

Freight Rail: Keeping America Moving

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Rail keeps America moving. Even amid an unprecedented global health crisis, the nation's goods continued to arrive at stores and on our doorsteps—demonstrating the notable resiliency of the rail industry during the trials of the COVID-19 pandemic. A new [report](#) by Northwestern University Transportation Center (NUTC) gives insight into how invaluable freight made its way across the nation in one of the most trying moments of our lifetimes.



Still at the forefront of our thoughts are the events of March 2020—when the country came to a screeching halt. COVID-19 shuttered schools and businesses, delayed manufacturing, and seemed to slow the pace of the nation. This slow down, however, was brief for the transportation industry. When the public realized the long-haul situation, consumer shopping moved further online—spiking the demand for goods that would keep people at home. For example, the demand for baking supplies jumped [30%](#) in March 2020, and popular gaming consoles [sold out](#). At the same time, essential goods always had to be kept moving on trucks, boats, and trains, and soon there was an [increase in demand](#) for personal protective equipment (PPE), medical supplies, and other essential goods (many will recall the great 2020 [toilet paper shortage](#)).

Thankfully, the freight industry adjusted to this shift in demand and readily responded to the mercurial changes of the market. An essential part of the economy and the nation, freight rail kept goods moving even through service disruptions and employee shortages, even when other industries were stopped in their tracks.

This isn't to say rail did not suffer during the pandemic. In the last two decades, [Rail Intermodal](#) (transporting shipping or trucking containers with goods via rail) has grown by 70%, but from February to April 2020, rail freight bore a significant drop of [18%](#). The economy saw a decreased demand in some items fewer people needed while working from home, including up to a [50%](#) drop in confectionaries like gum and mints and a [14%](#) drop in beauty products in the first half of the year. This, coupled with the need to ensure total workplace safety, led to manufacturing shutdowns and drops in employment. Changes in the U.S. and Chinese economies due to the pandemic also caused [congestion](#) at the Southern California ports. This situation was further exacerbated by COVID infections among industrial

manufacturing (IM) workers, including [600](#) cases in port workers and truck drivers in the Port of Los Angeles between December 2020 and February 2021.

Notably, as the nation eased out of strict lockdown in 2020 and businesses reopened under new guidelines, rail freight and related industrial production (IP), which measures manufacturing levels and is frequently used as an economic indicator, adapted to changes and increases in demand and rapidly recovered. Rail freight returned to full pre-COVID recovery levels within [five months](#).

Rail, by providing flexibility and meeting capacity demands for small companies and large retailers, adapted to the explosion of e-commerce. Freight rail was able to provide [capacity](#) for IM movements even when trucking struggled. In fact, data from the [Longhaul Outbound Tender Rejection Index](#) suggests limited capacity when it comes to truck freight, as evidenced by a 25% rejection increase in late 2020. This means that a quarter of freight arriving was turned away. Much of this rejected freight likely shifted to IM, which indicates rail's beneficial ability to respond to unpredictable market developments. Significantly, [research](#) thus far indicates that this huge shift toward e-commerce during the pandemic will likely continue into the future.

The industry can learn, grow, and inform future planning by examining issues caused by the pandemic. Understanding and adapting to congestion at the busy West Coast ports, for example, can decrease the likelihood of impediments down the line. In the end, the pandemic has proven the necessity of the nation's freight railroads. Further opportunities will also improve our relationship with the environment and mitigate the effects of climate change. Trucking is responsible for moving up to [72.5](#) percent of the nation's goods, and [data](#) has shown that moving just half of freight truck traffic by rail would lower greenhouse gas emissions by approximately [26.2 million tons](#)—the equivalent of removing more than [5.5 million](#) cars from the road.

Now and into the future, rail will continue to ensure the movement of critical goods that Americans need to remain healthy, happy, and safe.