

# THE FOLLY OF RAIL REREGULATION IN THE 21ST CENTURY

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AMERICANS  
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# INTRODUCTION

Fifty years ago, the nation's railroads were headed for extinction. Overregulation and government-mandated rates for rail transportation had driven revenue below long-term costs for the industry.<sup>1</sup> Railroads were unable to generate the funds necessary to maintain or replace their track and facilities. In 1970, rail giant Penn Central Transportation Company declared bankruptcy, becoming the largest corporate bankruptcy in American history at the time.<sup>2</sup> By the end of the decade, 20 percent of the nation's railroads were held by companies that had declared bankruptcy.<sup>3</sup>

Seeing the calamitous effects of overregulation, Congress in 1980 partially deregulated the railroads through the passage of the Staggers Rail Act.<sup>4</sup> Staggers limited executive branch authority to dictate rail rates, legalized privately negotiated railroad-shipper contracts, and permitted large railroads to shed their low-density lines, allowing for a greater focus on routes that were profitable.<sup>5</sup>

In 1999, Americans for Tax Reform published a report illustrating the overwhelming success of this deregulatory action.<sup>6</sup> Today, 45 years after the passage of Staggers, railroads have continued to achieve greater economic efficiency, significantly increasing productivity while reducing costs for rail customers.

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1. <https://www.city-journal.org/article/train-wreck>

2. [https://fraser.stlouisfed.org/files/docs/historical/house/1972house\\_fincolpenncentral.pdf](https://fraser.stlouisfed.org/files/docs/historical/house/1972house_fincolpenncentral.pdf) [page 3]

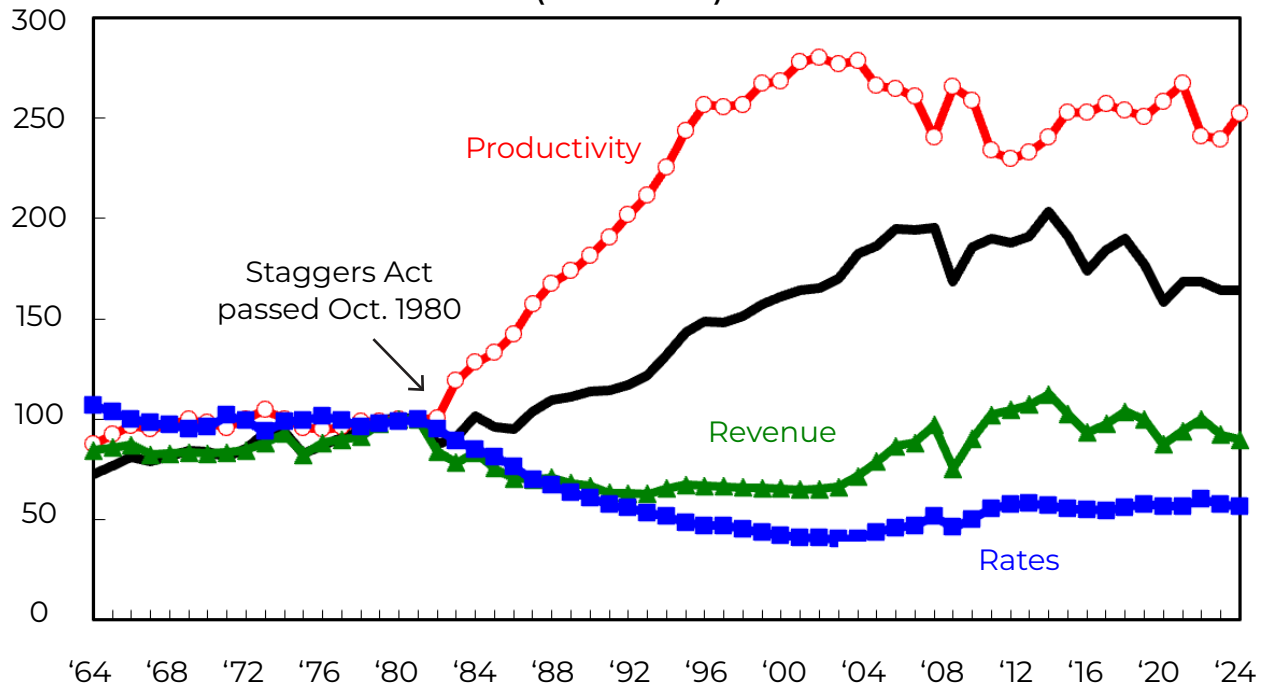
3. <https://transportation.house.gov/uploadedfiles/2015-05-13-hamberger.pdf>

