

latimes.com/business/la-fi-mo-railroads-invest-billions-20120131,0,2653772.story

latimes.com

Railroads to invest \$13 billion this year, hire 15,000 workers

By Ronald D. White

7:20 AM PST, January 31, 2012

In a positive sign for the U.S. economy, the nation's major railroads will invest a record \$13 billion in various infrastructure upgrades this year, including a vital freight corridor that links Southern California's seaports to Texas and the Southwest. That's according to an industry group that represents Amtrak and the nation's biggest rail freight lines.

The Assn. of American Railroads also said that the railroads would hire 15,000 workers, replacing retired employees and adding new positions across the U.S.

"Unlike trucks, barges or airlines, America's freight railroads operate on infrastructure they own," said Edward R. Hamberger, AAR president and chief executive. "They build and maintain themselves so taxpayers don't have to. And this year they are investing at a record rate to meet the demands of the recovering economy."

The AAR said the upgrades will include intermodal terminals that support truck-to-train cargo delivery, new track, bridges and tunnels, modernized safety equipment, new locomotives and rail cars, and more.

One of the biggest efforts will come from Omaha-based Union Pacific. It's one of the two transcontinental rail lines that haul freight to and from the ports of Los Angeles and Long Beach, which together rank as the world's sixth-busiest harbor.

Lance M. Fritz, Union Pacific's executive vice president for operations, for example, recently told a group of investors and Wall Street analysts that the railroad's capital budget for 2012 would be about \$3.6 billion.

"Major projects include additional double track on the Sunset Corridor," Fritz said. The Sunset Corridor is a 760-mile section of the 32,000-mile Union Pacific system that links the ports to the Southwest and beyond. Nearly one-quarter of all freight cars handled by Union Pacific start or end their journey in Southern California.

Double tracking allows cargo to move faster. On a single-track route, one train has to shift to a siding to allow the other to pass by. Double track allows both to continue without delay.

advertisement

INVEST IN SILVER

Get Your **FREE** Investor Kit

As seen on

Railroad work can be very lucrative. The AAR said that the nation's 175,000 railway employees have an average salary of about \$100,000 a year, "with jobs ranging from engineers and dispatchers, to law enforcement, to information technology and industrial development." The AAR said one in five new hires are military veterans.

RELATED:

[Panama Canal challenge](#)

[Doubts on bullet train costs](#)

[Long Beach port's \\$4.6 billion lease](#)

Copyright © 2012, [Los Angeles Times](#)