

**2007**

**Iowa's**

**Rail**

**System**

**Background**

Prepared by the  
Office of Systems Planning  
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## Iowa's Rail Environment

Iowa's rail transportation system provides both freight and passenger service. Rail serves a variety of trips, including those within Iowa and those to other states as well as to foreign markets. While rail competes with other modes, it also cooperates with those modes to provide intermodal services to Iowans. In 2007 Iowa's rail transportation system could be described as follows:

### Freight

Iowa's 130,000-mile freight transportation system includes an extensive railroad network, a well-developed highway system, two bordering navigable waterways, and a pipeline network as well as air cargo facilities. While rail accounts for only 3 percent of the freight network, it carries 43 percent of Iowa's freight tonnage. A great variety of commodities ranging from fresh fish to textiles to optical products are moved by rail. However, most of the Iowa rail shipments consist of bulk commodities, including grain, grain products, coal, ethanol, and fertilizers. The railroad network performs an important role in moving bulk commodities produced and consumed in the state to local processors, livestock feeders, river terminals and ports for foreign export. The railroad's ability to haul large volumes, long distances at low costs will continue to be a major factor in moving freight and improving the economy of Iowa.

Iowa's rail system and service has been evolving over time relative to its size, financial conditions, and competition from other modes. Changes in Iowa's freight transportation system and service over the last 22 years can be characterized as follows:

### Key 2007 Facts

- 3,969 miles of track
- 19 railroads
- 50.6 million tons shipped
- 42.8 million tons received
- 2 Amtrak routes
- 6 Amtrak stations
- 62,356 rail passenger rides

### Key Rail Trends

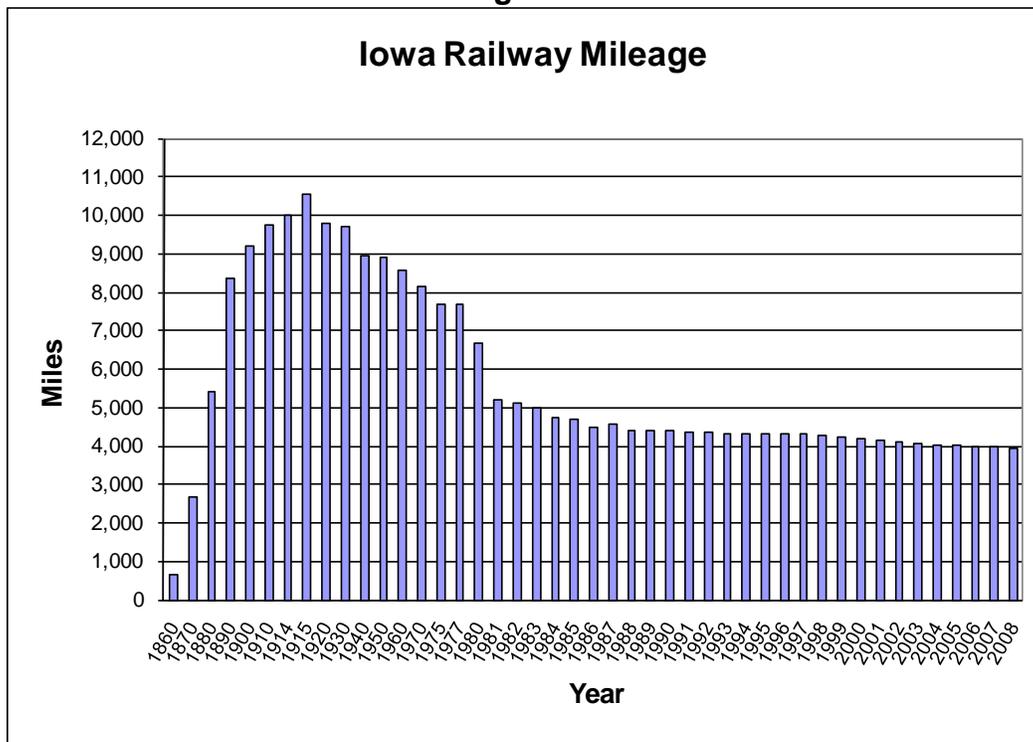
- slightly fewer miles being operated;
- better track conditions;
- more rail freight traffic;
- more tons hauled per car;
- fewer major carriers serving Iowa, but more regional and short-line carriers; and
- higher average rail rates per ton-mile since 2002.

## Iowa Rail Mileage

Iowa railroad mileage peaked in 1915 at approximately 10,500 miles. Today, Iowa has 3,969 miles, 27 miles less than 2006. The current miles are 38 percent of the peak mileage (See Figure 1). The current rail system evolved from massive restructuring in the early 1980s, partly as a result of the financial failures of the Rock Island and Milwaukee Road. In the late 1980s and 1990s, rail line abandonments and new short-line creations slowed considerably. Since 1985, Iowa's rail mileage has remained fairly stable with only 713 miles being abandoned over this 22-year time period.

