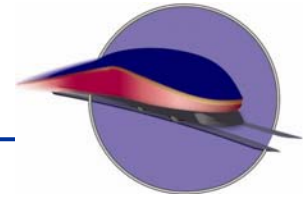




US Department of Transportation
Federal Railroad

Administration



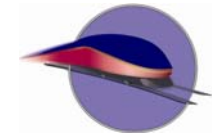
Midwest Association of Rail Shippers

Ron Hynes

Federal Railroad Administration

Director, Office of Policy

January 13, 2010



Rail Industry Before Partial Deregulation

One-Third of Major Carriers Bankrupt

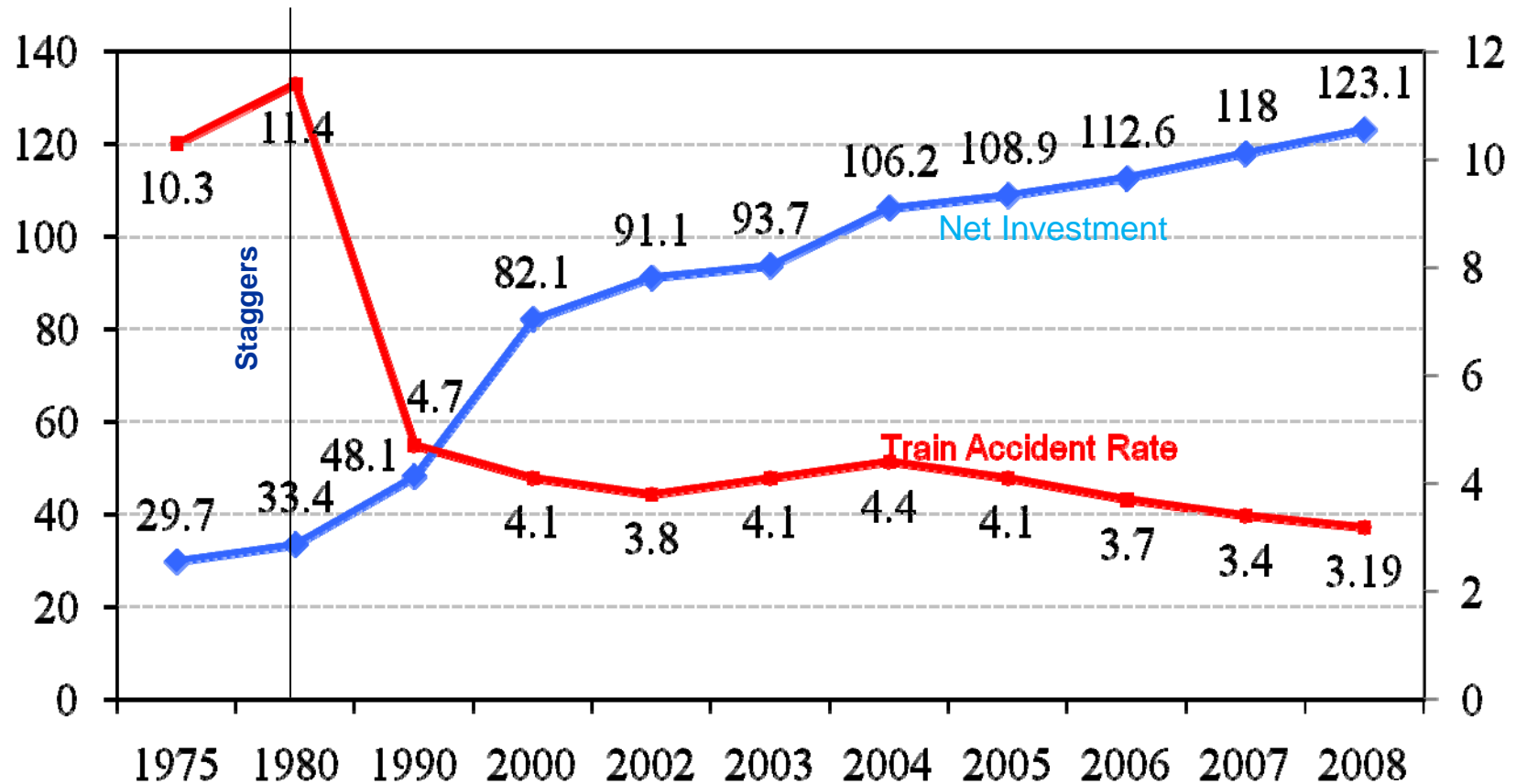
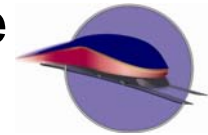
Rising Transportation Rates

