for the same price it paid more than 40 years ago.