However, railroad service in Iowa continues to evolve as railroads seek to lower transportation costs and improve efficiencies. Currently, there are 15 miles being considered for abandonment in Iowa.

**Figure 1**

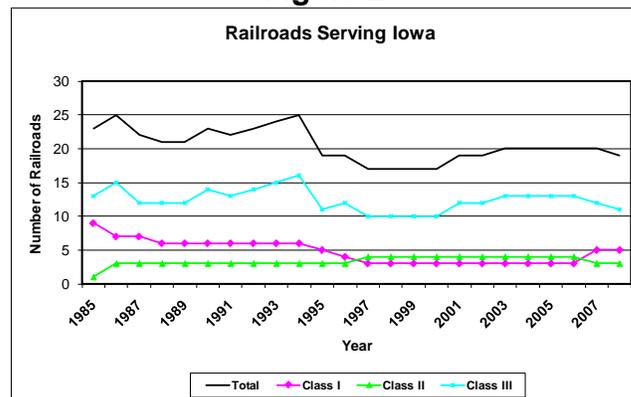


## Iowa Railroads

Railroads serving Iowa have declined since 1985 (See Figure 2). Class I railroad declined from 9 in 1985 to 4 in 2007. The number of Class III serving Iowa has remained basically the same at 12. Class II railroads increased from 1 in 1985 to 3 in 2007.

Rail service in Iowa is privately owned and operated by 19 railroad companies operating 3,969 miles of track (See Table 1). Four of these railroads are major national companies and operate 65 percent of Iowa's total miles. The remaining 15 railroads consist of regional linehaul carriers and local switching companies. Of the 15 smaller railroads serving Iowa, 9 operate only within Iowa.

**Figure 2**



**Table 1**  
Rail Miles Operated in Iowa by Railroad  
December 31, 2007

Railroad Companies			Total Miles Owned/ Leased	Percent Of Total	Miles Operated Under Trackage Rights*
Class I	BNSF	BNSF Railway	635	15.89	38
	CN	Canadian National Railway **	621	15.65	0
	NS	Norfolk Southern Railway	7	0.18	37
	UP	Union Pacific Railroad	1,351	33.81	95
<b>Subtotal</b>			<b>2,607</b>	<b>65.68</b>	<b>170</b>
Class II	DME	Dakota, Minnesota and Eastern Railroad	0	0.00	24
	ICE	Iowa, Chicago and Eastern Railroad	651	16.29	9
	IAIS	Iowa Interstate Railroad	335	8.38	27
<b>Subtotal</b>			<b>985</b>	<b>24.82</b>	<b>60</b>
Class III	APNC	Appanoose County Community Railroad	35	0.88	0
	BSV	Boone & Scenic Valley Railroad	2	0.05	0
	BJRY	Burlington Junction Railway	4	0.10	0
	CBEC	CBEC Railway	6	0.15	0
	CIC	Cedar Rapids & Iowa City Railway	60	1.50	0
	DAIR	D & I Railroad	0	0.00	39
	DWRV	D & W Railroad	19	0.48	6
	IANR	Iowa Northern Railroad	134	3.35	35
	IANW	Iowa Northwestern Railroad	37	0.93	0
	IARR	Iowa River Railroad	43	1.08	0
	IATR	Iowa Traction Railway	13	0.33	0
	KJRY	Keokuk Junction Railway	1	0.03	0
	<b>Subtotal</b>			<b>338</b>	<b>8.52</b>
Other	State of South Dakota		39	0.98	0
<b>Total</b>			<b>3,969</b>	<b>100.00</b>	<b>310</b>

\*Trackage Rights –rights obtained by one carrier to operate over another carrier's tracks. South Dakota owns the tracks that D & I operate under trackage rights.

\*\*Includes the Chicago Central and Pacific Railroad and the Cedar River Railroad which are subsidiaries of the Canadian National Railway.

## Share of Rail Operations

Rail service in Iowa is dominated by the four Class I carriers. In 2007, they operated 66 percent of Iowa's mileage and generated 91 percent of the ton-miles and 87 percent of the freight revenues. The Class II and III railroads often provide feeder service to the Class I carriers. In fact, many of them were created when the Class I railroads downsized in the 1970s and 1980s by selling off their unprofitable and light-density lines. Because of lower operating costs, these smaller carriers have been able to create more local customer-oriented operations. The Class II railroads operated 25 percent of the mileage and generated 8 percent of the ton-miles and 10 percent of the freight revenues in 2007. Class III railroads consist of two separate operating categories--linehaul and switching. Switching railroads operate in urban areas, facilitating the interchange of rail shipments among the railroads, usually Class I railroads. The 12 Class III carriers operated 9 percent of the mileage and generated 1 percent of the ton-miles and 3 percent of the freight revenues in 2007 (See Table 2).

