



FREIGHT RAIL POWERS AMERICA'S SUPPLY CHAINS

Key Facts

- Freight rail powers global supply chains with efficient, connected, and reliable service.
- Rail supports nearshoring, renewables, and e-commerce growth through major investments.
- Ongoing upgrades boost capacity, cut emissions, and reduce delays.

The global supply chain is a complex web of steamship lines, trucks, railroads, ports, and many providers. These include drayage and truck chassis to shipping containers and warehouses. Given their economy of size, unparalleled fuel efficiency, and ongoing network investments, freight railroads are critical to keeping the transportation network flowing efficiently. Railroads are always ready to solve supply chain challenges, improve customer service, and proactively plan for the future.

BUILT FOR THE JOB

Railroads are the most fuel-efficient way to move freight over land. They offer reliable, sustainable, and cost-effective transportation for large volumes over long distances. As a key part of intermodal transport, they seamlessly connect with trucks and barges. This helps move goods domestically and globally.

By partnering across the supply chain, railroads help link businesses worldwide, boosting America's competitiveness. Working with an integrated supply chain network, freight railroads help transport an average of 59 tons of freight per person annually. They also invest billions each year to strengthen infrastructure, optimize operations, and reduce delays.

- **Infrastructure & Equipment:** Upgraded tracks, bridges, and tunnels bolster safety and reliability. Specialized rolling stock, such as high-capacity freight cars and intermodal containers, maximize cargo per trip.
- **Technology:** GPS tracking, real-time sensors, and data analytics provide train location updates, cargo status insights, and preemptive maintenance alerts. These keep small problems from becoming bigger ones.
- **Intermodal:** Substantial investments in new intermodal facilities, and modernizing existing ones, have been focal points in recent years. Consequently, these have led to reduced transit times and overall cost reduction.

- **Network:** Network expansion through additional tracks, sidings, and rail lines has augmented freight volume handling capacities. This curtails congestion and delays.

NEARSHORING PIONEERS

An emerging trend toward “nearshoring,” involving the relocation of production facilities closer to target markets, is quickly gaining speed. This approach reduces lead times, lowers transportation costs, bolsters quality controls, and diminishes supply chain risks. It achieves this by reducing reliance on distant suppliers. The migration of U.S. operations or production to Mexico, a stronghold of auto manufacturing, stands emblematic of this trend.

RENEWABLE ENERGY SOURCE

By [facilitating the transportation of renewable energy](#) components like wind turbine parts and solar panels, railroads contribute significantly to the growing renewable energy sector. Additionally, the safe and efficient transportation of natural gas and other energy resources complements the expansion of the natural gas sector. Noteworthy strides in energy-efficient practices and adopting cleaner locomotives reflect railroads’ dedication to reducing carbon emissions. They also champion energy sustainability.

SHIFTING CHEMICAL MARKETS

Since the mid-2000s, the United States has been experiencing a revolution in shale energy production. It involves the extraction of oil and natural gas from shale rock formations to create energy, chemicals, and petrochemicals. The development of more shale-advantaged plants is just one reason the chemical market has grown.

Additionally, U.S. plastics production alone has risen over many years because of those new plants. To [support this growth](#), railroads have invested in hazmat routing software and tank car enhancements. They have also contributed to network expansion efforts, including upgrading rail lines and expanding rail yards.

INTERMODAL REVOLUTION

The rising adoption of e-commerce has increased the demand for versatile and reliable transportation solutions like intermodal transport. Railroads have [invested heavily in intermodal](#) through upgrading terminals, building new complexes, and integrating lower-emission technology into intermodal operations. This includes zero-emission cranes and anti-idling locomotives.