

The Public Benefits of Freight Railroads

The U.S. is connected by the world's most efficient, cost-effective, and reliable freight rail system. Traversing some 140,000 track-miles, America's freight railroads safely deliver economic growth, support job creation, and offer unparalleled environmental advantages while reducing highway gridlock.

Delivering stronger economies.

Here's the headline: U.S. freight railroads move roughly 40% of long-distance freight in the U.S., supporting over 1.1 million jobs in the process and delivering billions in local economic impact. Their high infrastructure spending enables railroads to support jobs in communities all across the country in virtually every sector of the economy.

Investing in tomorrow's network today.

U.S. freight railroads are privately owned companies that spend enormous amounts of their own money to build, maintain and grow their infrastructure and operations—some \$25 billion annually over the last several years. To put this figure in context, railroads spend six times more than the average U.S. manufacturer on capital expenditures as a percentage of revenue.

Rail's commitment to infrastructure investment is critical to communities across the country. One-third of U.S. exports move by rail. Everything from the food on our tables and cars we drive to the chemicals that treat our water and the fuel that powers our homes moves by rail. It's critical for both businesses and consumers that these goods travel on efficient, world-class rails.

Not only is the U.S. Department of Transportation predicting total freight demand to grow 30% by 2040, but e-commerce and just-in-time delivery are fundamentally changing the supply chain. Railroads continue to innovate and invest in their operations to serve customers and compete with other modes.

Conserving fuel, mitigating emissions.

What weighs 4,000 tons, carries the load of several hundred trucks, and is still the most sustainable way to move freight over land? A freight train. Given rail's scale of movement, it makes sense that trains are 3-4 times more fuel efficient than highway transportation, reducing greenhouse gas emissions by an average of 75% over trucks. Plus, more freight moved by rail means less congestion on our roads.

Railroads are not relying on their scale alone when it comes to sustainability, however. Investments into fuel-efficient locomotives, new idling reduction technologies, advanced routing software and other innovations are making freight rail greener every day. Case in point: while freight railroads today move nearly twice as much as they did in 1980, fuel consumption is down.

A culture of safety and innovation.

Railroading hinges on safety. As such, U.S. railroads have achieved significant safety improvements across every recorded category over the last 20 years. The rail employee injury rate in 2020 was at an all-time low, and the train accident and hazmat accident rates are down 33% and 64%, respectively, since 2000.

These achievements correlate directly with railroads' private spending. From massive network investments and strict operating procedures to first responder training and innovative safety technologies, America's railroads strive every day to make a safe mode of transportation even safer. Emerging technologies, like automated track inspection systems, drones, and positive train control, further aim to enhance operations and move railroads toward their goal of zero accidents.

Freight Rail 101

Stronger economies, more jobs, cleaner skies.

- 01. Network**
More than 630 Class I and short line railroads operate across the U.S. The seven Class I railroads are the largest carriers and operate across 46 states.
- 02. Spending**
Freight railroads have spent more than \$740 billion on locomotives, freight cars, tracks, bridges, tunnels and other equipment and technology since 1980. This equates to 40 cents of every dollar earned.
- 03. Workforce**
Approximately 84% of the 115,000 Class I railroad employees are unionized, earning an average annual compensation of \$135,700 in 2020, higher than the average compensation of industries that employ 94% of U.S. workers.
- 04. Sustainability**
One train can move a ton of freight 500 miles on a single gallon of fuel, on average. Rail accounts for 40% of U.S. inter-city freight but just 1.9% of transportation-related emissions, according to the U.S. Environmental Protection Agency.
- 05. Economic Impact**
Class I railroads supported over 1.1 million jobs and \$219 billion in economic output in 2017, according to Towson University's Regional Economic Studies Institute.
- 06. Cost Efficiency**
The average rail shipper can move much more freight today for about the same price they paid 40 years ago. Average U.S. freight rail rates, measured by inflation-adjusted revenue per ton-mile, are 44% lower today than in 1981.
- 07. Partner to Passenger**
Outside of the Northeast Corridor, Class I-owned tracks host much of Amtrak's intercity passenger rail operations and in many places also host commuter rail operations.
- 08. Supply Chain Workhorse**
Together with trucks and barges, freight rail ships 61 tons of goods per American every year. Railroads have long operated 24/7, and a recent Northwestern University Transportation Center study found they were nimble in handling supply-chain disruptions.