## Use

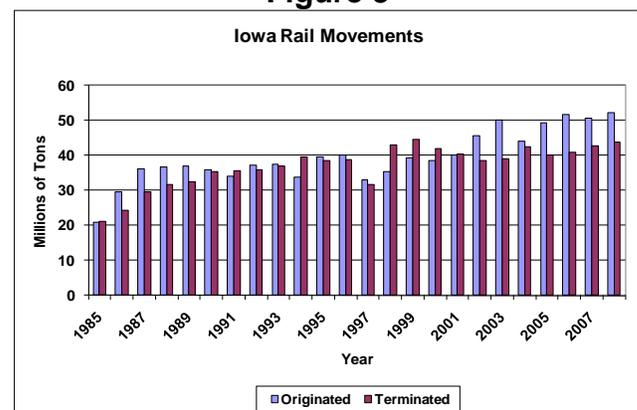
While rail mileage in Iowa has slowly declined during the last 22 years, Iowa rail traffic levels have generally continued to increase (See Figure 3). In 2007, railroads originated 50.6 million tons and terminated 42.8 million tons in Iowa, compared to 51.6 million and 41.0 million, respectively, in 2006. In 1985, railroads originated 20.9 million tons and terminated 21.2 million tons.

**Table 2**

2007 Share of Rail Operations in Iowa

	Class I	Class II	Class III
Number of Companies	21%	16%	63%
Miles Operated	66%	25%	9%
Tons Originated	71%	19%	10%
Tons Terminated	73%	20%	7%
Ton-Miles	91%	8%	1%
Revenues Earned	87%	10%	3%

**Figure 3**



Type of Commodity

A variety of freight commodities are moved by rail, ranging from mail, textiles and furniture to lumber, plastic pellets and automobiles. However, a majority of Iowa rail traffic involves bulk commodities. Farm and food products account for 71 percent of the Iowa originations, totaling 35.9 million tons in 2007. In 2006, these same two commodities accounted for 77 percent.

Three commodities—coal, farm products, and chemicals—comprised about 79 percent of all freight terminating in Iowa in 2007 compared to 77 percent in 2006. In 2007, 33.9 million tons of these commodities were terminated in Iowa (See Table 3).

**Table 3**  
Commodity Types

Year	Originated Tons in Millions			Terminated Tons in Millions			
	Farm	Food	All Other	Coal	Farm	Chemical	All Other
1985	10.2	7.2	3.5	10.5	4.4	2.3	3.7
1986	16.2	8.7	4.6	10.1	6.6	2.6	5.1
1987	22.0	8.8	5.2	11.8	9.4	3.0	5.3
1988	21.9	9.1	5.8	12.7	9.8	3.2	6.0
1989	21.7	9.4	5.7	13.2	11.1	2.9	5.1
1990	20.2	9.7	6.1	15.1	11.2	3.1	6.0
1991	16.8	10.4	6.9	16.6	9.9	2.8	6.3
1992	19.3	11.2	6.7	15.2	11.3	3.1	6.4
1993	17.9	12.0	7.5	17.1	10.3	3.1	6.6
1994	14.7	11.8	7.4	18.2	10.2	3.3	8.0
1995	21.4	11.7	6.6	18.3	9.4	3.0	7.1
1996	20.9	12.3	6.9	20.2	8.4	2.9	7.2
1997	14.2	11.9	7.0	18.2	6.3	3.1	7.7
1998	13.1	14.0	8.4	22.7	6.8	3.7	8.0
1999	15.8	14.8	8.8	24.4	7.8	3.7	8.6
2000	15.4	14.8	8.4	22.1	7.0	3.9	9.0
2001	17.5	16.0	6.7	22.8	5.5	3.8	8.2
2002	22.0	16.0	7.7	21.9	4.7	3.4	8.6
2003	23.4	17.3	9.3	22.8	3.7	3.6	8.9
2004	18.8	16.1	9.3	24.2	4.4	3.7	10.3
2005	20.8	18.3	10.2	21.9	4.3	4.1	9.7
2006	20.4	19.1	12.1	23.5	4.1	4.0	9.4
2007	18.0	17.9	14.7	26.4	3.1	4.4	8.9

