



Editorial

The PSR Tragedy for Rail Workers is Also a Tragedy for the Nation as a Whole

As the commentary on Page 10 makes clear, Precision Scheduled Railroading (PSR) is no way to run a safe railroad. Whenever a corporate entity attempts to “do more with less”, the workforce knows very well what this means – *do more work with less employees*, resulting in low morale, higher levels of fatigue, task overload, longer hours, less time off work, all of which then manifests as a decline in physical health and well-being, marital and family issues, burnout, stress, overall job dissatisfaction, and yes, accidents, injuries, and fatalities. But it is not just the safety and health of workers that are threatened by PSR. Other interest groups and sectors also stand to lose.

Shippers – During the rollout of PSR at CP and CSX, countless shippers complained of the lack of rail car availability, late arrivals of raw materials and a failure to deliver final product on-time. Many fled to the competition (CN and NS respectively), causing fluidity problems on those roads, while some shippers reverted to the highway, and others were temporarily or permanently shuttered. At CSX the situation verged on a crisis, as the Surface Transportation Board was called in to investigate the barrage of complaints. It is impossible to calculate the long-term damage that has been done by these rocky rollouts. Suffice to say, expect more of shipper complaints and hardships as PSR variants are rolled out at NS, UP and KCS in the months ahead.

Passengers - With a moniker that includes both the term “precision” and the word “scheduled”, one would think such an operating plan would come as welcome news to Amtrak and commuter carriers who rely on freight railroads to dispatch and otherwise host their trains. In fact, PSR has been nothing short of a disaster for passenger railroads, Amtrak in particular. According to BNSF CEO Matt Rose, “I think we’ve seen, actually, a degradation in overall performance of the rail network in general ... You would think these would be working perfectly with more people going to PSR. You would think Amtrak performance would be at an all-time high. You would think commuter rail service would be at an all-time high. They’re not.”

Trackside communities – For those living along the tracks, PSR offers little comfort. In addition to the safety failures that are a hallmark of this operating plan that can result in derailment and disaster to such communities, the penchant to run ever longer and heavier trains means long waits at railroad crossings and the potential for completely blocked crossings along with all of the hazards and safety issues that come with such impediments. In addition, PSR is unlikely to be courting small town shippers who wish the occasional carload. PSR is focused on large shippers, while local switching and single carload billing offers limited returns. So much for revitalizing the local trackside factory.

Railroads - Rail is the proven, the most efficient means to move both freight and passengers, and stands poised to regain an endless amount of traffic that has been diverted to the highways and airways this last century. To propel this transition forward, we need to increase track capacity, build infrastructure, and raise average train speed. To win back carload shippers, the railroads must aggressively go after new business. But the PSR operating plan is at odds with this model, focusing instead on the operating ratio and disregarding other metrics of success and vitality. Matt Rose of BNSF (a non-publicly traded company), in a recent interview in *Railway Age Magazine*, claimed that Wall Street is dictating, “Less is better. Less capital is better. Fewer marker opportunities are better. Fewer unit trains are better. It’s

all about lowering the operating ratio. I disagree with almost all of that. I truly believe that every industry, every business, needs growth.” And in the February issue of that same magazine, Contributing Editor Frank Wilner decried the “operating ratio trap”, stating, “In fact, an obsession with lowering the operating ratio can feed a perverse result. While deferring maintenance and shedding locomotives, employees and track miles reduces operating expenses and improves operating ratio, such actions can discourage new business, irritate existing customers and labor partners, adversely impact safety ...”

Society and the Nation - As the climate crisis deepens, rail has the potential to play a crucial role in moving our economy in an environmentally sustainable direction. Yet PSR is shuttering facilities, bulldozing classification yards, downgrading and even single tracking mainlines, and selling off assets, all designed to reduce the operating ratio and pump up the stock price in time for the next quarter’s financial report. We have seen this movie before, a few generations back, when the rail industry single-tracked thousands of miles of major trunk routes, and abandoned others entirely, driving thousands of shippers off the rails and onto the highway. In those days of heavy regulations, the railroads had high operating ratios and pleaded poverty. Today, however, those same railroads are making record profits on record low operating ratios, and yet are playing the same game. This is perhaps the worst aspect of PSR – it stands in the way of a railroad renaissance just as we are at the threshold. CEO Rose once again: “It’s in the public’s best interest to move more tons to the railroad network, not off of it.” Meantime, countries like China, India, and Spain move forward with massive rail projects – both freight and passenger – to serve their countries’ transport needs in the decades to come. Meantime, the North American rail industry – held hostage by PSR - is obsessed with the upcoming quarter’s profits, stock price and operating ratio, hardly a strategy for development, growth, and expansion.

Conclusion - RWU urges all those concerned – workers, unions, shippers, passengers, and trackside communities to join with us, and to stand up and raise our collective voices in opposition to PSR. And as outlined above, this is an issue that transcends the railroad community and is one of great importance and significance to the entire nation. It’s time we let our public officials know what is going on out there! Since the rail corporations appear incapable of even the pretense of responsibility to anyone but their short-term investors, then perhaps it is time to once again regulate – if not outright nationalize - the rail industry. The rail industry is too important to all of us, to leave to the selfish short-term whims of a handful of wealthy investors.

