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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Docket No. EP 775

GROWTH IN THE FREIGHT RAIL INDUSTRY

**COMMENTS OF THE NATIONAL RAILROAD PASSENGER
CORPORATION (AMTRAK)**

The National Railroad Passenger Corporation (Amtrak) is submitting the written comments below for inclusion in the record of the Surface Transportation Board (Board) proceeding on “Growth in the Freight Rail Industry” initiated by the Board’s decision served on July 15, 2024, in the above-captioned docket.

Amtrak was created by the Rail Passenger Service Act of 1970 (RPSA) to relieve privately-owned railroads, now referred to as “freight railroads,” of their common carrier obligation to operate intercity passenger rail services on which they were incurring huge financial losses. Amtrak operates a nationwide rail network of approximately 21,400 route miles that serves 46 states, the District of Columbia and two Canadian provinces. Amtrak owns only a small portion of that network. Approximately 97% of Amtrak’s route miles and 71% of its train miles are on railroad lines owned by other railroads, often referred to as Amtrak’s “host railroads.” The vast majority of the host railroad lines over which Amtrak operates are owned by the six Class I freight railroads; the remainder are owned by regional and terminal freight railroads and regional transportation authorities.

More than two-thirds of the over 300 trains Amtrak operates each day travel over state-supported routes, which are primarily funded by Amtrak’s 21 state partners from 18 states. Amtrak

and its state partners have added, expanded, and improved service on many of the 29 routes over which Amtrak's state-state supported trains operate. The federal government, Amtrak's state partners and Amtrak have invested billions of dollars to increase rail line capacity and upgrade tracks owned by the Class I railroads, regional and terminal railroads, and regional transportation authorities over which Amtrak's state-supported and long-distance trains operate.

In order to enable Amtrak to conduct operations, the RPSA provides Amtrak with unique statutory access rights, currently codified at 49 U.S.C. § 24308, over other railroads and regional transportation authorities. Among other things, these access rights give Amtrak the right to use all rail lines and other facilities of these railroads and transportation authorities, and to have services provided by them, whenever that is necessary to carry out the purposes of the RPSA. If Amtrak and a host railroad are unable to agree upon compensation or other terms for new or continued access by Amtrak, the Board is empowered to resolve the dispute and to order that rail lines and facilities be made available and services provided to Amtrak on terms determined by the Board.

The Infrastructure Investment and Jobs Act of 2021 (IIJA) provided, for the first time since the creation of Amtrak, substantial, multi-year federal funding to improve and expand service on existing Amtrak routes and for initiation of Amtrak service on new routes. The IIJA also created the Corridor Identification and Development (Corridor ID) Program, a comprehensive program administered by the Federal Railroad Administration (FRA) to guide the development and expansion of intercity passenger rail service throughout the United States, and directed FRA to undertake a study of restoration and expansion of Amtrak long-distance routes that is currently underway.

Negotiating agreements with host railroads for publicly funded infrastructure investments made in connection with initiation of new, expanded, or improved Amtrak service is one of the

biggest challenges that Amtrak and its state partners face. Class I railroads over which such services must operate often take the position that planning for these services should assume that the volume of freight traffic moving over the rail lines at issue will significantly increase. These railroads insist that public funding be provided for infrastructure investments that are premised on those projections of future freight traffic increases before they will agree to allow new or additional Amtrak services to operate. The costs of the additional, taxpayer-funded investments driven by the railroads' projections inhibit and delay the expansion of Amtrak service that Congress intended.

As the Board's decision announcing this proceeding indicates, the widely-held assumption on which this argument is based – that rail freight traffic is growing – is mistaken. Rail freight traffic did grow significantly following the deregulation of the freight railroad industry in the early 1980s. However, that growth came to an end nearly two decades ago. Since the mid-2000s, rail freight traffic has actually decreased, significantly.

This decline in rail freight traffic can be difficult to ascertain, in part because of how freight rail data is reported. The most widely reported measure of rail freight traffic trends – the Railroad Traffic Report issued weekly by the Association of American Railroads (AAR) – is not a sufficient indicator of changes in the total quantity of freight traffic moving by rail. The AAR's Railroad Traffic Reports, data from which is included in weekly press releases and annual figures published in AAR publications and on the AAR's website, show the total number of carloads and intermodal units (containers and trailers) originated by U.S. Class I railroads during the relevant period, and the combined total of carloads and intermodal units. The combined total treats intermodal units, which can carry only about 33-40% of the volume of freight that moves in a traditional freight railroad car, as equivalent to carloads. As the AAR data reflect, for many years intermodal units – each representing a much smaller volume of freight than a carload –

have been increasing, while carload shipments by rail have been declining precipitously.¹ As a result, comparing the total number of carload and intermodal units currently transported by rail with historical data, without adjusting for the significant differences in the volume of freight that railcars and intermodal units carry, obscures the large decline in freight rail traffic.

