

A Comment on CSX Rail Service Issues

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I am a lifetime railroader, having been a Conductor and Locomotive Engineer in the service of Penn Central, Conrail, and Amtrak, in the Northeast Corridor, followed by 20 years as a Railroad Operations Analyst for Morrison Knudsen, DeLeuw Cather, and Parsons Transportation Group. Prior to joining the railroad, I earned a BS in Transportation from the University of Maryland. Above is my home address, since 1980, which reflects the fact that, as an Amtrak Engineer, I could walk to work at Union Station. In retirement I serve the rail-interest community as Secretary of the Washington Area Railway Engineering Society, where I am a Past-President, and as a Vice Chairman of the Rail Passenger Association (NARP). Both are volunteer positions.

I would like to suggest a global perspective of CSX's service issues, and that of freight rail, in general, by making three points:

- Precision Scheduled transportation cannot be achieved with 200 car trains. As John Risch, of SMART noted in his testimony, too many things can go wrong. That goes for a freight train leaving an initial terminal, and more so, on the road. Maintaining schedules with such long trains is unrealistic. In my time, we had enough trouble with 100 car trains. Increasing the length multiplies the potential for problems.
- Reducing the number of switching crew days and eliminating overtime is nothing more than a cost cutting move, and is anathema to providing good customer service. I wish this issue had been the subject of more discussion at the listening session.
- Evicting long standing customers from leased storage tracks is not a strategy for providing good customer service. What is CSX going to do with these tracks? Are they using them to store the cars they are refusing to provide to their customers?

Precision Scheduled Railroading is nothing more than a "lipstick applied to a pig." In reality, the railroad wants to reduce the operating ratio to please the stockholders. As Cargill Vice President Brad Hildebrand noted, "In a nutshell, (precision scheduled railroading) means having to do with less." It is a strategy to cut costs, regardless of customer needs and expectations, and is not a sound method for serving customers well.

Claiming to improve service is nothing more than an excuse, and, given the longer train lengths, it is a goal that cannot be attained. Suggesting precise operation on published schedules, with longer trains, is absurd.

Beyond the immediate issues generated by CSX, there are the larger issues of the quality and comprehensiveness of rail freight service, in general. Since Staggers, the Class 1 carriers have become selective carriers, rather than common carriers. All they need to do to avoid undesirable shippers is raise the price or denigrate the service, to the point where the shippers go elsewhere. Meanwhile, they try to run the longest possible trains as seldom as possible.

The outcome has been that a lot of traffic has been driven away, resulting in even more trucks on the highways. They gave up the less-than-carload traffic in the 1950s. Boxcar traffic has steadily withered. What they really want is trainloads of bulk commodities and containers, as exemplified by the trains seen in the TV commercials for freight rail. Anything less is not worth their time and trouble, but the common carrier obligation forces them to deal with it. Granted, this is a whole other issue, with multiple negative social and economic connotations, but one worthy of the Board's attention.

A problem with the perception of today's freight railroads is that, having more traffic than they can handle reliably, they project the appearance of success. But this presupposes that they have a fully developed facility, with adequate capacity, that is capable of handling the expected traffic. In fact, they don't, in large part because they have reduced their capacity through excessive rationalization.

In part this is out of habit, and in large part to appease the demands of shareholders. The habit developed as they started to rationalize their capacity while passenger train service declined in the 1950s. It was an effort to survive in the regulated era while alternative modes were promoted by government policies and subsidies. The problem is that the mindset of rationalization has continued. Eliminating the passenger carrying responsibility with the creation of Amtrak, provided additional incentive for further rationalization. Prevailing expectations no longer required precise scheduling. Anything arriving within 24 hours of schedule was considered "on time". (Try telling that to Amtrak passengers!) Furthermore, improvements in signaling technology permitted a single track to handle "most" of the traffic that two tracks could. If one freight train lost a couple of hours waiting for another coming the other way, it was no big deal.

As a result, freight railroads have ended up with more traffic than their **present** capacity can handle. Consequently, they appear to be successful because they are always busy, as exemplified by frequent and extensive delays. To a market analyst, why aren't they successful? Don't they have more traffic than they can handle? Yes, but that is because of they lack the capacity they have gotten rid of.

I will accept that this might be a sound business policy, given market and financial conditions, but it is a failure, in terms of public convenience and necessity. That is what a common carrier should be providing. That is the issue the Board should consider when assessing CSX's operating strategy.

Mr. Harrison may claim success in implementing his plan on other railroads, but colleagues formally with the FRA tell me of numerous complaints from shippers, as a result. Cutting costs and crews is not a formula for better customer service. Applying a catchy label, using the word "precision", doesn't make it so, either.