## Total Rail Movements

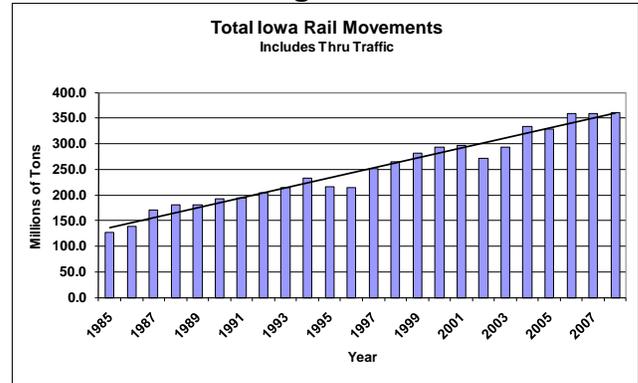
Total rail movements in Iowa increased by 0.7 million tons from 2006 to 2007. Since 1985, total movements have increased by 231.5 million tons (See Figure 4). Total rail movements consist of what originates and terminates in Iowa as well as what passes through the state.

In addition to the 50.6 million tons originated in Iowa and the 42.8 million tons terminated in Iowa, another 265.4 million tons of rail freight merely passed through Iowa in 2007 basically the same as in 2006. Through traffic during the last 22 years has increased 212 percent from 85.2 million tons in 1985 to 265.4 million tons in 2007 (see Figure 5). The majority of this traffic, consisting of coal and intermodal shipments, traverses the state on the Union Pacific's east-west main line located in central Iowa and the BNSF Railway's east-west main line located in southern Iowa.

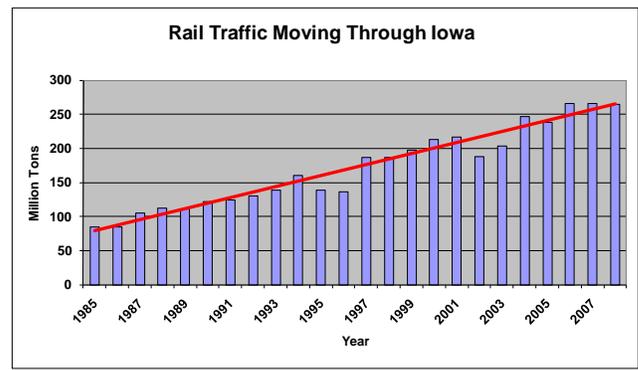
## Car Size

Railroads continue to focus their attention on heavier axle load freight equipment on longer, heavier trains to lower their costs. This trend has led to the current use of 110-ton cars moving in unit trains of bulk commodities where the benefits are the greatest. Over the last 22 years, the average tons moved per car have slowly increased by about 16 percent. In 2007, originating traffic in Iowa averaged 94.2 tons per car while terminating traffic averaged 99.2 tons per car (See Figure 6). This compares to 94.5 tons per car originating and 98.5 tons per car terminating in 2006.

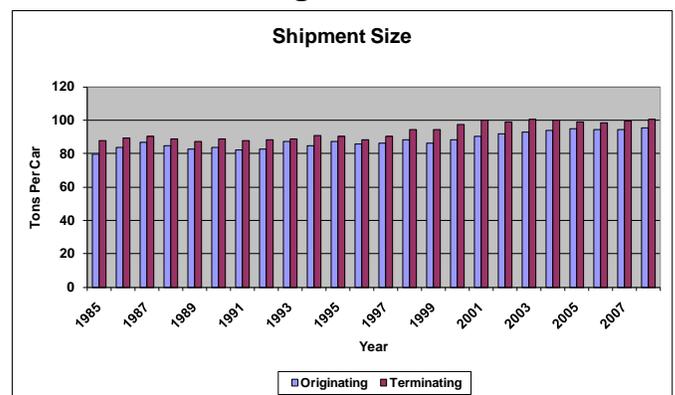
**Figure 4**



**Figure 5**



**Figure 6**



## State-to-State Movements

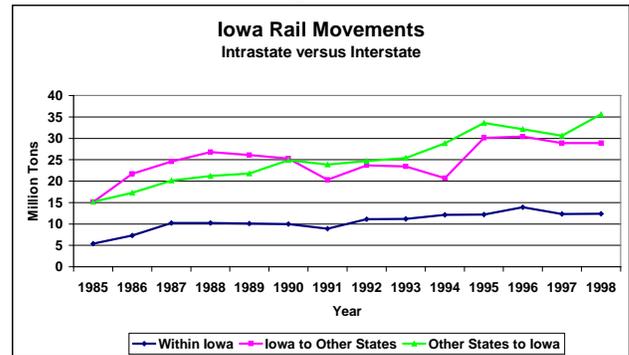
The total freight shipped and received by Iowa rail users in 1998 was about 76.9 million tons based on the most recent waybill sample. Of this total, 12.4 million tons (16 percent) involved intrastate shipments (transported between points within the state). The remaining 64.5 million tons were shipped between Iowa and other states. While the tons of freight moved over Iowa's rail network have increased from 35.7 million tons in 1985 to 76.9 million in 1998, the relative proportion of intrastate movements has remained relatively stable during that time at 15 to 20 percent (See Figure 7).

