Rail Labor and "Productivity"

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Labor Day is an appropriate time to reflect upon the 130+ year-old relationship between rail operators and their unions ("The Brotherhoods"), and vice versa. Few on the management side enjoyed labor negotiations. It was often akin to prepping for a colonoscopy. The formal bargaining and "grievance resolution" processes often brought out the worst in both sides. Few "brothers" cared about economics, and few in management seemed to appreciate their employees, who by and large were deeply committed to the railroad - - the mode of transportation, if not always to the company. Management, after all, represented those sinister "*bankers*". Tolerated rather than respected, first-line supervision often left something to be desired in terms of human resource skills. As in any industry, there were some bad eggs, mostly alcohol in the old days. But name us an industry where so much goes on in the dead of night with little or no direct supervisory oversight. It is a testament to the dedication, good will and sound values of the rank and file that so much is done right, and relatively little goes wrong.

So effective has been the railroad industry's periodic public campaigns against the Brotherhoods that even today many of our citizens, who generally know little or nothing about it, will tell us that the reason the rails have difficulty competing with the truckers is due to rail labor. Hardly any of these folks, whom we meet socially, realize that the rail industry has gotten almost everything it ever wanted from labor, albeit at a price! No question about it though, rail labor is expensive! We now have one-person train crews, and no presence in most towns. Rail labor has been reduced in every area of activity. National rail employment is down from about 1.5 million in the mid-1950's to around 200,000 today. Using the ton-mile measure (think about the fairly recent phenomenon of long-distance coal haulage) labor productivity has increased dramatically. But there are other rail performance measures which have not improved significantly. Average freight train speeds, dwell time, and others that bear more directly upon rail's competitiveness. Then there is the utilization of invested capital, such as basic railroad infrastructure. In some instances, operating labor savings have occasioned an offsetting negative impact.

Once again, the rails are experimenting with super-sized trains. Earlier this year Union Pacific operated a test train that was over three-miles long. Sure it can be done, and maybe one day soon it will be done with no on-board operator, but such a monster takes a huge bite out of the capacity of rail routes and terminals. Was it really that productive? Did it make UP more competitive? There are other "efficiency" examples, including lengthy curfews for track maintenance, and terminal dead zones associated with remote control switching operations. Quantifying the net impact continues to be illusive.

We have no quarrel with the essential, on-going, effort to make good use of labor; we just wish the rails would make as much effort to better utilize all assets to the end that U. S. railroads might significantly improve their competitiveness vs. the highway. That would really be something to crow about!

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