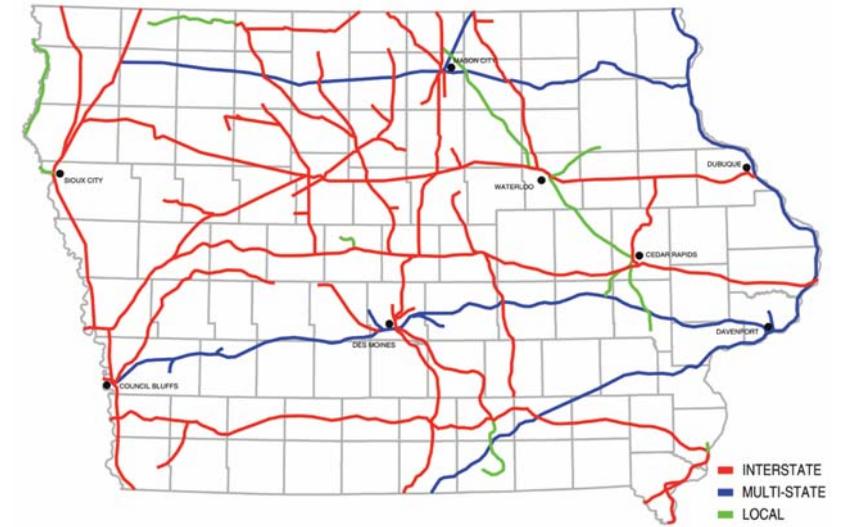
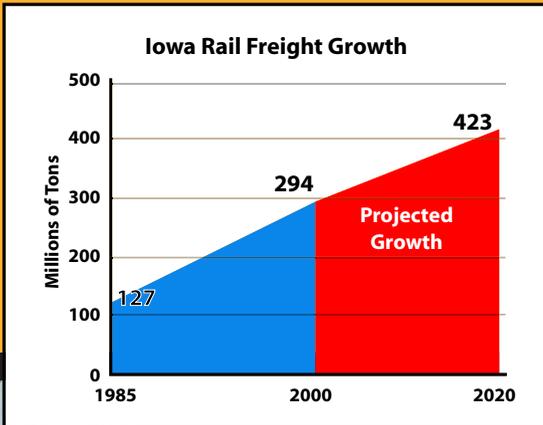


Rail Freight is Growing

Iowa's rail transportation system carries 43 percent of Iowa's freight. Despite a shrinking rail system, rail freight has more than doubled since 1985. By 2020, rail freight moving into, out of and through Iowa is projected to grow an additional 44 percent.



Rail Infrastructure Needs

The rail industry's capital cost to maintain and upgrade the infrastructure is extremely high – from four to five times that of an average manufacturer. Over the last 20 years, the revenue earned has not kept pace with the increased traffic volume. This makes it difficult for railroads to dedicate resources to upgrade or enlarge the rail system for current and prospective users.

The most significant rail infrastructure needs include the following:

- businesses and industries looking to locate or expand within Iowa need rail spurs to create jobs;
- communities and other coalitions of public or public/private partnerships need rail access to attract industry; and
- 800 miles of light density rail lines (20 percent of Iowa's rail system) need to be upgraded to accommodate heavier rail cars for greater capacity.

Development Costs and Funding for Rail Infrastructure in Iowa*

The rail industry in Iowa invests more than \$268 million annually to maintain and improve the rail infrastructure. Public funding at a minimal level to assist the privately-owned railroads will reap large public benefits by helping to maintain a connected, efficient, safe, and environmentally-friendly means of transportation.

To move toward the vision set for the rail transportation system in Iowa, \$5.5 million annually is needed for safety improvements and development of Iowa's rail infrastructure system.

- \$2.5 million is needed to assist in development of spur tracks to support businesses and industries.
- \$2 million is needed to upgrade track on light-density rail lines to accommodate heavier rail cars.
- \$1 million is needed to rebuild road surfaces at highway/rail crossings.

*Note: These numbers do not include rail passenger needs, estimated at \$5.5 to \$6 million annually, if the Midwest Regional Rail Initiative is developed to improve passenger rail service in Iowa.

Iowa's Rail System

Railroads are privately owned companies that provide public, common carrier service. A total of 20 railroads operate in Iowa. Iowa's rail system includes more than 4,000 miles of track and 5,200 public highway/rail crossings.

Stimulated by the changing global economy and increased fuel costs, the demand for rail service is growing, yet the capacity for growth is limited by the need for infrastructure improvements.



Rail Service is Important to Iowa

Rail service is largely invisible to the average citizen, but has a tremendous impact on Iowa's economy. Iowa's grain shippers, value-added agricultural industries, utilities, and many manufacturing firms rely on rail to ship raw materials or manufactured products in or out of the state.

Rail service is important to Iowa because it is:

- part of a multi-modal transportation system that helps Iowa stay competitive in an increasingly global economy;
- a cost-effective bulk transportation alternative that supports the state's industrial and agricultural sectors;
- an essential tool in job retention and recruitment for economic development groups and communities;
- an environmentally-sound means of transportation, hauling more freight per gallon of fuel and creating less air pollution than truck transportation;
- an efficient means to haul freight in high-capacity rail cars, each of which holds the equivalent of four semi-trailer loads; and
- a contributor to Iowa's economy through annual rail industry investments of at least \$639 million in salaries, benefits, property taxes, and infrastructure maintenance and improvements.

Steps Needed to Meet the Vision

If Iowa is to meet the vision that has been set for the rail system, the following should be considered.

- Support a program to create jobs and assist business and industry in building or upgrading rail spurs to serve their facilities.
- Assist with infrastructure improvements on light-density rail lines to accommodate heavier-axle cars.
- Support programs to improve safety at highway/rail crossings.

Facts about Iowa's Rail System

97 million tons of freight shipped annually into or out of Iowa

237 million tons of freight travel through Iowa each year

44 percent growth in rail freight projected by 2020

13 million semi-trailers annually would be needed to haul the rail freight currently moving into, out of and through Iowa

3,700 Iowa rail employees receive more than \$232 million in wages and benefits each year

9,600 Iowa rail retirees and family members receive more than \$122 million in retirement benefits each year

\$268 million annually is spent by Iowa rail lines to maintain and improve their infrastructure

\$17 million in annual property tax is paid to local governments by Iowa rail lines

Iowa's Rail System



Vision for Iowa's Rail Infrastructure System

To have a quality rail system that meets transportation demands, while supporting economic, safety and quality of life needs in Iowa.

