

BALANCED ECONOMIC REGULATION IS WORKING

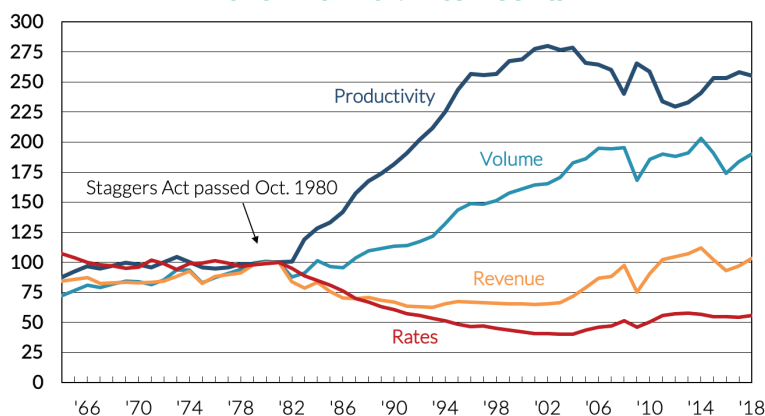
Smart, balanced regulations work.

America's thriving freight rail network is proof that smart and balanced government regulation can work – both for the regulated industry and the public. The performance of U.S. freight railroads in the years prior to 1980 and following passage that year of the landmark Staggers Rail Act presents a stark “before and after” portrait showing just how important smart public policy is to our economy.

Prior to 1980, decades of stifling federal over-regulation had devastated freight railroads. A convoluted system of economic regulation made it impossible for railroads to earn enough revenue or attract sufficient capital to reinvest back into the rail network. More than 20 percent of U.S. rail 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 a balanced regulatory system with a visionary, market-based framework that protects shippers against unreasonable railroad conduct and provides them with a venue for addressing rail service concerns while also allowing railroads to largely decide for themselves how to manage their assets and price their services. This allows railroads to grow revenues and earn enough to make massive, necessary investments into track, technology and equipment.

FREIGHT RAIL UNDER STAGGERS



FAST FACTS: RAIL RENAISSANCE

- Improved profitability has allowed freight railroads to pour \$710 billion of their own funds back into their systems since 1981 to create a network that is second to none.
- In 2017, Class I railroads supported over 1.1 million jobs and generated nearly \$219.5 billion in economic input.
- Railroads haul about one third of U.S. exports, allowing American industries to compete abroad.
- Recent years have been among the safest in history for railroads.
- Railroads continue to improve efficiency, moving one ton of freight an average of 479 miles on a single gallon of diesel. Because railroads are four times more fuel efficient than trucks, they emit 75% fewer greenhouse gases per ton-mile.
- 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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