Of the rail shipments into Iowa, most of the tonnage comes from Wyoming, followed by states around Iowa including Minnesota, Missouri, Illinois and Indiana (See map of following page). Freight traffic originating in Iowa has more widespread destinations, with Illinois receiving the largest amount followed by Missouri, Texas, Washington, California, Minnesota, Louisiana, Wisconsin and Arkansas. Intrastate traffic within Iowa is also a major movement of freight that consists principally of moving farm and food products to Iowa processors and barge terminals.

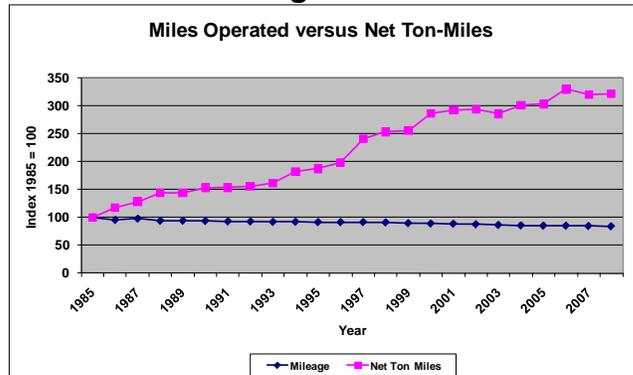
## Ton Miles

While Iowa's rail miles have remained stable, the amount of tonnage moving over the Iowa network has been increasing (See Figure 8). Between 1985 and 2007 ton-miles increased 221 percent while rail miles fell by 15 percent. This translates into Iowa's rail system being used more on a ton-mile basis. Ton miles for 2007 totaled 66.8 billion, 2.0 billion less than 2006.

**Figure 7**



**Figure 8**



## Density

The activity on individual rail lines is measured in terms of density or gross ton-miles per mile (gtm/m). Average rail line density has nearly tripled over the last 22 years primarily as a result of the increased through traffic moving over Iowa's main lines (See Figure 9). As of 2007, the average rail line density in Iowa was 31.67 million, compared to 10.28 in 1985. Traffic density for individual line segments range from 0.01 million gross ton-miles per mile to more than 100.0 million.

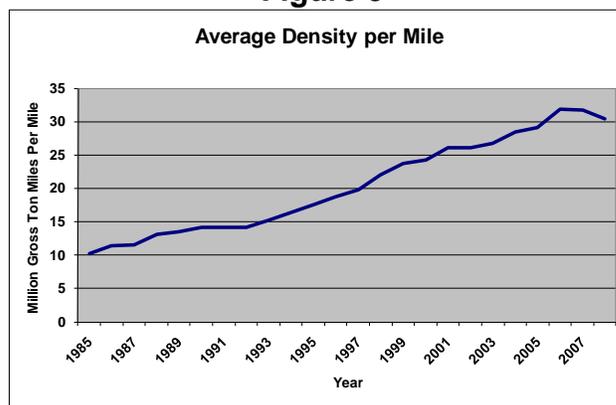
## Miles by Density Category

Density reveals the relative use of each component of the state rail system: the higher the density, the more heavily the line is used. The Federal Railroad Administration classifies lines that carry more than five million gtm/m as main lines while those carrying less than five million gtm/m are considered branch lines (See Table 4).

One-fourth of Iowa's rail miles carried a majority of the rail traffic in 2007. Only 1,077 miles (27 percent) carried 88 percent of the ton-miles hauled in the state in 2007. Conversely, the remaining 2,918 miles (73 percent) accounted for the other 12 percent of the ton-miles.

As shown in Figure 10, since 1985, both A Main Line and A Branch Line miles have increased while both B Main Line and B Branch Line miles have decreased. This further illustrates the increasing traffic volumes and the elimination of little used lines. The miles shown in Figure 9 are based on the density categories from Table 4.

