ECONOMIC IMPACT OF FREIGHT RAIL IN TEXAS

Freight Rail in Texas

Freight rail supports producers and consumers and the entire Texas economy. Rail is especially critical for intermodal containers and high-value goods moving long distances, and for liquid and dry bulk goods.

Freight Rail by the Numbers in Texas

- Texas has 10,539 freight rail track miles (1st in U.S.), three Class I railroads, and 55 Class III or shortline railroads (2019 Texas State Rail Plan).
- Annually, freight rail moves about 325 million tons worth $405 billion, including 6 million tons worth $7 billion in cross-border trade.
- Active rail border crossings at El Paso, Eagle Pass, Laredo, and Brownsville.

Freight Rail Means Business in Texas

Enterprise Impacts capture the effects of freight rail as a business. These effects include direct employment in the rail industry, indirect impacts arising from spending by the industry, and induced impacts generated by rail industry employee spending. Effects are generated by railroad employment, retirement benefits, capital investments, and purchase of goods and services in Texas that ripple through the state economy.

Annually, freight rail supports 122,800 jobs, $8.7 billion in labor income, $13.6 billion in Gross State Product, and $0.8 billion in state and local tax revenues.

Direct Employment by Texas Freight Rail Industries

- Purchased Goods and Services: 47%
- Railroad Employees: 38%
- Railroad Capital Investments: 15%
Economic Importance of Freight Rail in Texas

Freight rail supports a wide variety of freight-producing and consuming industries in Texas.

Freight Moving in Texas by Rail

Annually, freight rail operators move 325 million tons of freight worth $405 billion to, from, and within Texas. Another 132 million freight tons and $369 billion in freight value passed through Texas. The largest share of tonnage is inbound, while the largest share of value is pass-through.

Economic Impact of Freight Rail in Texas

Annual Enterprise Impacts (direct, indirect, and induced impacts from freight rail as a business)
- 122,800 jobs
- $8.7 billion in income
- $13.6 billion in Gross State Product
- $2.5 billion in tax revenue

Annual User Impacts (direct impacts in freight rail-dependent industries)
- 171,200 jobs
- $19.6 billion in income
- $70 billion in Gross State Product

Movement in Tons and Value

- Million Tons
  - 60 Million Inbound Tons
  - 13 Million Within Tons
  - 132 Million Pass Through Tons
  - 68 Million Outbound Tons

- Billions of $
  - $203 Billion Inbound
  - $369 Billion Pass Through
  - $157 Billion Within
  - $45 Billion Outbound

The information provided comes from the TxDOT Economic Role of Freight in Texas Study and represents year 2018.