4. <https://www.congress.gov/bill/96th-congress/senate-bill/1946>

5. [https://railroads.dot.gov/sites/fra.dot.gov/files/fra\\_net/1645/STAGGER\\_%20RAIL\\_ACT\\_OF\\_1980\\_updated\\_31811.pdf](https://railroads.dot.gov/sites/fra.dot.gov/files/fra_net/1645/STAGGER_%20RAIL_ACT_OF_1980_updated_31811.pdf)

6. <https://atr.org/folly-rail-re-regulation-a1052/>

## U.S. Freight Railroad Performance Since Staggers (1981 = 100)



"Rates" is inflation-adjusted revenue per ton-mile. "Volume" is ton-miles. "Productivity" is revenue ton-miles per constant dollar operating expense. "Revenue" is operating revenue in 2024 \$. Source: AAR

Fig. 1: "U.S. Freight Railroad Performance Since Staggers." Association of American Railroads.

Investments in equipment and rights of way by railroads are up sharply. Railroad profitability levels are finally healthy today. Most remarkably, railroads have done all this while reducing rail rates by more than 40 percent after inflation.<sup>7</sup>

Even with these advancements, Big Labor activists and a minority of railroad shipping customers still advocate for increased economic reregulation, as well as for burdensome new operational regulations which are framed as safety requirements but more often function as union jobs programs. These detractors discount the positive impact of rail deregulation and argue that railroads should be subject to increased government intervention.

In truth, such invasive actions would reverse the tremendously successful deregulatory efforts of 1980 and would stifle modern technological advancements, ultimately producing the same dismal results as the pre-1980 era of overregulation. The industry and its customers would face higher prices, more rigid supply chains, and a slowing of innovation due to government constriction.

7. <https://www.aar.org/issue/staggers-act-of-1980/>



As today's political leaders are looking for government reforms and ways to drive down costs, they should pursue policies that build upon the positive legacy of Staggers. Policymakers must reject policies that add excessive regulatory burdens, trigger economic instability, and hinder the capital investment needed for railroads to properly maintain and replace their track and facilities. Only by understanding the benefits of deregulation can Congress and regulators avoid the mistakes of the past.

## THE HISTORY OF RAILROAD REGULATION

In the late 19th century, railroads were the dominant means of commercial transportation. The National Highway System had yet to be developed. The airplane had yet to be invented. Maritime transportation was competitive for long-distance shipping but was unsuitable for the U.S. interior.

The dominance of railroads in commercial shipping at the time meant they were highly profitable, but discontent soon developed among customers over what they considered to be discriminatory pricing.<sup>8</sup> This discontent led to the creation of the Interstate Commerce Commission (ICC) in 1887, making railroads the first industry in the United States subject to federal regulation.<sup>9</sup> The ICC was granted the power to regulate rail rates and restrict differential pricing; however, they soon discovered that outside of free-market competition, there was no objective principle by which they could set rates.

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8. <https://www.cato.org/sites/cato.org/files/serials/files/regulation/2015/12/regulation-v38n4-2.pdf>

9. <https://www.archives.gov/milestone-documents/interstate-commerce-act>

Peter Ferrara aptly summarized the failures of the ICC era in his 1999 report<sup>10</sup> for ATR:

After 20 years of regulation by the ICC, inflation drove costs for operating railroads far above their rates, leaving the industry unable to maintain infrastructure. Despite mounting financial strain, the ICC refused to ease rate controls. By 1917, as World War I increased freight demand, major railroads neared bankruptcy, prompting government takeover. Ironically, the government then raised rates by 70 percent, but after returning the railroads to private ownership, strict regulation continued their decline.

Over time, the ICC expanded its power, controlling routes, equipment, labor, service offerings, and pricing—often based on political rather than economic considerations. This led to inefficiencies, such as blocking Southern Railway’s cost-saving jumbo hopper cars and Illinois Central’s Rent-A-Train service. The ICC also broke up efficient unit trains and forced railroads to run money-losing services, employ excess workers, and operate unnecessary boxcars.

