

8 Trends Influencing U.S. Freight Railroading In 2025

Consumer confidence, energy pricing & deregulation, among other factors, provide a favorable environment for short-term growth and long-term industry planning

MARLTON, NJ, UNITED STATES, December 13, 2024 /EINPresswire.com/ -- According to the

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Brian Gorton - President & Chief Operating Officer of Conrail Corporation

Organization of Economic Cooperation and Development (OECD), the United States economy is expected to grow in 2025, but at a slower pace than in the previous year. The OECD, an intergovernmental economic organization with 38 member countries, believes that the predicted economic softness in the U.S. will "be cushioned by monetary policy easing." As well, they forecast that interest rates in the U.S. should stay at about the same level as in 2024 or be reduced slightly.

Said Brian Gorton, President and Chief Operating Officer of Conrail Corporation, the nation's largest rail terminal and switching service provider, "The rail freight industry has shown remarkable resilience in 2024, maintaining its

bounce-back from the pandemic and demonstrating overall stability in the face of an increasingly complex economic, technologic and political environment. As we look ahead to 2025, we see factors such as consumer confidence, energy pricing and deregulation, among others, providing a more favorable environment for short-term growth and long-term planning for the rail freight industry.”

Gorton identifies 8 trends influencing the rail freight transportation industry in the United States in 2025. They are:

1) Changes in the Federal administration.

The new President, Congress, Transportation Administration, EPA, OSHA and other appointments will affect the laws and rules they prioritize and administer. With the new administration, there is a great deal of uncertainty how regulatory trends and priorities will evolve in 2025 and how those will affect our industry. However, we should all be prepared for changes.

2) The effects of tariffs.

The new administration has said that they will use tariffs strategically to achieve economic results. Potentially, tariffs will be levied on imported building supplies, energy, food and other products that are currently active rail customers. Reducing foreign imports could increase rail freight volume as customers seek a new chain of supply for these products now that they will be provided from North American sources.

3) Rising demand for transportation of bulk freight by rail.

As the economy continues to grow, total carloads transported are increasing, generating positive numbers in several key commodity groups. Although coal and automotive products and parts shipped are still below pre-pandemic levels, overall carloads transported are up and continuing to grow, led by intermodal, chemicals and farm products.



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4) The effects of “onshoring”: a changing global industrial paradigm

In 2023, Mexico surpassed China as the top importer to the U.S. This new manufacturing paradigm moves more manufacturing from China to Mexico and other countries in North America, in order to bring manufacturing closer to U.S. markets. As North American manufacturing grows, U.S. rail, as part of the evolving supply chain, will also grow in use and volume.

5) Technology will achieve its tipping point, becoming a priority for the railroad industry.

Although the rail industry has traditionally been slow to adapt technology such as AI, IoT and robotics to operations, adoption has been growing exponentially in recent years. Technological advances are being implemented on a large scale and having a positive effect creating efficiencies managing loading, switching, car-tracking, maintenance and planning activities.

6) Sustainability continues to be a top goal of business.

Railroading is the most energy efficient mode of freight transportation. As companies continue to prioritize sustainability, there will be a growing reliance on rail transportation, over other modes, to help them improve their sustainability levels and goals.

7) Improved warehousing enhances freight quality and service.

Warehousing has been experiencing a transformation led by technological advances. Today's warehousing is more efficient and effective thanks to such innovations as AI, robotics, digital tracking and more. Improved warehousing will grow rail freight volume because it makes the supply chain using rail freight more efficient.

8) The opening up of resource access to make rail more efficient.

As competitive as railroading may be, there is a trend towards more collaboration in opening track access and other resources to other rail companies, ultimately making shipping more efficient. The rail industry has also stepped-up efforts to work with governments for greater access to ports, interchanges and other public facilities.

Gorton notes, "I believe that 2025 will be a year of evolution for rail freight in the U.S. Ours is an industry poised for growth, fueled by evolving technology, supply chain, political and economic influences."

ABOUT CONRAIL CORPORATION

Founded in 1976, Conrail is a premier terminal and switching service provider, operating about 1,200 miles of track for its owners CSX Transportation and Norfolk Southern. The company provides safe and efficient rail service to local freight customers in the areas of Detroit, New Jersey and Philadelphia. Operating in shared asset areas, Conrail connects customers to the national rail network through CSX and NS. Guided by the core values of Safety, Service, Value and Leadership, Conrail remains committed to providing excellent rail services. For more information, visit <https://conrail.com>.

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