Falling Market Share – Traffic Shifting to Other Modes

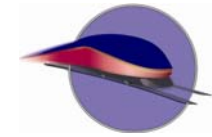
Low Industry Return On Investment

High Rate of Accidents and Derailments

U.S. Railroad Net Investment & Train Accident Rate Before and After Staggers

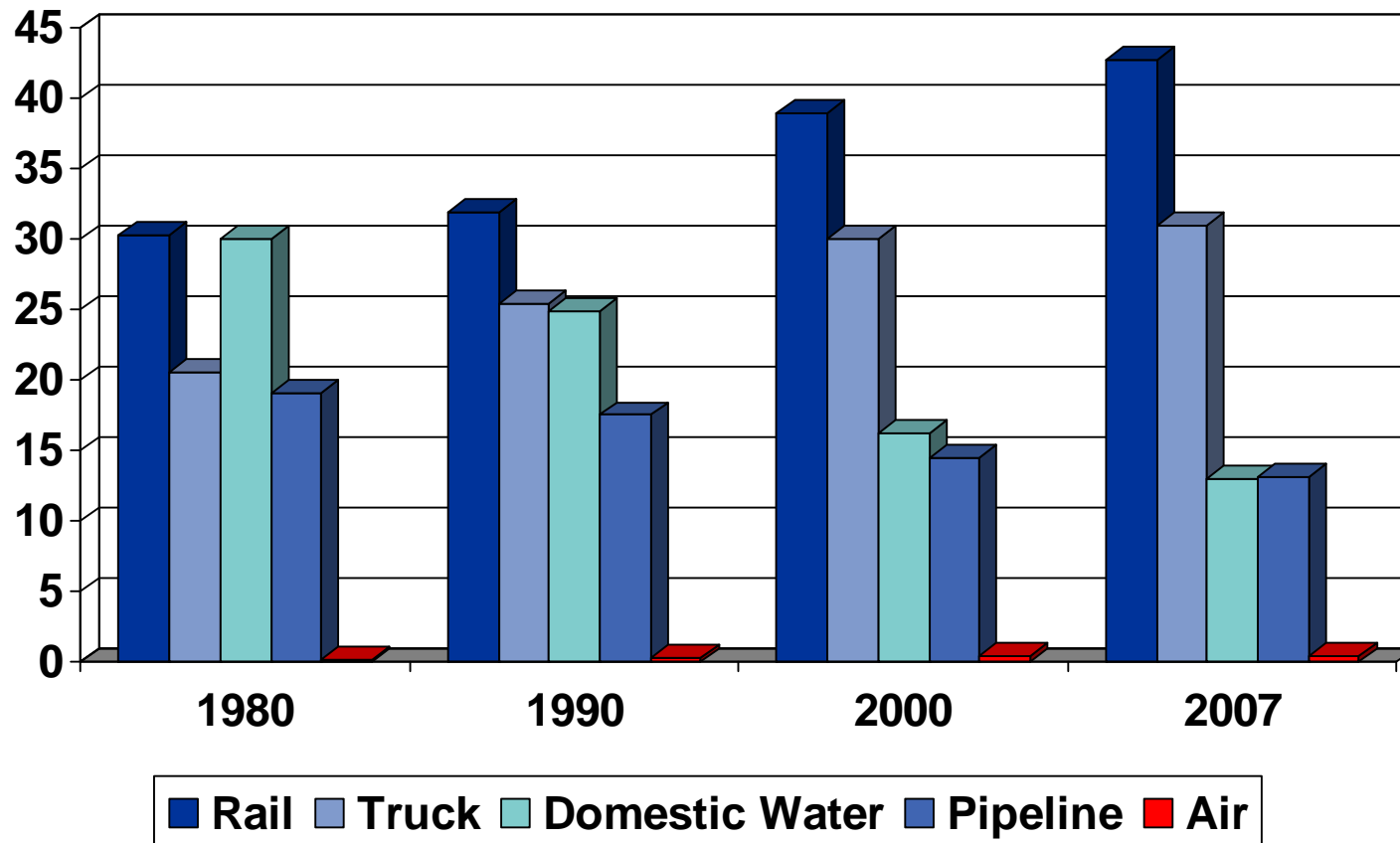


-- Net Investment cumulative in billions of \$
 -- Accident rate per million train miles