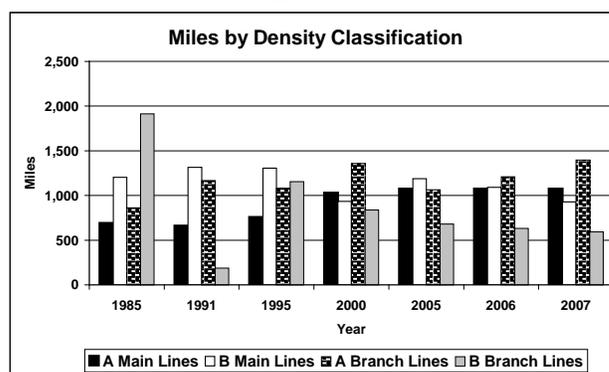
**Figure 9**



**Table 4**  
FRA Density Classification

Category	Density (gtm/m)
A Main Line	Over 20 million
B Main Line	5 million to 20 million
A Branch Line	1 million to 5 million
B Branch Line	Less than 1 million

**Figure 10**



## Operating Revenues

In 2007, operating revenues earned in Iowa totaled \$1.5 billion, an increase of \$0.1 billion over 2006. Since 1985, operating revenues have increased 174 percent in current dollars and by only 21 percent in constant dollars when inflation is considered (See Figure 11).

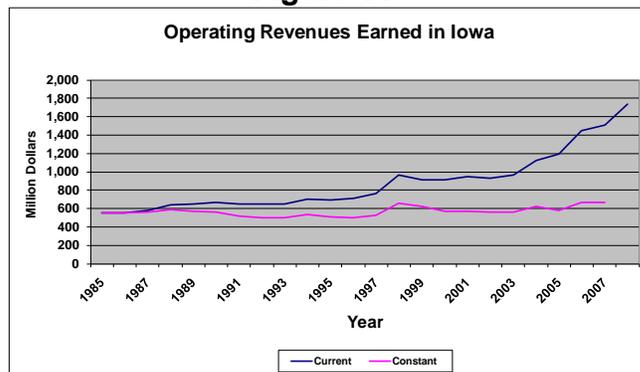
## Rail Operation Performance

Rail service to Iowa shippers continued to show improvements during the last 22 years (See Figure 12). Since 1985, revenue ton-miles increased by 221 percent, while revenues earned in Iowa increased 174 percent in current dollars. However, rail rates in terms of revenue per ton-mile have continued to decline except for the last several years. Revenue per ton-mile declined 42 percent from 2.64 cents in 1985 to 1.52 cents in 2002 in current dollars. Since 2002, revenue per ton-mile has increased 49 percent to 2.26 cents in 2007. Revenue per ton-mile was 0.16 cents higher than 2006.

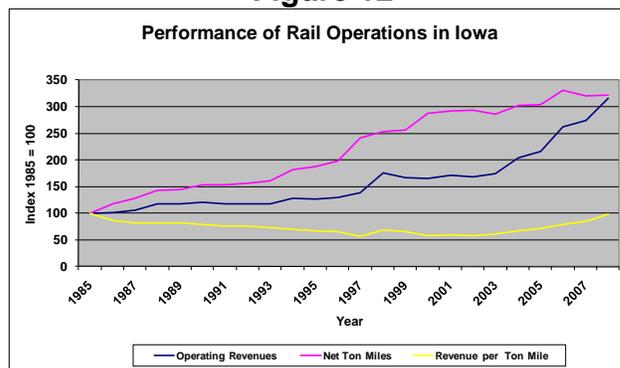
## Rail Equipment Performance

Over the last 22 years, railroads have improved their operations through the efficient use of their locomotives and cars. Railroads are getting more car miles per locomotive. The number of cars per locomotive has increased from an average of about 23 cars in 1985 to 32 cars in 2007, the same as in 2006. As shown in Figure 13, locomotive unit miles have increased by 80 percent, car miles by 154 percent, and car miles per locomotive unit miles by 41 percent since 1985.

