



Economic Study Press Release:

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[Public Rail Now](#) is excited to announce their second research report in their campaign for public rail ownership. **["From Margins to Growth: The Economic Case for a Public Rail System."](#)** lays bare the economic facts for the current state of the US rail system is in a downward spiral, facts working railroaders have been espousing for decades. Public rail ownership has the potential to save up to \$140 billion annually for US consumers, provide an estimated 180,000 new rail road jobs, avert \$190 Billion in public health, environmental and fiscal cost, while helping to meet climate goals by avoiding 180 metric tonnes of carbon emissions.

Long term trends of decreased freight rail service, decreased market share and decreased employment have accelerated in recent years, particularly with the advent of Precision Scheduled Railroading(PSR) across most Class 1's, leaving freight service in a severe decline. **In many ways these are predictable consequences of massive, largely unregulated regional duopolies.**

The rail corporations have sacrificed workers, trackside community health and risked the safety of every small town along a track, and let the American economy suffer. Our report calculates the cost savings from shipping could help consumers, reduce prices, and improve US export competitiveness for key sectors. Rail can also achieve a much greater cost effectiveness over trucking. The primary goals of this report are to quantitatively assess the extent and costs of this underprovision of rail in the US and evaluate the feasibility of public rail ownership to help reverse the decline of the US rail system.

Through public management of Class 1s, we propose modal shift from long haul freight trucks back to rail. The ambitious mode shift scenario modeled in this report shows that, **by 2050, the US could save up to \$400 billion annually on shipping costs; avert over \$190 billion annually in averted public health, environmental, and fiscal costs; create 180 thousand new jobs in the railroad sector; and create up to four million other new jobs throughout the economy through indirect economic effects. The combined benefits from**

decreased shipping costs and averted social cost amount to nearly \$600 billion annually by 2050—a sum equal to 2% of the GDP in 2022.

“Public ownership and management of the US railways is the only logical step we can take as a nation to reverse the downward spiral of the Class 1’s egregious management of this critical infrastructure,” Nick Wurst, SMART-TD #1473, “This report echos what every railroader has experienced- these companies continue to sacrifice service and safety for the shareholders- at the expense of all Americans.”

Not only does public ownership have the potential to trigger mode shift that would spur economic growth and deliver benefits to the public in the form of improved health and safety, time savings, and reduced shipping costs, this mode shift is also essential to reaching global climate emission targets. On its own, the average annual emissions reductions from mode shift to rail estimated in this report would cut 1/10 from current transportation sector emissions. **By 2050, the total greenhouse gas emissions averted through mode shift to rail would reach nearly 5,000 MMT CO₂e — equivalent to 2% of the world’s remaining carbon budget to maintain a 50% chance of staying within 1.5°C of warming.**

“This research shows us the huge impact robust rail could have on the economy, railroad jobs, human health, and the climate-- and that these gains are not possible under the current private ownership,” says Emmett Hopkins of Climate and Community Institute. **“It’s important for the public and policymakers to understand the true costs of ceding this vital infrastructure to corporations that slash freight service, endanger communities and delay passenger trains-- all while making record profits.** Rail transformation presents an enormous opportunity for the United States to get its carbon reductions on track while also delivering a load of other benefits.”

The economic, social, and climate benefits are realizable by reversing current trends of decline in rail freight while also meaningfully expanding passenger service. But changing railroads’ current trajectory will necessitate deep changes to the structures that currently shape the industry. Public rail ownership provides a direct and decisive path from the current structure as a set of large, under regulated duopolies, to a cohesive entity, well-positioned to reverse decades of decline and worsening service.

“Class 1 railroads are hoarding wealth that could be used to invest in and expand the rail industry. **This peer reviewed report shows that by electrifying the U.S. rail system, we could create 180,000 additional rail jobs by 2030, as many as 4 million new jobs across America by 2050, and save up to \$400 billion annually in shipping costs,**” says Tommy Carden, Associate Director for the Green Locomotive Project at UE commented. “We must continue to advocate for the massive amounts of infrastructure that rail electrification will require while also pushing for the adoption of low-emission locomotives built by union workers as we continue to work towards achieving full rail electrification.”

Link to the report is here <https://www.publicrailnow.org/research/economic-study/>

