🚟 AAR.org/Railroad-Day 💟 @AAR_FreightRail @ASLRRA #RailDay2022



Finding solutions to the challenges facing our nation, our supply chain, and our planet requires 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. Fueled by billions of dollars in private investments, America's freight railroads — the most productive and cost-effective in the world — are supporting job creation, increasing our nation's productivity and competitiveness, combatting climate change and helping the nation recover from the COVID-19 pandemic.

Privately Owned



Freight railroads operate on a nearly 140,000-mile network they almost exclusively own, maintain and <u>pay for themselves</u>, spending an average of approximately \$25 billion a year on infrastructure and equipment. Although the American Society of Civil Engineers again rated rail's infrastructure the best in the nation, the first and last mile short line sections of the network still face considerable upgrade challenges.



Economic Engine

Research from Towson University's Regional Economic Studies Institute found that in 2017 alone, Class I railroads' operations and capital investment <u>supported over 1.1 million</u> jobs, \$219.5 billion in economic output, and \$71.3 billion in wages, while also creating nearly \$26 billion in total tax revenues. Similarly, a 2018 PwC study found that more than <u>478,000 jobs</u> <u>depended</u> on short line railroad service.



Fuel Efficient

Thanks to targeted investments, innovative technology and evolving operations, railroads are the <u>most fuel-efficient way to</u> <u>move freight over land</u>, with one train (on average) moving one ton of freight more than 480 miles on one gallon of fuel. Freight railroads are also 3-4 times more fuel efficient than trucks, on average.



Safe & Getting Safer

The last decade has been the safest ever for the rail industry; the train accident rate is down 31% since 2000 and the rail employee injury rate in 2020 was an all-time low.



Resilient

Railroads and their pandemic response teams continue to safeguard their employees and maintain the flow of goods necessary to keep America moving forward into <u>economic recovery</u>.



Innovative

Dedicated rail employees use <u>cutting-edge</u> <u>technology</u> to predict and prevent problems before they arise. With Positive Train Control (PTC) systems on high-volume and passenger lines, on-board computer software can now automatically stop a train in certain instances to reduce specific types of human-caused errors.



Community Partner

Freight railroads train more than 20,000 local first responders annually and developed the AskRail app to provide emergency personnel detailed information on railcar contents in the event of an incident. Railroads also work with stakeholders to manage and <u>mitigate the</u> <u>impact</u> of rail crossings on communities.



Customer Focused

Average rail rates (measured by inflation-adjusted revenue per tonmile) are 44% lower today than in 1981, meaning the typical rail shipper can <u>move much more</u> freight for around the same price they paid 40 years ago.



American Short Line and Regional Railroad Association















Support Full Funding & Streamlined Implementation of the IIJA to Improve Supply Chain Throughput & Safety

The recently-enacted Infrastructure Investment and Jobs Act (IIJA) provides impactful support for existing grant programs such as CRISI (Consolidated Railroad Infrastructure and Safety Improvements), RAISE (Rebuilding American Infrastructure with Sustainability and Equity) and INFRA (Infrastructure For Rebuilding America). The IIJA also established a new Grade Crossings Elimination program, which is a common-sense solution to provide communities with the needed funding to eliminate at grade-level crossings — as the safest crossing is no crossing at all.

In addition to the guaranteed funding provided in IIJA, Congress also provided authorizations for these programs to receive additional annual appropriations and we urge Congress to ease the supply chain backlog by appropriating those

Key Asks

- Support full funding and streamlined implementation of the IIJA to improve efficiencies, safety and environmentally friendly freight transportation.
- Preserve balanced economic regulation against efforts that would adversely impact the railroads' ability to invest now and into the future or the economic regulatory balance established under existing federal law.
- Oppose all efforts to increase truck length or weight limits, including any pilot programs or special exemptions for commodities.

additional funds for key programs such as CRISI in FY23 and beyond. Together these grant programs are uniquely positioned to connect underserved communities and improve the efficiency of our entire transportation system especially at this time when supply chain bottlenecks can impede economic recovery. They will also improve safety, reduce emissions and advance sustainability.

As this historic investment is being spent, it is important that the discretionary grant process be as streamlined as possible to ensure communities, especially in rural and underserved areas, can easily apply for funding. Congressional oversight should focus on ensuring DOT can quickly process applications and award grants so these projects can become reality.

Preserve Balanced Economic Regulation of the Railroad Industry

The success of the U.S. freight rail industry is a direct result of sound regulatory policy that reasonably balances the needs of railroads, shippers and consumers. This success stems from the current regulatory model, established by the landmark <u>Staggers Rail Act of 1980</u> and preserved by Congress. Since partial economic deregulation, railroads have poured nearly \$740 billion into their infrastructure and equipment. Average rates for railroad shippers have fallen 44%, meaning the average shipper can move much more freight today for about the same price they paid in 1980. Since 2000, the train accident rate is down 31%. The current system ensures that railroads can continue to provide the safe, reliable and sustainable service their customers and the communities they serve rely upon. This service ultimately benefits American businesses striving to compete in the global marketplace, as well as the U.S. economy. We urge opposition to any legislative or regulatory effort that would adversely impact the railroads' ability to invest now and into the future or the economic regulatory balance established under existing federal law.

Oppose Longer & Heavier Trucks

Rail is a safe and environmentally-friendly way to move freight over land. We urge you to continue to oppose any provisions that would increase maximum truck size or weight (TSW) limits on federal highways. Proposals to increase TSW limits have routinely been rejected in bipartisan House and Senate votes. Any changes overturning current federal law would shift traffic off railroads and onto highways with detrimental impacts on the environment and road infrastructure.

Freight rail accounts for 40% of U.S. long-distance freight ton-miles, but just 1.9% of transportation-related emissions, according to EPA data. In fact, moving freight by rail instead of truck lowers greenhouse gas (GHG) emissions by up to 75%, on average.

In 2016, the U.S. Department of Transportation (DOT) recommended to Congress against changing federal TSW limits, concluding that heavier and longer trucks would cause billions of dollars in infrastructure damage. Following a request from the Federal Highway Administration, the Transportation Research Board also released a report in November 2018 identifying 27 research projects focused on pavement, bridges, safety, enforcement, and shipper decisions that need to be completed to more fully evaluate the impacts of heavier or longer trucks on our infrastructure and the safety of other motorists. Since fiscal year 2020, Congress has directed DOT to publish an implementation plan for conducting this research — including timelines for its completion — and has stated that the results of this research should be reviewed before any changes in TSW limits are considered.

Finally, we urge you to oppose legislative language that would permit heavier or longer trucks to operate in individual states. The DOT has also questioned this kind of piecemeal approach for our interstate highways, finding that it makes enforcement and compliance more difficult, contributes little to productivity, and may have unintended consequences for safety and highway infrastructure.