Rail Stats: Leading Indicators of What?

by Richard L. Beadles

Volume IV, No. 5. March 15, 2012

Years ago, rail "*carloadings*" were relied upon in U.S. economic forecasting. Nowadays with a predominately highway-oriented *consumer* cargo distribution system, we don't hear much about rail freight statistics, and hardly anything about those pertaining to the revival of rail passenger services. Some of the rail data is still available. It may even be more significant now, particularly if we examine such rail *intelligence* in the context of overall trade, transport and travel -- both intercity as well as urban.

Nationally, the Association of American Railroads ("AAR") publishes rail freight "carload" and "trailer and container" unit originations. For the year 2011, AAR reported a 2.2 % year-over-year gain in rail carloads (15.2 million of them in total). That was generally consistent with broader economic recovery trends. Separately, however, the AAR reported a 5.4% increase in "Intermodal, or IM" trailer and container originations (11.9 million units, total). Intermodal growth was more robust than the general economic picture, apparently reflecting some diversion of cargo from highway to rail. By coincidence Amtrak's FY 11 gain in riders was 5.7 %. Auto trips diverted to rail?

From a variety of other sources, we speculate that Virginia rail activity contributed disproportionately to national rail carload growth in 2011. Hampton Roads coal "dumpings" were up a dramatic 23.5 %, compared with 2010. However, Virginia rail IM was apparently flat, given that the Port of Virginia registered modest growth in international container traffic during 2011, and that the rail share of such traffic remained level at around 30%. There is very little domestic IM originating in Virginia due to the absence of terminal locations and service options, except in Hampton Roads.

Amtrak in Virginia and Virginia Rail Express registered strong growth during their FY-2011 periods (+ 11 % and +10% respectively) whereas some commercial aviation was down. For example, FY-12 boardings at RIC airport (seven months, July-January) are reported to be down 5.4%. In contrast, Richmond's Main Street Station continues to post double-digit Amtrak increases. Nationally, commuter rail and urban light rail (such as Norfolk's new Tide) were up 2.5% and 4.5%, respectively.

At the February Commonwealth Transportation Board ("CTB") meeting, a representative of VDOT noted that "vehicle-miles-traveled" continue to be off slightly from earlier periods. Are people beginning to actually change travel and transportation patterns? Could it be that rail freight and passenger options are increasingly viable?

On the other hand, AAR reported that February 2012 rail carloadings were down 1.9%; and that rail IM was up only 2.4%, just when the economic picture appears to be improving. What are we to make of this? Is the recovery slowing? Observing the numbers, over time, is both interesting and instructive. A large fraction of our funding resources continues to be allocated to highway projects. Might we get a better return on some additional rail projects? We would do well to analyze these “stats”. ######