



News Release

For Immediate Release

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NEW REPORT FINDS IMMEDIATE CONGRESSIONAL ACTION IS NEEDED TO PREVENT ECONOMIC CRISIS

WASHINGTON (Oct. 1, 2015) – According to a [new economic report](#) released today, most Americans will be severely impacted unless Congress steps in to extend the positive train control (PTC) deadline and prevent a massive and avoidable disruption to rail service. A disruption of this scale will strand commuters across the country and prevent the flow of goods that are vital to everyday life, putting the entire economy and public health at risk. The [report found](#) that a broad rail service disruption lasting only one month would pull \$30 billion dollars out of the economy and would increase the unemployment rate with a loss of 700,000 jobs.

“The United States is staring down the tracks of an unprecedented shutdown of freight rail service that could seriously harm our entire economy unless Congress acts quickly to extend the PTC deadline,” said Cal Dooley, President and CEO of the American Chemistry Council. “A prolonged shutdown would be truly catastrophic, likely resulting in a recession. We cannot afford to let this self-inflicted crisis happen; Congress must act now.”

A transportation disruption of this magnitude would have [cascading impacts](#) that would threaten the nation’s food, energy and water supplies, as well as nearly every sector of the U.S. economy including manufacturing and construction. As the report details, a disruption of rail service lasting only one month will result in a 2.6 percentage reduction to U.S. real GDP growth during the 1st quarter of 2016, which would put a major chill on just about every leading indicator in the 1st quarter, including the following:

- The unemployment rate would increase by 0.3% with a loss of 700,000 jobs.
- Household incomes would fall by over \$17 billion, depressing consumer confidence and spending.
- Vehicle sales would be driven down with 175,000 fewer cars sold, and housing starts would stall with almost 28,000 fewer homes built—all of which would have dire consequences for a multitude of industries throughout the supply chain.

In addition to the broad negative economic impact on our economy, this rail shutdown could have far-reaching health consequences. Since water treatment facilities rely on the routine delivery of chlorine-based water disinfectants, we could experience drinking water shortages if shipments were disrupted, putting public health at risk. A group of associations representing the nation’s water utilities recently sent a [letter to Congress](#) warning that a rail shutdown caused by a failure to extend PTC “could risk a public health disaster for communities across the country.”

PTC is a sophisticated GPS-based system that is designed to prevent train collisions and derailments. Under the Rail Safety Improvement Act of 2008, railroads are required to implement PTC on lines that ship certain hazardous materials and carry passengers by rail by December 31, 2015.

The Association of American Railroads, Government Accountability Office, and Federal Railroad Administration have clearly stated that the railroads will not be able to implement PTC by the deadline. Furthermore, despite their common carrier obligation to provide service, most major railroads have declared that they will shut down large portions of their rail lines unless the deadline is extended.

Even allowing the deadline to approach will have severe consequences as companies need time to adjust transportation plans in the face of a shutdown of freight rail service. During a recent [hearing](#), Chairman Thune stressed, “We cannot wait until the last minute to act. This is a looming economic and safety disaster that is completely avoidable.” Thune continues to be a strong [champion](#) for an extension and is working with members from both sides of the aisle to urge House and Senate leadership to find a quick and responsible solution.

Congress must act immediately to provide a reasonable, workable extension for PTC to avoid this massive disruption to freight rail service and the potentially dire consequences for the U.S. economy that would come with such a shutdown. We strongly urge the House and Senate to pass an extension this month.

- >>[Full Report of PTC Impact Analysis](#)
- >>[Executive Summary of PTC Impact Analysis](#)
- >>[Fact Sheet - PTC Rail Shutdown by the Numbers](#)

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