By the 1970s, the industry was in crisis. Railroads accounting for 20 percent of U.S. track were bankrupt, and government takeovers of major Northeastern lines reflected the industry’s collapse. Inflation drove rates higher, yet railroads’ return on investment fell below 2 percent. Infrastructure deteriorated, with 50,000 miles of track operating under severe speed restrictions, and “standing derailments” occurring due to track decay.

With taxpayers already subsidizing failing railroads at \$250 million per year, policymakers debated nationalization, a move that would have cost over \$100 billion plus ongoing subsidies. The situation underscored the failures of excessive regulation and the urgent need for reform.

The reform that lawmakers would ultimately settle on was not nationalization, but quite the opposite: a move toward deregulation in the form of the Staggers Rail Act of 1980.

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10. <https://atr.org/folly-rail-re-regulation-a1052/>

# THE SUCCESS OF RAIL DEREGULATION

In 1980, Congress took a radically different approach to railroad regulation with the passage of the Staggers Rail Act.<sup>11</sup> The law repealed the ICC's authority to set rates except in circumstances that were determined to be abusive. Staggers also gave railroads and shippers the right to enter into long-term private contracts, allowing them to freely negotiate service and pricing terms according to the needs of both parties. These contracts do not face the strict federal rate regulation that had beleaguered the industry in prior decades. Railroads were instead able to price their services at rates set by the market, not by bureaucrats in Washington.

The ICC was later abolished and replaced by the Surface Transportation Board (STB), which remains the main regulatory body for railroads today.<sup>12</sup> The STB only regulates rates in cases where it finds that a railroad is "market dominant" with insufficient competition in its subsection of the market to constrain rates. The Board has a presumptive standard that rates charged to a particular shipper are reasonable, and therefore permissible, if the rate remains below 180 percent of the costs of serving that shipper.<sup>13</sup>

In cases where rates exceed 180 percent of the costs of serving a particular shipper, a complainant must demonstrate that there is not sufficient competition in the market before the STB investigates whether rates are too high.<sup>14</sup> The STB will then decide whether the rate is reasonable based on a set of criteria, such as whether an efficient railroad could be built, operated, and earn a reasonable profit while charging less to serve the same customer.<sup>15</sup> If the rate is determined to be unreasonable, the STB has the power to order a rate reduction and the payment of reparations to a wronged shipper. This system created a balance between upholding the rights of railroads to set their own reasonably profitable rates and protecting shippers from unfair treatment.

The government micromanagement of route development was also rolled back under Staggers. Railroads maintain the freedom to set their own routes and to drop uneconomic routes that do not positively serve the railroad.<sup>16</sup> Railroads are still required to cooperate and allow customers to ship freight on the most efficient routes, and they are required to accept freight from other rail carriers on their own routes in order to efficiently deliver freight to its destination point. This system again created a balance that protects the interests of both railroads and their customers.

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11. <https://www.congress.gov/bill/96th-congress/senate-bill/1946>

12. [https://railroads.dot.gov/sites/fra.dot.gov/files/fra\\_net/1645/STAGGER\\_%20RAIL\\_ACT\\_OF\\_1980\\_updated\\_31811.pdf](https://railroads.dot.gov/sites/fra.dot.gov/files/fra_net/1645/STAGGER_%20RAIL_ACT_OF_1980_updated_31811.pdf)

13. <https://www.stb.gov/wp-content/uploads/STB-Rate-Regulation-Final-Report.pdf>

14. <https://www.stb.gov/wp-content/uploads/STB-Rate-Regulation-Final-Report.pdf>

15. <https://www.stb.gov/wp-content/uploads/STB-Rate-Regulation-Final-Report.pdf>

16. <https://www.stb.gov/wp-content/uploads/STB-Rate-Regulation-Final-Report.pdf>

The deregulatory reform of the Staggers Act succeeded beyond all expectations. The rolling back of government interference allowed railroads to more freely implement cost-saving measures and created a more efficient rail system. Today, productivity in the railroad industry has nearly tripled while rates have fallen more than 40 percent for rail customers.<sup>17</sup>

With the freedom to earn market rates under Staggers, railroads have also reinvested huge sums of capital to maintain and upgrade their track and equipment. The Staggers Act paved the way for \$810 billion in new investments over the subsequent four decades, which helped develop a world-class rail network that is safe and efficient.<sup>18</sup> Railroads continue to make significant investments each year; for example, Class I railroads allocated \$26.8 billion toward capital expenditures and maintenance efforts in 2023.<sup>19</sup> All of these investments since 1980 have contributed to the improved productivity in the industry.