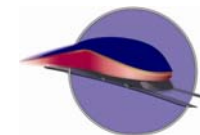


Trends In Freight Mode Share

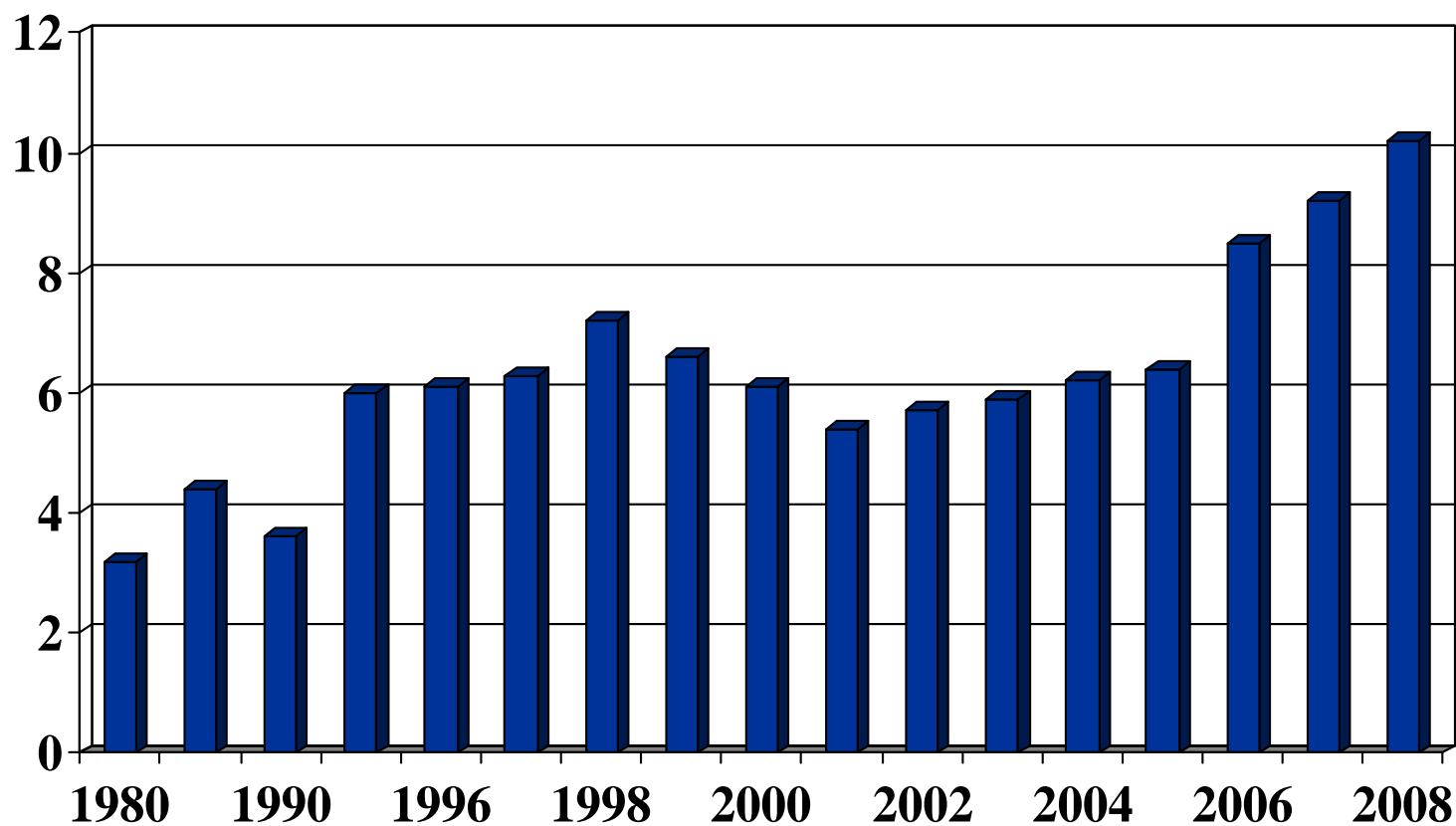
Percent of Total Revenue Ton-Miles



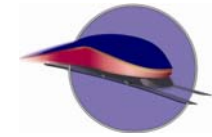
Source: Bureau of Transportation Statistics--2008