The total rail freight ton miles that the six (until recently seven) Class I railroads report to the Board in their annual R-1 reports provide a more accurate measure of that decline. As indicated in the table below, which compares the freight ton miles each Class I reported in 2006 (the peak year for freight rail traffic) to the ton miles reported for 2023, freight rail ton miles transported by Class I railroads decreased by 15.7% from 2006 to 2023.

CLASS I FREIGHT TON MILES: 2006 vs 2023			
Railroad	2006	2023	Increase/Decrease
BNSF	640.2	578.1	-9.7%
CN	55.3	57.1	3.3%
CP	24.0	36.4	51.7%
CSX	253.0	196.4	-22.4%
KCS	30.5	35.9	17.7%
NS	203.8	176.0	-13.6%
UP	565.2	413.3	-26.9%
Total	1,772.0	1,493.2	-15.7%
Source: R-1 Reports filed with STB, Form 755, Line 108; figures in billions			

The number of freight train miles operated by Class I railroads has declined even more precipitously: by 32% since 2006, according to the R-1 data reflected in the table below. On two Class I railroads, train miles operated have fallen by more than 40%. This decrease in train miles

¹ Bureau of Transportation Statistics data cited in the Board's July 15 decision (<https://fred.stlouisfed.org/series/RAILFRTCARLOADSD11>) indicate that the number of carloads moving by rail decreased 28% from May 2014 to May 2024.

reflects both the decline in freight rail traffic and the operation of longer freight trains by railroads that have embraced operating practices they call “Precision Scheduled Railroading.”

CLASS I FREIGHT TRAIN MILES: 2006 vs 2023			
Railroad	2006	2023	Increase/Decrease
BNSF	174,802,720	137,093,150	-21.6%
CN	16,635,659	16,668,507	0.2%
CP	8,125,305	8,821,147	8.6%
CSX	97,268,835	55,710,616	-42.7%
KCS	9,234,335	8,890,259	-3.7%
NS	84,159,673	58,792,000	-30.1%
UP	172,380,606	96,864,569	-43.8%
Total	562,607,133	382,840,248	-32.0%
Source: R-1 Reports filed with STB, Form 755, Line 5			

The Board and industry stakeholders would benefit from improved access to the most accurate and useful data on railroad industry trends, which, in the case of freight rail volumes, are the data that Class I railroads report to the Board in their R-1 Reports. The availability of better data on trends in freight rail traffic would also facilitate better negotiations between Amtrak, its state partners and commuter railroads with the host freight railroads over which additional passenger train operations are proposed.

At present, however, the extensive data on railroad industry trends included in R-1 reports is not widely known or easily accessible. While R-1 reports of individual railroads dating back to the Board’s creation in 1996 are available on the Board’s website (<https://www.stb.gov/reports-data/economic-data/annual-report-financial-data/>), deciphering the Excel spreadsheets, formatted differently by each railroad and containing thousands of figures, is not an easy task. In addition, the data in individual railroads’ annual reports is not aggregated in a report that provides industry-wide totals.

As part of its review of the issues in this proceeding, Amtrak recommends that the Board consider requiring Class I railroads to submit R-1 data in a standard spreadsheet or internet-based form. This would not require the railroads to produce any additional data; rather, it would allow the Board to more easily produce a consolidated report showing R-1 data for Class I railroads as a whole. The Board could release this consolidated data annually, accompanied by a brief report noting historical trends in key metrics such as freight train miles and freight ton miles.

Amtrak appreciates the Board's consideration of its interests in this proceeding and in the growth of the intercity passenger rail network.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William Herrmann', written over a horizontal line.

William Herrmann
Vice President, Senior Managing Deputy General Counsel
National Railroad Passenger Corporation (Amtrak)
1 Massachusetts Avenue, NW
Washington, DC 20001
(202) 906-3971
Byl.Herrmann@amtrak.com

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