Moreover, rail service has improved considerably as a result of these capital investments and efficiency enhancements.<sup>20</sup> In the decades after the passage of the Staggers Act, service times and reliability of railroads have improved—all while the rates faced by customers have plummeted.<sup>21</sup> According to a study by the Brookings Institution that analyzed improved service time and reliability in the 1990s, these improvements benefitted shippers to the tune of \$12 billion per year in 1999 dollars, or more than \$22 billion per year in today's dollars.<sup>22</sup> These benefits are likely even higher today as service improvements have compounded over time.

While shippers benefit from improved service, the rates faced by all major commodity groups and in all regions have fallen, including for shippers who are often the loudest detractors. Even with these steep rate declines, the financial health of railroads continues to improve and the industry is on the path toward long-term financial stability. Railroads and their customers alike have benefitted from the deregulatory measures of the Staggers Act.

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17. See Figure 1

18. <https://www.aar.org/wp-content/uploads/2020/08/AAR-Railroad-101-Freight-Railroads-Fact-Sheet.pdf>

19. <https://www.aar.org/wp-content/uploads/2025/02/AAR-PE-Economic-Impact-Report-2025-FINAL.pdf>

20. [https://railroads.dot.gov/sites/fra.dot.gov/files/fra\\_net/1645/STAGGER\\_%20RAIL\\_ACT\\_OF\\_1980\\_updated\\_31811.pdf](https://railroads.dot.gov/sites/fra.dot.gov/files/fra_net/1645/STAGGER_%20RAIL_ACT_OF_1980_updated_31811.pdf)

21. [https://www.brookings.edu/wp-content/uploads/2016/06/10\\_railact\\_winston.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/10_railact_winston.pdf)

22. [https://www.brookings.edu/wp-content/uploads/2016/06/10\\_railact\\_winston.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/10_railact_winston.pdf)



## DEMAND-BASED PRICING

Despite the many positive effects of deregulation, some activists—largely the bosses of Big Labor unions and a minority of shippers—want to upset the apple cart and return to a more regulated environment. Part of the reason for these demands for reregulation is a business practice known as “demand-based pricing” or “differential pricing.”

Demand-based pricing follows market principles, whereby the prices (in this case, rail rates) faced by a customer can differ based on that customer’s level of demand for service. Because the supply of rail capacity is limited, the rates charged by railroads may be higher in situations where there is higher demand for rail service, or rates may be lower when demand for service is lower.

Demand-based pricing is common in private markets of all kinds, and consumers encounter demand-based pricing every day. For example, many restaurants offer cheaper meal deals or happy hours to draw in customers at slower parts of the day while offering higher prices at the busiest dinner times. Tickets for movie theaters, concerts, and sporting events will typically cost less during the daytime as compared to the evening or cost less for events that are expected to have smaller audiences. More recent innovations like ridesharing services have become one of the most recognizable forms of demand-based pricing, as the prices offered to an app user change depending on the supply of available drivers in the area and the number of customers demanding a ride.

Demand-based pricing is particularly important for railroad freight due to a set of economic factors that shape railroad markets:

## 1. High Fixed Costs

Railroads have high upfront costs for construction and the high cost of perpetual maintenance. Railroads operate massive physical infrastructure that can include thousands of miles of track along with facilities throughout the system, forming a set of infrastructure assets that are highly expensive to build and maintain. The cost of building these assets is fixed, meaning it will not vary based on the amount of services provided or the number of customers served in the future. Rather, there is a certain level of revenue that must be achieved in order to account for the fixed costs and keep the railroad financially sound.