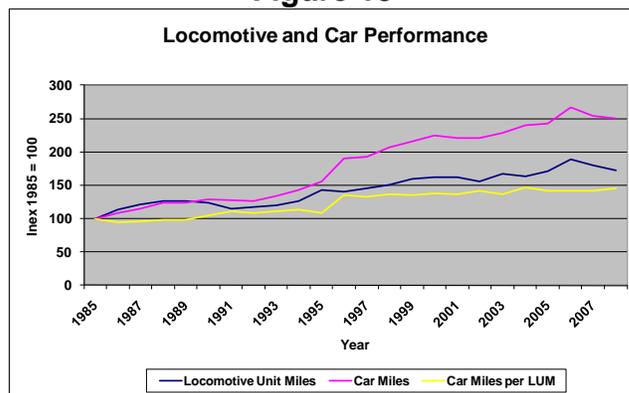
**Figure 11**



**Figure 12**



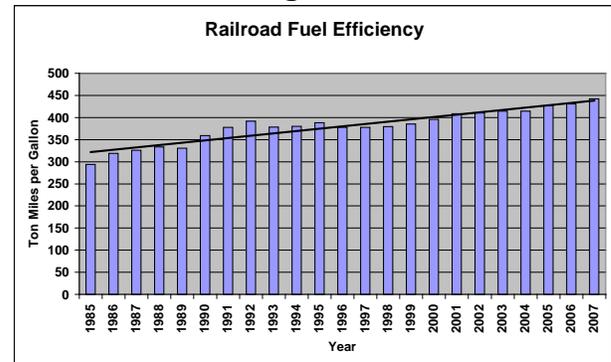
**Figure 13**



## Fuel Efficiency

Railroads consumed an estimated 151.1 million gallons in 2007, 8.5 million gallons less than 2006 and over twice that used in 1985. While railroads are consuming more fuel, they have become more fuel efficient hauling more per gallon of fuel. As a result, ton-miles per gallon have grown from 294 in 1985 to 442 in 2007, an increase of 50 percent (See Figure 14). In 2006, ton-miles per gallon totaled 431. This compares to an increase of 221 percent in ton-miles and 80 percent in locomotive unit miles.

**Figure 14**

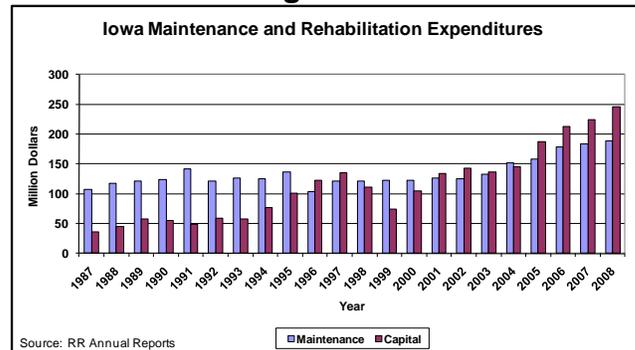


## Railroad Track Expenditures

Railroads operating in Iowa spent an estimated \$408 million annually to maintain and improve their rail infrastructure in 2007, an increase of \$17 million over 2006. Iowa railroads spent an estimated \$183.7 million or an average of about 46,300 per mile to maintain the rail system in Iowa in 2007 (See Figure 15). This compares to an average of about \$23,500 per mile spent in 1987.

In addition, Iowa railroads spent an estimated \$224.4 million in 2007 to upgrade their tracks, an increase of \$187.6 million over 1987.

**Figure 15**



## Passenger

Railroad passenger service, once the dominant mode of intercity passenger transportation in the United States, now plays a relatively minor role in moving people between cities. Iowa's 113,000-mile passenger transportation system includes two Amtrak routes and a well-developed road system as well as commercial air, intercity bus, and city and regional transit services. Rail passenger service is provided at six Iowa stops on the two Amtrak routes through southern Iowa. Rail passenger transportation in Iowa during the last 22 years can be characterized as follows:

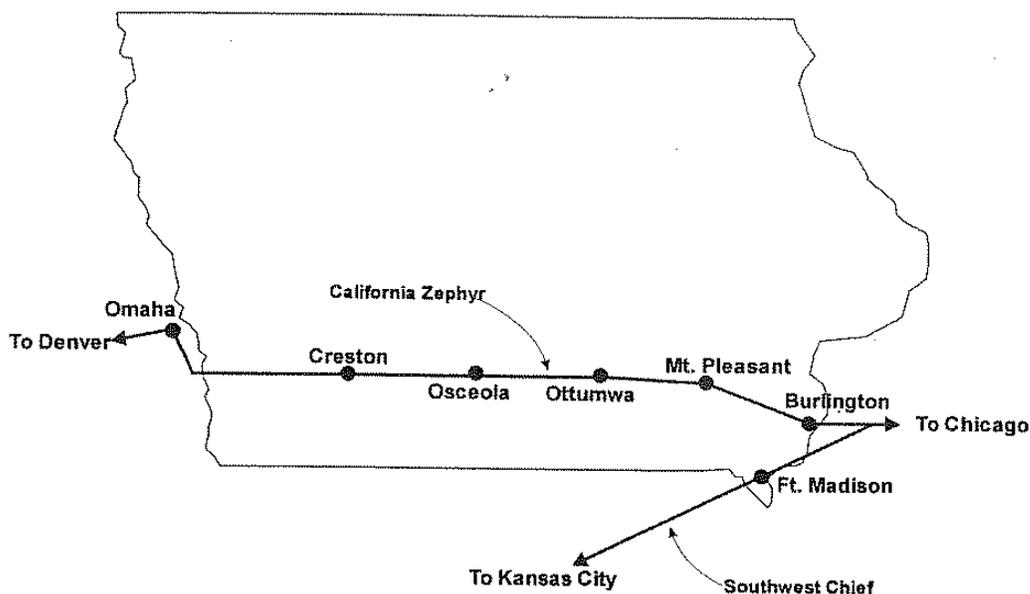
- Rail passenger service has remained the same.
- The number of Iowa rail passengers has increased in the last 5 years.