Class I Railroad Capital Expenditures



Source: Association of American Railroads; "Railroad Facts," various editions for historic results

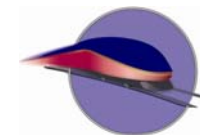


Rail is More Efficient Than Trucks

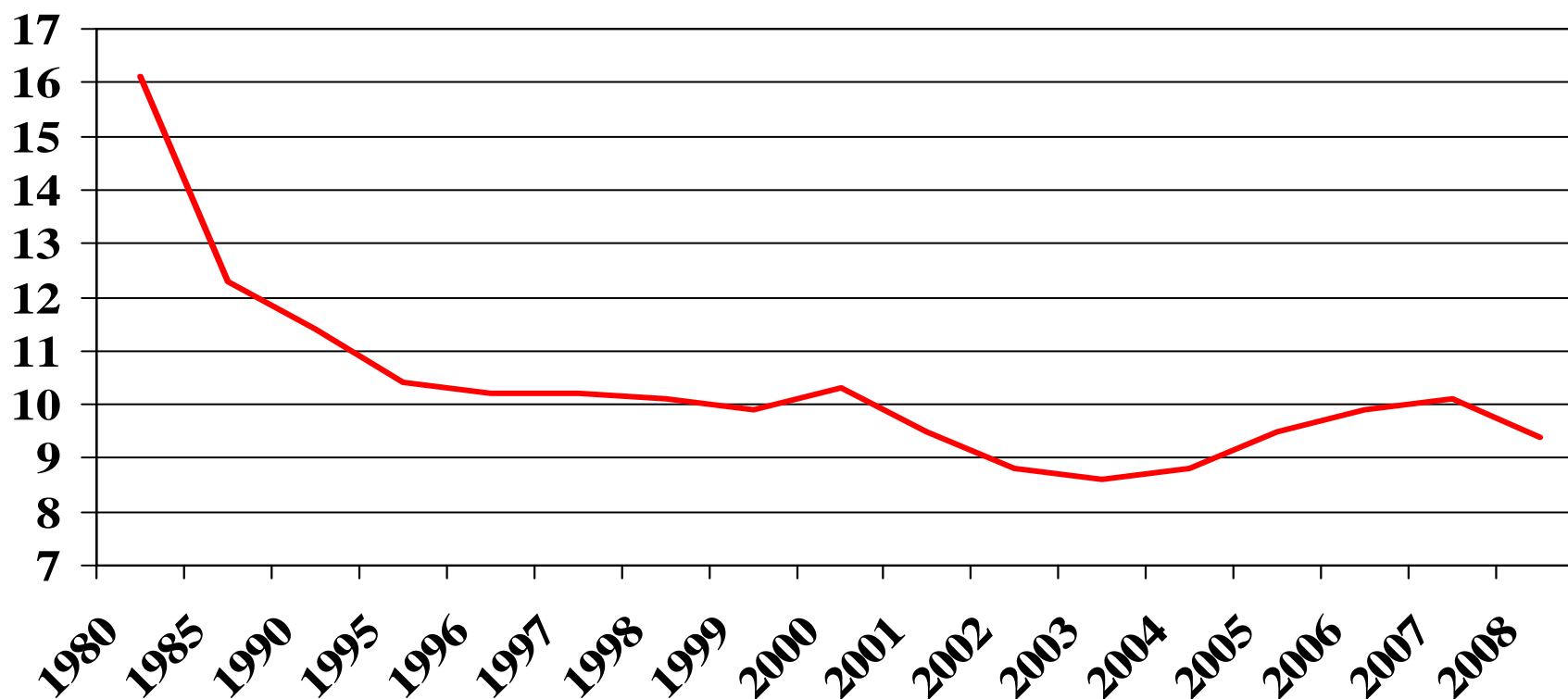
Rail is 1.9 to 5.5 times more fuel-efficient than truck



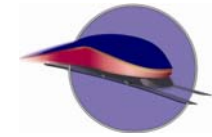
Rail fuel efficiency varies from 156 to 512 ton-miles per gallon, while truck fuel efficiency ranges from 68 to 133 ton-miles per gallon



Total Logistics Costs As a Percent of GDP



Source: Annual State of Logistics Report; Council of Supply Chain Management Professionals

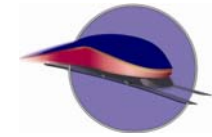


Current Situation

Two Types of Rail Systems in the US:

