“Freight Rail’s Positive Impact on the Economy, Employment and Environment in the NY Metropolitan area.”

New York Metropolitan Transportation Council

Wednesday, December 11, 2019

Melissa Knepper, State Director, GoRail
GoRail works with thousands of community leaders across the country to tell the local story of freight rail — stronger economies, more jobs and cleaner skies.

Learn more at www.gorail.org
GoRail - Mission and Goals

Who we are...What we Do...

- National non-profit grassroots organization promoting the public benefits of rail.
- Building public support for policies to expand rail.
- Supporting legislation to expand rail capacity.
- Opposing legislation that would shrink capacity.
U.S. Freight Rail Network
Staggers Rail Act of 1980

U.S. Freight Railroad Performance Since Staggers (1981 = 100)

"Rates" is inflation-adjusted revenue per ton-mile. "Volume" is ton-miles. "Productivity" is revenue ton-miles per constant dollar operating expense. Source: AAR
The U.S. Department of Transportation expects total freight demand to grow 35% by 2040, which means the improvements made today are even more important for world-class service tomorrow.
Investing in the Future of Intermodal

Continued investment enables freight railroads to meet the changing needs of their customers. From technological improvements to new facilities, investments provide access to efficient and cost-effective intermodal service—benefiting shippers, the U.S. economy, and you.

- Terminals in new or underserved markets provide intermodal access to small and medium-sized shippers for the first time.
- Expanded track capacity helps meet the needs of existing customers and provides the foundation for future growth.
- Hi-tech cranes lead to faster, more efficient loading and unloading of trains and increase the number of container lifts per year.
- New gate and optical scanning technology allows trucks to move freight through the facility faster and improves productivity.
- New rail facilities adjacent to or on docks improve efficiency at ports, and benefit local residents by reducing truck traffic and improving air quality.

AAR.org
@AAR_FreightRail
What’s on that Train?
America isn’t America without Freight Rail.
Public Benefits of Freight Rail
America's Freight Rail Industry...the Engine that Keeps our Economy Strong

$685 Billion in Private Investment

$220 Billion in Economic Activity

Nearly $26 Billion in Federal, State & Local Tax Revenue

Supporting 140,000 Mile Network Equivalent to 5.6 Trips Around the Earth

Generating 1.1 Million Jobs*
Employment

Freight rail’s private spending supports more than 1 million jobs across the U.S. economy.

[Source: Towson University’s Regional Economic Studies Institute]
Conserving Fuel, Mitigating Pollution & Keeping Communities Safe

- Railroads reinvest into the nationwide rail network at $6x$ the rate of the average manufacturer. (Source: Census Bureau, AAR)

- Freight rail is 4x more fuel efficient than trucking. (Source: FRIT)

- Today, the average rail shipper can move nearly 2x the amount of freight for about the same price it paid more than 35 years ago. (Source: AAR)

- One train can carry the load of several hundred trucks, which reduces highway gridlock. (Source: AAR)
Rail investment leads to fewer train accidents

Train accident rate down 32 percent since 2008

Spending on Infrastructure and Equipment*

Mainline Train Accident Rate**

*Class I railroad capital spending and maintenance expenses for infrastructure and equipment
**Total mainline train accidents per million train-miles 2008-100

Source: Association of American Railroads, U.S. Federal Railroad Administration
Freight Railroad PTC Status

Network-wide, Class I freight railroads remain committed to safely implementing Positive Train Control and they will meet all deadlines as required by Congress.

As of July 1, 2019

- Locomotives equipped: 100%
- Wayside units installed: 100%
- Radio towers installed: 100%
- Employees trained: 100%
- PTC-required route miles operational: 91%

By the end of 2020

- Fully implemented: 100%
Freight Rail’s Impact in New York State

New York Rail Lines

Association of American Railroads

Freight Railroads in New York

<table>
<thead>
<tr>
<th>Class I Railroads</th>
<th>Canadian Pacific Railway</th>
<th>CSX Transportation</th>
<th>Norfolk Southern Corp.</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Miles Operated In New York in 2017</td>
<td>414</td>
<td>1,276</td>
<td>856</td>
<td>2,586</td>
</tr>
</tbody>
</table>

Canadian Railroads*

Canadian National | 3

Regional Railroads

Buffalo & Pittsburgh Railroad, LLC | 109
New York, Susquehanna & Western Railway | 306
Pan Am Railways | 53

Local Railroads

Arcade & Attica Railroad | 15
B&H Rail Corp. | 47
Batten Kill Railroad Co., Inc. | 34
Brookhaven Rail, LLC | 3
Central New York Railroad Corporation | 83
Clarendon & Pittsford Railroad | 13
Depew, Lancaster & Western Railroad | 14
Falls Road Railroad Co., Inc. | 45
Finger Lakes Railway Corp. | 167
Houstan's Railroad Co., Inc. | 41
Livonia, Avon & Lakeville Railroad Corp. | 32
Middletown and New Jersey Roy. Co., Inc. | 48
Mohawk, Adirondack & Northern Railroad | 124
New York & Atlantic Railway | 216
New York & Lake Erie Railroad | 35
New York & Ogdensbury Railway Co. | 28
Ontario Midland Railroad Corp. | 51
Rochester & Southern Railroad, Inc. | 232
Saratoga & North Creek Railway | 90
SMB Rail Lines of New York, LLC | 25
Vermont Railway | 10
Wellborns & Conning Railroad LLC | 1
Western New York & Pennsylvania Railroad | 127

Total | 37 | 3,279 | 4,864 |

Switching & Terminal Railroads

Albany Port Railroad Corp. | 10
Buffalo Southern Railroad | 32
Massena Terminal Railroad | 4
New York New Jersey Ral, LLC | 4
Owego & Harford Railway, Inc. | 27
South Brooklyn Railway | 1
South Buffalo Railway | 54

Total | 132 | 1,481
<table>
<thead>
<tr>
<th>Short Line Tax Credit</th>
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<tbody>
<tr>
<td><strong>Short Line tax credit (45G)</strong></td>
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<tr>
<td>was first enacted in 2005</td>
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<td>Expired at the end of 2017</td>
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<tr>
<td><strong>BRACE Act would extend tax credit permanently</strong></td>
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<td>295 supporters in House, 62 in Senate</td>
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Surface Transportation Board (STB) members

Chairman Ann Begeman
• Appointed Chairman in 2018 by President Trump
• Second term expires December 31, 2020; can holdover one year

Patrick Fuchs
• Sworn in on January 17, 2019
• First term on the Board

Marty Oberman
• Sworn on on January 22, 2019
• First Term on the Board

Michelle Schultz
• Nominated in 2017
• Waiting to be confirmed by Senate Commerce Committee

Robert Primus
• Waiting to be nominated by President Trump and then confirmed by Senate Commerce Committee
“Among the social forces of the modern world the railroad holds unquestionably the first place. There is not a single occupation or interest which it has not radically affected. Agriculture, manufactures, commerce, city and country life, banking, finance, law, and even government itself, have all felt its influence.”

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Freight Rail in New York’s Metropolitan Area