## Iowa Service

Passenger service in Iowa is currently provided by the California Zephyr from Chicago to Oakland, CA, and the Southwest Chief from Chicago to Los Angeles, CA (See Figure 16). The California Zephyr operates over the BNSF Railway tracks in southern Iowa providing daily service in both directions. Stations include Burlington, Mount Pleasant, Ottumwa, Osceola and Creston. The Southwest Chief also operates daily in both directions over the BNSF tracks in extreme southeast Iowa with one stop in Fort Madison. During fiscal year 2007, Amtrak employed eight Iowa residents.

Iowa is presently pursuing additional rail passenger service in the state. Amtrak has conducted rail passenger feasibility studies from Chicago to Iowa City and Chicago to Dubuque. Iowa has also requested Amtrak to study implementing service from Iowa City to Des Moines and Dubuque to Waterloo.

**Figure 16**  
Amtrak Routes in Iowa



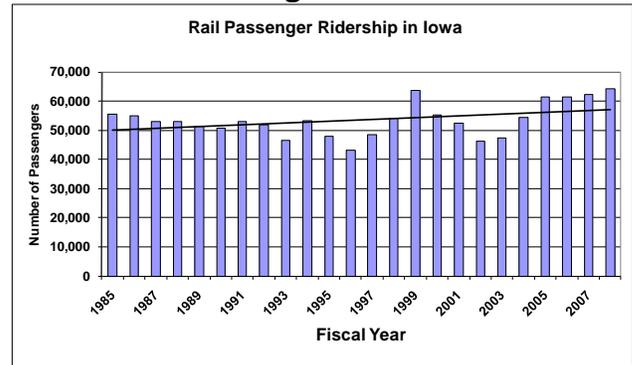
**Number of Passengers**

Since 1985, ridership in Iowa has remained fairly stable, averaging 53,100 riders per year. Ridership in 2005, 2006, and 2007 was above the long-term average (See Figure 17). In 2007, the total number of passengers arriving and departing from Iowa Amtrak stations totaled 62,356, an increase of 979 from 2006.

**Ridership by Station**

The total number of Iowa passengers on the California Zephyr has increased by 5,809 riders since 1985, while the Southwest Chief has gained 886 riders during the same period. The ridership at Mount Pleasant, Osceola, and Fort Madison increased since 1985; all other stations have fewer riders (See Table 5).

**Figure 17**



**Table 5**  
Amtrak Ridership by Station

Year	California Zephyr						Southwest Chief	Total
	Burlington	Mount Pleasant	Ottumwa	Osceola	Creston	Subtotal	Fort Madison	
1985	10,850	8,369	12,838	8,482	5,211	45,750	9,911	55,661
1986	10,849	9,362	10,947	8,572	5,086	44,816	10,055	54,871
1987	11,105	8,773	10,611	9,704	4,580	44,773	8,169	52,942
1988	8,569	9,488	10,700	11,278	4,747	44,782	8,342	53,124
1989	8,955	8,913	10,055	11,766	3,973	43,662	7,640	51,302
1990	8,058	9,077	9,916	12,289	4,668	44,008	6,711	50,719
1991	9,145	9,459	10,714	13,301	3,974	46,593	6,365	52,958
1992	8,900	9,044	10,111	13,921	3,790	45,766	6,148	51,914
1993	7,365	8,023	9,433	13,537	3,259	41,617	4,986	46,603
1994	6,527	11,729	10,872	14,610	3,687	47,425	5,727	53,152
1995	6,041	11,333	9,321	11,897	3,189	41,781	6,187	47,968
1996	5,902	10,388	8,694	9,415	2,728	37,127	5,889	43,016
1997	6,263	11,304	10,294	10,730	2,956	41,547	6,926	48,473
1998	6,951	12,692	10,998	12,571	3,185	46,397	7,795	54,192
1999	12,319	12,954	11,371	14,292	3,883	54,819	8,932	63,751
2000	7,007	12,605	11,189	13,025	3,347	47,173	7,973	55,146
2001	3,857	12,962	11,334	13,090	3,402	44,645	7,758	52,403
2002	5,460	10,663	9,168	10,941	2,801	39,033	7,173	46,206
2003	5,576	10,075	9,179	11,490	3,592	39,912	7,530	47,442
2004	6,532	12,010	9,208	14,044	3,894	45,688	8,677	54,365
2005	7,087	13,344	10,840	16,310	4,341	51,922	9,496	61,418
2006	6,550	12,719	11,190	16,437	5,002	51,898	9,479	61,377
2007	6,654	13,239	10,679	15,976	5,011	51,559	10,797	62,356