

Riding the Rails of Iowa's Economy

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A single train locomotive can move thousands of tons of freight. By itself, that's an extraordinary power. Yet, what many people don't realize is that rail transportation in Iowa is a principal force in sustaining and developing the state's economy. Let's look at a few facts:

- Freight on trucks, trains, barges, and other modes of transportation has grown rapidly - nearly 20% from 1993-2002.
- Freight volumes on all modes of travel are projected to *more than double* in the next 20 years.
- Iowa's railroad network carries 37% of Iowa's freight, yet makes up only 3% of Iowa's 130,000-mile transportation system.
- In 2002, rail shipped over 84 million tons of freight into and out of Iowa, with grain as the primary export and coal as the primary import product.

Let's put these freight statistics into perspective. Each high capacity rail car carries the equivalent of four semi-trailer loads. Therefore, Iowa's railroads annually carry the equivalent freight tonnage of 3.2 million semi-trailers. In other words, they carry over 8,800 semi-trailer loads a day, 365 days a year.

By diverting freight off the highways, Iowa's railroads play an enormous role in preventing or reducing traffic congestion, lessening wear and tear on the roadways, and lowering maintenance and rebuilding costs. With many highways at or near capacity and governments fiscally challenged, rail will remain a critical component in Iowa's integrated transportation system and in the efficient movement of the state's ever-increasing freight volumes.

Rail transportation is also environmentally friendly. It conserves limited natural resources and protects air quality. A gallon of diesel fuel will move a ton of freight approximately 406 miles by rail or 60 miles by truck. The Environmental Protection Agency estimates that for every ton-mile, a typical truck emits roughly three times more nitrogen oxide and particulates than a locomotive.

As private industries, Iowa railroads are major business contributors, which boost the state's economy in a number of ways. Iowa's railroad industry annually spends:

- Over \$268 million to maintain and improve Iowa's rail infrastructure;
- Over \$232 million a year for wages and benefits to over 3,700 Iowans;
- Over \$122 million in retirement benefits to 9,600 retired railroad workers and family members; and
- Significant amounts in property taxes to local governments.

Rail transportation is an excellent buy for Iowa shippers, improving business competitiveness. On average, it costs 42% less to move freight by rail now than in 1985. Many of Iowa's current industries depend upon reliable rail service for their continuing existence and profitability. Iowa's farmers and many value-added agricultural industries are heavily dependent on rail

to provide access to distant, often more profitable markets.

Iowa's rail network currently consists of approximately 4,100 miles of rail lines, down from the peak of over 10,000 miles in 1915. The loss of a community's rail line can endanger industry dependent on low cost rail shipments and eliminate that transportation option for future development.

Access to convenient and cost-effective transportation options is a significant consideration when new or existing industries are considering relocation or expansion. The availability of rail service might be the deciding factor; one that attracts or retains a business, and increases local employment and the county's tax base. Iowa communities are encouraged to take advantage of the opportunities afforded by rail transportation, and to join the significant segment of Iowa's economy already "riding the rails."

Railroad Resources

The Iowa Department of Transportation's Office of Rail Transportation provides a number of services and administers several funding programs that may be of assistance to local jurisdictions. Here is a short list of some of the more significant services, programs and resources offered.

Office of Rail Transportation Website - www.iowarail.com

Find background information on Iowa's railroads, the Iowa Department of Transportation's Office of Rail Transportation programs, contact information, current events, and much, much more.

Iowa Railroad Ties Newsletter

A recently launched email newsletter features news and insights about Iowa's rail transportation system and the role it plays in the state's economy. Read the inaugural issue and subscribe to receive future copies at www.iowarail.com.

Have a concern with a rough highway/rail crossing?

The State Grade Crossing Surface Repair Program provides funding to pay 60% of an improvement, while local highway jurisdictions and railroad each pay 20% of the cost of a surface repair. Contact Mary Jo Key at 515-239-1108 or mary.jo.key@dot.iowa.gov.

Interested in improving safety at a crossing?

The Federal Aid Rail/Highway Crossing Safety Program pays 90% of the cost of new or upgraded crossing protection. Contact Jim Gibson at 515-239-1549 or james.gibson@dot.iowa.gov.

Are you involved in current or proposed rail-related industrial development?

Limited funding is available to assist in construction of rail structures to serve new or expanding industries. Contact Larry Mesenbrink at 515-239-1066 or larry.mesenbrink@dot.iowa.gov.