

# Overview of Rail Freight Movement in Alabama

## An Overview of Freight Movement in the United States

In 2017, the nation's transportation system, comprising mainly truck, rail, water, air, and multimodal channels, moved a daily average of nearly 48.8 million tons of freight valued at more than \$50.3 billion. In the same year, trucks carried the largest amount of freight by both, value and weight while rail held the second-largest modal share of freight movement followed by water, air, and multiple modes & mail, pipeline, and others. In particular, trucks carried about 11.60 billion tons of freight by weight which valued at approximately \$12.64 trillion (in 2012 terms). Rail, in comparison, carried 1.75 billion tons of freight by weight and \$0.77 trillion (in 2012 terms) of freight by value. Yet, rail remains a critical component of the freight network in the United States. It must be noted that these total weight and value figures refer to the total goods moved between domestic origins and destinations and includes both domestic and foreign shipments.

In 2018, the nation's 140,000-mile rail network (Figure 1), comprising 614 freight railroads, earned nearly \$80 billion in revenues. According to the Bureau of Transportation Statistics, the tonnage of goods moved via the nation's freight railroad system is projected to increase at about 1.5% per year from 2017 to 2045. U.S. freight railroads are almost entirely owned and operated by the private sector, employing approximately 165,000 people and supporting over 1 million jobs. The U.S. freight railroad network, as defined by the Association of American Railroads (AAR), is composed of four different classes of railroads:

- *Class I*: A railroad with 2017 operating revenues of at least \$447.6 million.
- *Class II (Regional)*: A non-Class I line-haul railroad that has annual revenues of at least \$40 million, or that operates at least 350 miles of road and revenues of at least \$20 million.
- *Local*: A railroad which is neither a Class I nor a Regional Railroad, engaged primarily in line-haul service.
- *Switching/Terminal*: A non-Class I railroad engaged primarily in services for other railroads.

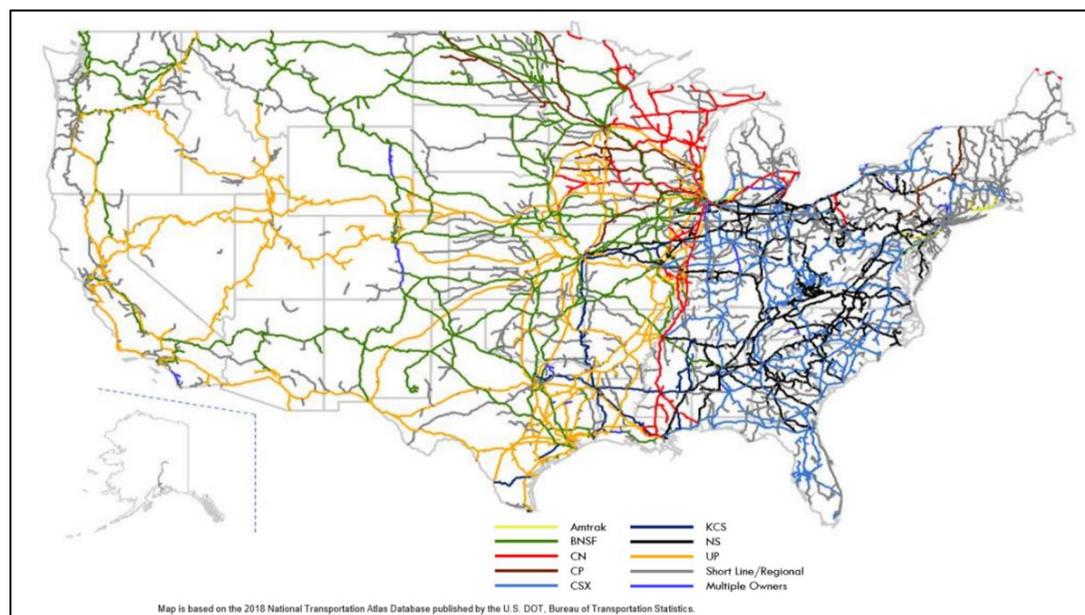


Figure 1: US Freight Rail Network. Used with the permission of Association of American Railroads.

## **The Freight Railroad Network in Alabama**

27 freight railroads serve Alabama, spanning 3272 miles and employing about 3151 people. Of the 27 railroads, 5 are Class I, 1 Class II, 18 local, and 3 switching/terminal railroads. The 5 Class I railroads include Burlington Northern Santa Fe Railway, CSX Transportation, Kansas City Southern Railway (KCS), Norfolk Southern Combined Railroad Subsidiaries, and Canadian National Railway (Figure 2). The Alabama Southern Railroad (ABS) began its operations in Alabama when Watco Companies leased lines from Kansas City Southern Railway in June 2005.

The commodity most transported by Alabama freight railroads is coal, at about 20 million tons per year. Of shipments originating in Alabama, coal is the most shipped but the Alabama Department of Transportation projects basic chemicals will double to 8 million tons and overtake coal by the year 2040. Coal is and is expected to remain by far the greatest single commodity shipped in to Alabama by rail. Other major commodities originating and terminating in the state in 2017 include chemicals, primary metal products, nonmetallic minerals and farm products.

In comparison to other states, Alabama is ranked 10<sup>th</sup> in the number of freight railroads by state, 18<sup>th</sup> in the amount of rail tons carried by state, 20<sup>th</sup> in the number of freight rail employees by state, and in the top 20 states for total rail mileage in 2017.

From a safety standpoint, Alabama's railroads fare better than at least 30 other states on the basis of accidents/incidents and at least 10 other states on the fatalities measure. In 2013, Alabama reported 202 accidents/incidents, 18 fatalities, and 109 injuries on the state's railroads.

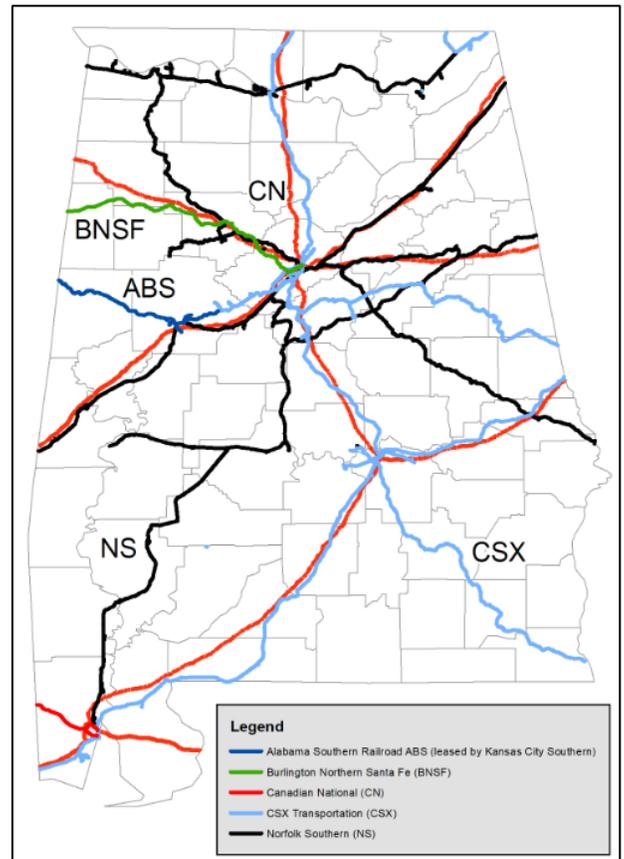


Figure 2: Alabama's Freight Railroad Network. Source: Association of American Railroads (July 2019).

## **References**

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## **Acknowledgement**

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