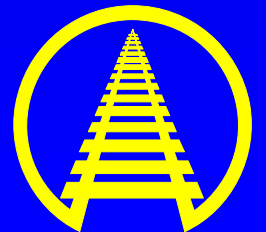
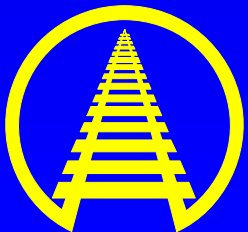


A Snapshot of the U.S. Freight Railroad Industry

**Presentation to the
National Surface Transportation Policy
and Revenue Study Commission
March 19, 2007**

**Craig F. Rockey
Vice President – Policy and Economics
Association of American Railroads
Washington, DC**

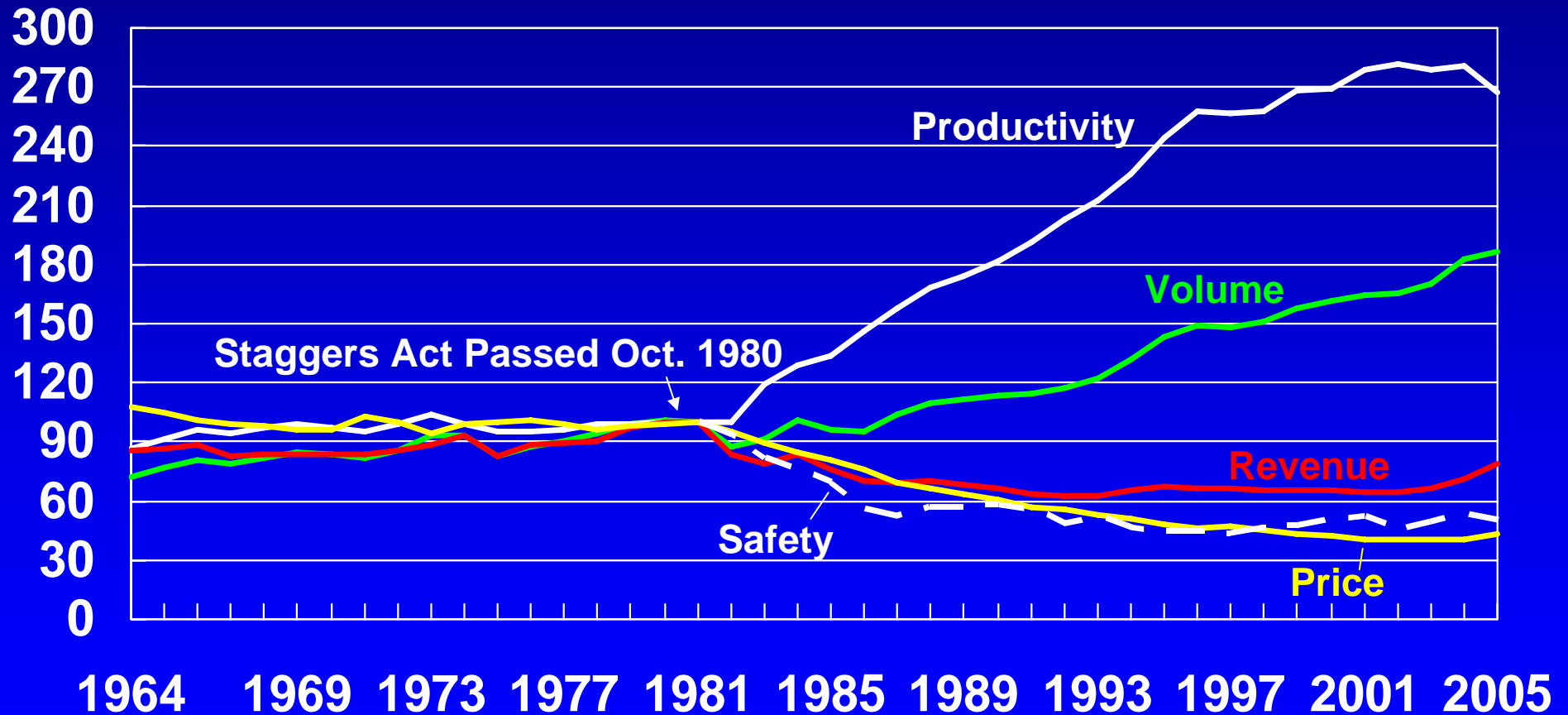


The North American Rail Network is Extensive



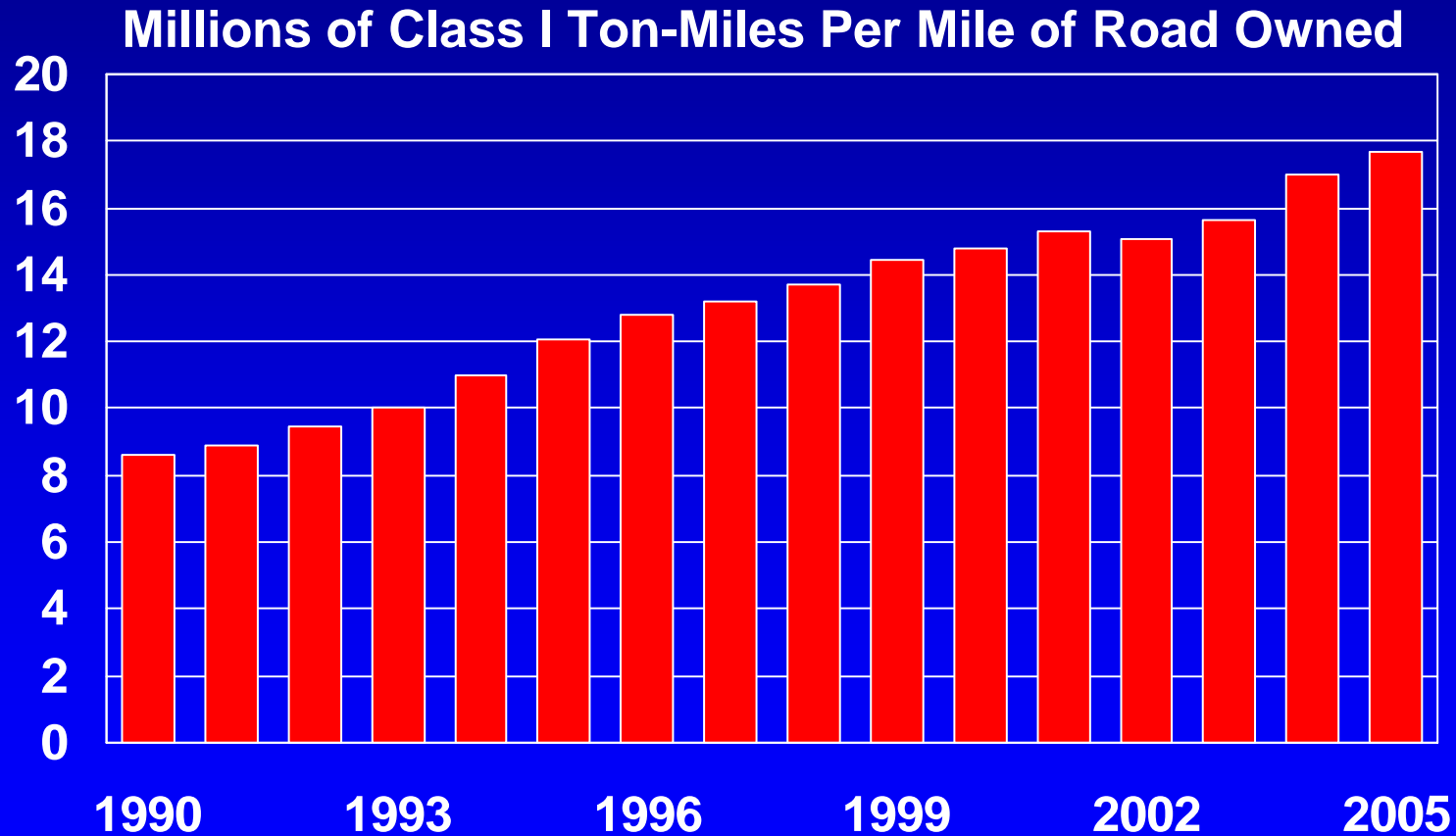
U.S. Railroad Performance: 1964-2005

(Index 1981 = 100)



Source: AAR

Capacity on Many Parts of the Rail Network is Strained



Source: AAR

Railroads' Focus

- Aggressive hiring
- Massive equipment and infrastructure investment



- New operating plans
- Cooperative alliances
- RR-customer initiatives
- Technology

Public Policy Prerequisites

- Promote railroad growth and health.
- Encourage railroad investment and expansion.
- Minimize institutional barriers.
- Reduce hazmat risks.
- Support safety technologies.