## 2. Broad Competition

Railroads face many sources of competition. Railroads must first compete against other railroads to obtain market share for their own operations. Then, they must compete against companies that use alternative modes of transportation, such as freight trucking, maritime shipping, and pipelines. Depending on the shipper, there can also be a wide variety of product substitutes that increase competitive pressures on railroads. For example, a customer in need of resources for electricity generation could either select coal, which is often transported by railroads, or natural gas, which is generally transported by alternative modes.<sup>23</sup> Customers often can also source products from different geographic areas, creating further competition between railroads in different regions and between different modes of transportation.

## 3. Varying Demand Elasticity of Customers

Different shippers have different levels of demand elasticity, meaning that their level of demand for rail transportation can be more sensitive or less sensitive to changes in prices. If rates for a particular railroad increase, shippers with high demand elasticity can easily switch to an alternative railroad or to an alternative form of transportation. Shippers with fewer easy alternatives available to them have a lower demand elasticity, so they are less likely to stop using their current rail option if rates increase.

The economically efficient system for navigating these three factors is demand-based pricing. The shippers with high elasticity are charged low enough rates that it makes economic sense for them to not switch to one of their many alternatives. While this lower level of rates is beneficial for keeping higher-elasticity shippers as continuing customers, charging the same rate to all shippers is rarely economically feasible for the railroads. Therefore, the shippers with lower elasticity are charged higher rates. Their lower sensitivity to price changes and lack of many alternatives means that they are likely to remain customers of the railroad. This differential pricing creates an efficient set of economic equilibria that address the needs of both railroads and their customers.

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23. <https://www.aar.org/wp-content/uploads/2020/02/AAR-Economic-Regulation-101-Fact-Sheet.pdf>

However, while these lower-elasticity shippers often do not have many alternatives in the market, some have turned to another kind of alternative: a return to greater government regulation. Some shippers argue that it is unfair that they pay higher rates than the higher-elasticity shippers and seek a return to the regulatory framework of the past, even though they have also benefitted from a drop in rates due to deregulation. These special interests seek to chip away at deregulatory efforts and get rid of the well-functioning system of demand-based pricing.

Some of these shippers with limited transportation options argue that railroads exploit them for excessive monopoly profits, but the data does not support this claim. Railroad profits remain below the averages in other industries and many still have revenue levels that are insufficient to cover capital costs. According to the consumer welfare standard, the gold standard for antitrust policy in the United States, railroads as they operate today cannot be considered monopolies. Markets are highly competitive, rates have declined, and service quality has improved since deregulation—trends not typical of monopolies.<sup>24</sup>

Meanwhile, eliminating demand-based pricing would be disastrous for rail customers, including the same lower-elasticity shippers who are calling for such elimination. If rates were equalized across all shippers, then the shippers with high demand elasticity would be faced with higher rates and would end up switching to alternative modes of transportation. With those shippers gone, all of the fixed costs would fall on the lower-elasticity shippers who remain. As a result, those lower-elasticity shippers who called for reregulation would face even higher rates than they had under the demand-based pricing system. Worse yet, the railroad they use could go out of business entirely, potentially stripping away the only feasible option the shipper had for transportation.

Ultimately, some industry critics pushing for reregulation simply believe that railroads should not be allowed to operate as normal profit-maximizing firms that respond to the laws of supply and demand, instead seeking to treat them as utilities. The evidence, however, shows clearly that deregulation has ensured the viability of shippers and railroads alike while keeping rates low. Reimposing a failed system of overregulation in an attempt to circumvent supply and demand would lead to worse outcomes for all.

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24. [https://www.brookings.edu/wp-content/uploads/2016/06/10\\_railact\\_winston.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/10_railact_winston.pdf)

# RE-REGULATION THROUGH EXPANDED COMMON CARRIER OBLIGATIONS

Beyond demand-based pricing, there are also attempts amongst certain special interests to reregulate the rail industry through an expansion of the common carrier definition used for railroads. Doing so would return the industry to the failures of the past through tighter government control of its decisions and business practices.

