America’s freight railroads are the best in the world. Fueled by billions of dollars in annual private investment — averaging about $23 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. To continue the safe and efficient operations that move America forward, railroads must have smart policies that allow them to invest, innovate and compete.

**Freight Rail’s Impact**

- 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. Railroads allow U.S. industries to compete abroad while providing consumers access to a greater variety of goods.

- The last decade was the safest ever for U.S. railroads, with the 2022 hazmat accident rate among the lowest ever. Innovative technologies like ultrasound and drones allow railroads to inspect infrastructure and equipment with ever-greater precision and frequency.

- 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.

- In 2020, Class I freight rail employee compensation, including benefits, averaged approximately $135,700 annually, 56% more than the average U.S. employee.
Key Policy Positions

Economic Regulation

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 freed mainly 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 $780 billion 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 economic regulatory framework, balancing the needs of 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.

Operational Regulation

Freight railroads are constantly innovating and implementing new technologies to improve safety and efficiency. Through substantial 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 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 to 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.

Infrastructure

Commercial trucking is freight railroads’ biggest customer and 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 infrastructure users pay for their use, which could be done through various mechanisms, such as a vehicle miles traveled (VMT) fee. This approach could be applied to commercial vehicles to account for the distance traveled and the weight of freight-carrying trucks.
All Freight Rail Policy Positions

Economic Regulation

Freight railroads support a continuation of existing balanced regulatory policies. The STB must not implement wholesale changes that would compromise railroads’ ability to earn the revenue necessary to reinvest in the network and their employees to meet customer demand. STB policies encourage investment, not deter it. Policymakers must reject current pending proposals:

- **STB Reauthorization**: The freight rail industry opposes reauthorizing the STB because it would interfere with private contracts and expand government control, which would make it harder for railroads to make the private network investments America relies on.

- **Forced Switching**: The freight rail industry opposes the STB’s “forced switching rule” because it would hinder U.S. commerce, increase shipping costs, compromise rail safety and disrupt the supply chain. Passenger railroads, environmental advocates, labor unions and other transportation organizations agree it is important to maintain a competitive and efficient rail system without unnecessary government intervention.

- **Final Offer Rate Review**: The STB should withdraw its Final Offer Rate Review (FORR) proposal because it would harm small shippers and railroads. No other federal government agency reviews regulated rates in this manner.

Operational Regulation

The current regulatory approach is largely prescriptive and does not easily allow for the incorporation of the best technologies to improve safety and performance. 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.

- **Crew Size**: Efforts to require at least two-person crews in the freight rail industry lack a safety justification and ignore the successful use of single-person crews in the US and globally. Such regulations disrupt collective bargaining and hinder the rail industry’s ability to compete with less climate-friendly transportation methods, while also impeding innovation and harming small businesses.

- **Automated Track Inspections**: The FRA should permit railroads that have used expanded ATI inspections in conjunction with a reduced level of visual inspections to continue and expand their programs because ATI systems reduce derailment risks and allow for better maintenance scheduling.
• **Highly Automated Vehicles**: Congress and DOT must facilitate the development and incorporation of technologies like autonomous vehicles because they could dramatically improve the safety of our nation’s roads.

• **Performance-based Regulations**: Railroads are dedicated to adopting new technologies for safety and efficiency, and they advocate for a modern, performance-based regulatory framework that encourages innovation and sets operational goals based on data. Prescriptive regulations are outdated and hinder safety progress.

• **Hazmat/Tank Cars**: Freight railroads prioritize the safe transportation of hazmat and have significantly reduced hazmat accidents through prevention, mitigation and emergency response efforts. To mitigate the consequences of rail accidents should they occur, railroads support (1) making those who produce, sell, or use hazmat, as well as those who benefit from their (transportation by rail) use, share in the added liability and costs associated with transporting such materials and (2) asking shippers to further bolster the safety of rail operations by fully and accurately disclosing and labeling hazmat shipments.

• **Mexican Crew Interchange**: Congress should not enact H.R. 3896, S.2652 – The Protection of American Jobs in Cross-Border Rail Operations with Mexico Act – because it would prohibit Mexican crews from delivering trains into U.S. rail yards, which would harm the ongoing safety, security, and efficiency of the U.S. rail network and increase blocked crossings and congestion in Laredo, Texas.

**Cybersecurity Regulation**

Freight rail emphasizes the importance of cyber resiliency and maintaining public trust as critical infrastructure. Cybersecurity legislation should enable nimble and effective response capabilities without liability concerns, and direct relevant agencies to establish consistent procedures for timely government analysis and support.

**Climate Change Policies**

The right policies will help the U.S meet its climate commitments and help the railroads build a resilient network. Policies to reduce greenhouse gas emissions must leverage market-based competition, be grounded in data and be established through a cooperative approach involving stakeholders.

**Trade**

Freight railroads support free and fair trade. International trade, facilitated largely through free trade agreements, has benefited the U.S. economy. Railroads oppose policies that restrict access to global markets, including the application of tariffs that impose additional costs on rail shippers and industry business operations.
Infrastructure Priorities

In addition to maintaining the current economic regulatory framework, Congress should enact policies that ensure a healthy, multi-modal infrastructure network maintained through sustained investments by those who use the infrastructure. Without the ability to make massive investments, the freight railroad network would suffer along with all the companies and industries that rely on it.

- **Highway Trust Fund (HTF):** Freight railroads invest billions annually in maintaining and improving the rail network, while roads and bridges face a significant backlog of repairs. Congress should consider increasing the gas tax or implementing a vehicle miles traveled (VMT) tax to ensure equitable funding for infrastructure maintenance and explore long-term solutions.

- **Truck Size & Weight:** Congress should not consider changes to federal truck size or weight (TSW) limitations until the full extent of the impacts of different truck configurations are thoroughly understood and trucks are paying for the damage they cause to our nation’s roads and bridges.

- **Public-private Partnerships:** The freight rail industry supports public-private partnerships, such as the Section 130 program — a federal safety effort to protect the motoring public from grade crossing accidents — and a series of rail-related projects in Chicago known as the CREATE program.

- **Environmental Permitting:** Freight railroads support reforms that would provide greater predictability and transparency in federal permitting processes while ensuring a timely, focused review of the environmental impacts of proposed projects.

- **Passenger Rail:** U.S. freight railroads provide the literal foundation for most intercity passenger service in America. Policymakers should ensure that the passenger rail service on corridors owned by freight railroads is done safely and does not impede freight rail service.

- **Right of Way Access:** Lawmakers should oppose BDAC-like legislation that threatens public safety around rail infrastructure and let railroads and entities seeking railroad access to continue to negotiate agreements privately.