BALANCED REGULATION IS WORKING

Prior to 1980, the nation's rail infrastructure was crumbling.

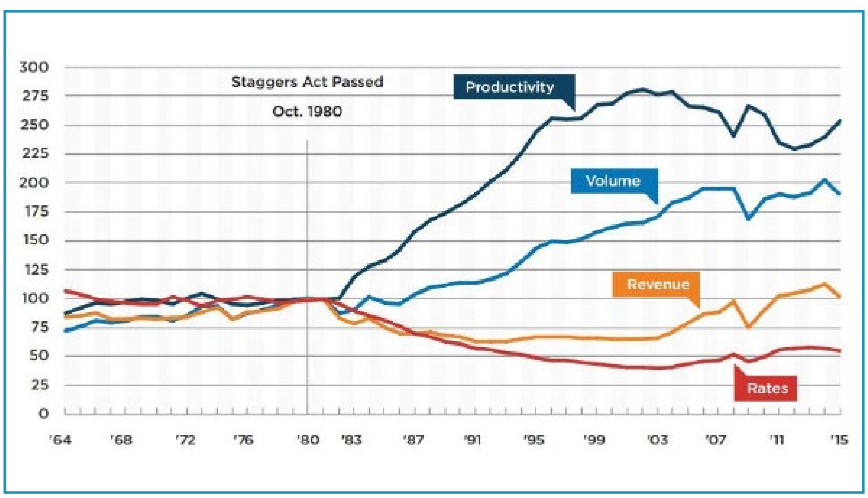
Today, U.S. freight railroads are the most efficient and productive in the world. Just 35 years ago, however, railroads were on the brink of collapse because outdated and overly stringent government regulation had crippled their ability to operate effectively and profitably.

- More than 20 percent of the country's railroad miles were operated by railroads in bankruptcy.
- Rail rates were rising faster than inflation, and the rail market share for freight shriveled as more and more shippers turned to trucks.

The Staggers Act created smart, balanced regulations.

In 1980, Congress passed the Staggers Rail Act, creating a balanced regulatory system that still exists today. Shippers are protected against unreasonable railroad conduct while railroads can largely decide for themselves how to manage their assets and price their services.

- Improved profitability has allowed freight railroads to pour $630 billion of their own funds back into their systems to create a network that is second to none in the world.
- Average inflation-adjusted rail rates are down 45 percent from 1980 to 2015, saving rail customers, and ultimately U.S. consumers, hundreds of billions of dollars over this period.
- Railroads are safer; the train accident rate in 2015 was down 80 percent since Staggers was passed and the grade crossing collision rate was down 81 percent.
- Overall industry productivity was flat for many years prior to Staggers, but is up 154 percent since then.
- Hundreds of short line and regional railroads formed since Staggers and are preserving rail service and rail jobs that otherwise would have been lost.



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