The concept of “common carriers” originates in common law and defines the requirements of certain businesses to offer their services to the general public without discrimination, as opposed to the typical concepts of the “freedom to contract” and “right to refuse” understood by most private businesses. The Staggers Rail Act of 1980 defined the common carrier obligation for railroads as a duty to provide “transportation or service on reasonable request” to any shipper without discrimination. The law provided railroads with the freedom to negotiate their own rates, service levels, and other business practices. The common carrier obligation of railroads under Staggers does not include any duty to maintain uneconomic lines, instead allowing railroads to reduce or eliminate service on lines that are unprofitable.<sup>25</sup>

This less regulated system has worked tremendously in the decades since its creation, allowing railroads to reach healthy profitability levels while keeping rates low for shippers.<sup>26</sup> However, just as there are special interests that desire to upend the demand-based pricing system, there is a cohort of shippers and labor union bosses who seek to give the government new powers to regulate the business decisions of railroads and force them into uneconomical practices.

One example is the “Reliable Rail Service Act,” which would expand the definition of a common carrier to tip the scale in favor of shippers and grant the Surface Transportation Board enhanced authority to intervene in rail service.<sup>27</sup> The bill would redefine the common carrier obligation to require railroads to meet requests from any shipper “in a manner that meets the shipper’s need for timely, efficient, and reliable rail service,” putting the onus on railroads to fulfill the needs of any shipper even if it does not make economic sense for the railroad.

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25. [https://railroads.dot.gov/sites/fra.dot.gov/files/fra\\_net/1645/STAGGER\\_%20RAIL\\_ACT\\_OF\\_1980\\_updated\\_31811.pdf](https://railroads.dot.gov/sites/fra.dot.gov/files/fra_net/1645/STAGGER_%20RAIL_ACT_OF_1980_updated_31811.pdf)

26. See Figure 1

27. [https://www.baldwin.senate.gov/imo/media/doc/reliable\\_rail\\_service\\_act\\_bill\\_text.pdf](https://www.baldwin.senate.gov/imo/media/doc/reliable_rail_service_act_bill_text.pdf)

Under the bill, the STB may find that a railroad has violated its common carrier obligation based on a wide range of factors including any changes to service frequency, maintenance, employment levels, or equipment, as well as “the transportation needs or circumstances of the person requesting transportation or service based upon previous service experience.”<sup>28</sup> In sum, the bill biases the system in favor of shippers such that their purported needs must be met regardless of the economic feasibility for railroads. If, for example, the STB finds that a railroad’s reduction of service on a particular line would hurt the bottom line of a complainant shipper, the railroad could be forced to keep higher service levels on the line even if it may lose money in the process.

As with the other pushes for reregulation, Big Labor has thrown its support behind the “Reliable Rail Service Act.” Among the large labor unions listed as supporters of the bill in 2023 were the International Brotherhood of the Teamsters, the Transportation Workers Union (TWU), the International Association of Machinists and Aerospace Workers (IAM), the International Brotherhood of Electrical Workers (IBEW), the Transportation Communications Union (TCU), the Sheet Metal, Air, Rail and Transportation Workers (SMART), and many others.

Just as certain shippers would reap benefits from such legislation by enforcing their preferences onto railroads through the STB, union bosses would also materially benefit from the labor requirements within the bill. If any “reductions in employment levels” could be grounds for finding a railroad in violation of its common carrier obligations, then the inevitable outcome is an increase in the employment of unionized workers above economically efficient levels. If railroads are prevented from reducing staffing levels where workers are less needed, they would face much steeper labor costs and lower productivity—but for Big Labor, the higher number of unionized workers means a higher amount of union dues flowing up to the union bosses at the top.

Deregulation has served the rail system well, as evidenced by the improvement of service times and reliability while rates have remained low. Lawmakers should not give into pressure from rent-seeking special interest groups who desire a return to deregulation for their own personal financial gain.

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28. [https://www.baldwin.senate.gov/imo/media/doc/reliable\\_rail\\_service\\_act\\_bill\\_text.pdf](https://www.baldwin.senate.gov/imo/media/doc/reliable_rail_service_act_bill_text.pdf)

# ERRANT SAFETY MEASURES

Big Labor has not stopped at common carrier rules in its pursuit of reregulation. Union bosses have spearheaded a new wave of legislative and regulatory proposals that are masqueraded as safety measures but amount to nothing more than union jobs programs in actuality. These efforts by Big Labor have sometimes gone so far as to exploit tragedy to advance their pro-regulatory agenda and benefit their bottom line.