1) Freight Rail System – the Best in the World



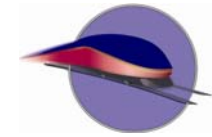


Current Situation

Two Types of Rail Systems in the US:

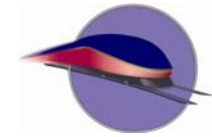
2) Passenger Rail System – Not as Good as in other Countries





Strategic Transportation Goals – Current Performance

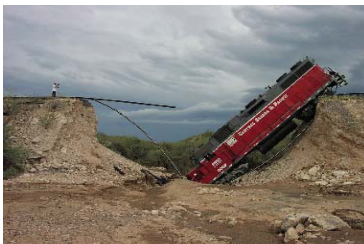
	Freight	Passenger
Safety	Rail and intermodal rail can enhance safety in competitive corridors	Average fatalities per year 2002-2008 = less than 9
Energy	1.9 to 5.5 times more fuel efficient than trucks	Consumes 21% less energy per passenger mile than automobiles
Livable Communities	Mitigates urban congestion	Encourages efficient land use
Economic Growth	Reduces logistics costs	Improves regional interconnectivity
Environment	Reduces greenhouse gasses and pollutants	Reduces greenhouse gasses and pollutants



Challenges Going Forward



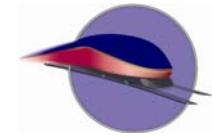
Requirements of PTC



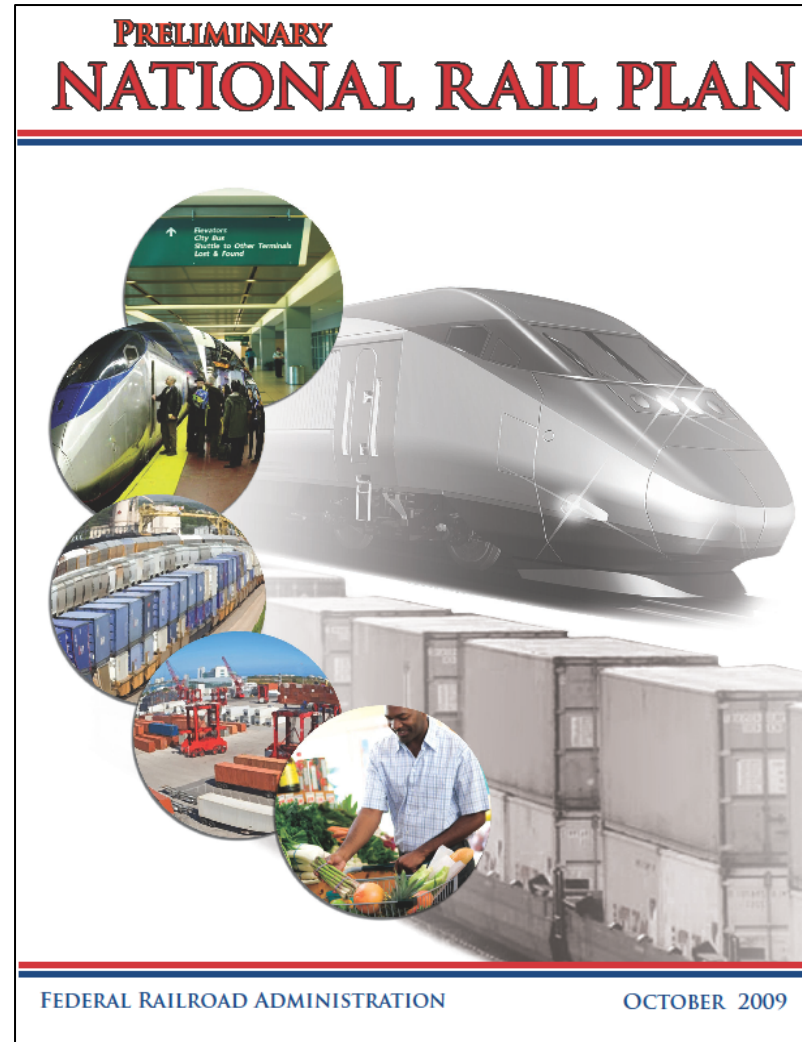
Railroad Regulatory Issues

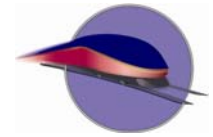


Other Regulatory Issues



Preliminary National Rail Plan





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