

newsworthy trends

Nation's Railroads Are Back On Track

(NAPS)—Two decades ago, railroads were on the verge of collapse. Today, they are safe, efficient and competitive. What put the nation's railroads back on track was the Staggers Rail Act of 1980, which brought about partial railroad deregulation.

The change has been dramatic and a principal beneficiary has been the American consumer:

- Since the Staggers Act was enacted, average rail rates have declined by 57 percent on an inflation-adjusted basis. This has saved American consumers tens of billions of dollars and helped make American industry more competitive in world-wide markets.

- Prior to Staggers, railroads faced a \$20 billion capital shortfall, accident rates were soaring and productivity suffered. Since Staggers, railroads have invested \$263 billion to improve and maintain infrastructure and equipment. This has resulted in a 66 percent reduction in train accidents and a 171 percent improvement in rail productivity.

- Railroads will need to invest even more in the future just to keep pace with a growing economy. Over the next 20 years, railroads will need to spend more than \$360 billion to maintain and improve their infrastructure and equipment.

- Rather than being a drain on the Treasury, railroads are contributing billions of dollars to the



Many feel that the nation's railroads are back on track because of the Staggers Rail Act which allows the industry to operate more like other businesses.

economy in the form of wages, retirement benefits, payroll, income and other business taxes. Prior to Staggers, taxpayers were paying an average of one billion dollars a year to keep some railroads afloat.

- Many feel that the railroad industry has excelled in the free market environment and evolved into the cost effective, safe, and competitive means of transporting goods that we know today.

Though the Staggers Act is still working as intended, benefiting customers, consumers, railroad workers and the American economy, some special inter-



est groups advocate new regulatory burdens on railroads. Many feel this would be bad not just for railroads, but also for customers, consumers, and the nation's economy.