In February 2023, a freight train derailed in East Palestine, Ohio, with 53 train cars affected by the derailment.<sup>29</sup> Twenty of the affected cars contained hazardous materials, some of which caught fire and some of which spilled into a ditch that feeds a local stream.<sup>30</sup> Some residents of the surrounding area reported symptoms following the derailment.<sup>31</sup> The initial cleanup took until late 2023, while efforts to support community recovery continue into 2025.<sup>32</sup> The National Transportation Safety Board (NTSB) eventually determined that a faulty wheel bearing was the cause of the derailment.<sup>33</sup>

In the wake of the disaster in Ohio, union bosses began a concerted effort to pass new labor rules as part of the so-called “Railway Safety Act.” These new rules would not have prevented the mechanical failure that caused the East Palestine derailment—but they do promise to add new workforce requirements and regulatory burdens that would increase downstream costs for consumers.

Among other provisions, the “Railway Safety Act” would add a new two-person crew mandate, whereby freight trains operated by Class I railroads must be staffed with at least two crew members even when one crew member suffices.<sup>34</sup> The Biden-Harris administration also imposed a version of this two-person crew mandate as a final rule from the Department of Transportation’s Federal Railroad Administration (FRA).<sup>35</sup> For the many freight operations where a second crew member is unnecessary, this policy represents a doubling of labor costs for the firm as well as a likely doubling of dues-paying union. The bill would also mandate new inspections that can only be performed by unionized workers.<sup>36</sup>

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29. <https://www.pa.gov/agencies/dep/about-dep/regional-office-locations/southwest-regional-office/southwest-community-information/ohio-train-derailment.html>

30. <https://www.epa.gov/east-palestine-oh-train-derailment/background>

31. [https://www.pa.gov/content/dam/copapwp-pagov/en/health/documents/topics/documents/environmental-health/Report\\_Chemical%20Exposures%20and%20Health%20Outcomes%20-%20East%20Palestine%20Ohio.pdf](https://www.pa.gov/content/dam/copapwp-pagov/en/health/documents/topics/documents/environmental-health/Report_Chemical%20Exposures%20and%20Health%20Outcomes%20-%20East%20Palestine%20Ohio.pdf)

32. <https://www.epa.gov/east-palestine-oh-train-derailment/operational-updates>

33. <https://www.nts.gov/news/press-releases/Pages/NR20240625.aspx>

34. <https://www.congress.gov/118/bills/s576/BILLS-118s576rs.pdf>

35. <https://railroads.dot.gov/about-fra/communications/newsroom/press-releases/biden-harris-administration-announces-final-rule>

36. <https://reason.com/2023/06/15/the-rail-safety-act-is-about-union-handouts-not-safety/>

As with the legislation to expand common carrier obligations, it is no surprise that several large labor unions endorsed this legislation to mandate more unionized workers on trains. Among those who backed the 2025 version of the bill were the TWU and TCU as well as divisions of the Teamsters and SMART.<sup>37</sup>

Instead of mandating arbitrary increases to labor costs, lawmakers should focus on encouraging greater automation and innovative technologies that will actually increase rail safety. FRA assessments, for example, have found that automated track inspections improve safety outcomes.<sup>38</sup> By definition, simply increasing crew sizes cannot eliminate human error. In many cases, it may instead discourage the addition of better automated technologies which could genuinely improve safety.

## CONCLUSION

Over the last four decades, railroad deregulation has outperformed even the most optimistic expectations. Customers today enjoy significantly lower rates for far better service, and railroads are financially healthy. To the extent that problems do arise, the current regulatory system is already capable of addressing them.

There is no rational case for undoing this success by turning to reregulation or by placating Big Labor's demands. To do either would produce the same result: higher costs for the Americans who rely on products to be transported to them. Shortsighted proposals from industry detractors in favor of reregulation would only reverse the great successes of deregulation, instead driving up prices, lowering the quality of service, and upending a transportation system that has finally found stability.

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37. <https://deluzio.house.gov/media/press-releases/deluzio-lalota-rulli-and-garamendi-introduce-bipartisan-railway-safety-bill>

38. <https://www.pavemetrics.com/wp-content/uploads/2023/05/Automated-Track-Change-Detection-Technology-for-Enhanced-Railroad-Safety-Assessment.pdf>