

RAILWAY AGE

July 23, 2017

What is “Precision Railroading”? What is it not?

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What’s behind the definition of Precision Railroading as currently used in public relations literature? How much accuracy is actually at work on a freight railroad?

Here is a simplified description of what Precision Railroading is, and isn’t. I spent part of my railroad career in IT (information technology) and in logistics tools/skills development while at Conrail. This description might be understandable, in a business context, for people who are not IT railroad people. These observations are mine.

Precision Railroading is a term used by Hunter Harrison, the current CSX CEO, to describe his unique operating plan. The word “Precision” describes a high degree of accuracy. For the transportation business, it implies repetitive on-time performance.

To logisticians and to network simulation technicians, precise operating execution conveys an extremely high standard of fluidity and of final delivery.

To consumers, the benchmark for on-time precise delivery is that offered by carriers like United Parcel Service, FedEx, and Amazon Prime to their customers. It’s often measured as delivery within a window of hours, and at worst, perhaps a half-day. Railroads often deal in deliveries plus or minus one or more days—not hours.

Also in contrast, for railroads like CSX and Canadian Pacific, the highest precision usually occurs at the origin end of a cargo move. That’s somewhat equivalent to an email from Amazon announcing your order has been picked from inventory and actually “shipped.” A technical literature search suggests that general rail cargo might hit that originated target in an 80% to 90% approximate range of expectation or schedule with a high repeating consistency—but with less accuracy or price delivery time at the final destination.

But freight gains its higher-place utility value only when it’s delivered. Freight customers with higher-value goods want consistently high arrival time within short windows. The practice of current Precision Railroading seems to show less on-time *arrival* accuracy than it does *origination* accuracy.

In its current model application, it’s not world-class accuracy like the trucker and parcel industries deliver.

True, more precision discipline in train movements as practiced by CSX certainly achieves lower operating costs that translate to higher operating income for the railroad. Improved or “must-have” accurate shipper deliveries is a different matter. More evidence is needed. Does Hunter Harrison’s Precision Railroading model provide that numerical documentation of customer benefit?

Compare the current rail destination predictive functionality of a simple smartphone app like WAZE. It’s far more powerful than today’s Precision Railroading capability.

Finally, the failure to integrate PTC real-time location monitoring by railroads like CSX tells a sad tale of how primitive the railroad version of precision freight delivery is in the competitive world of logistics. As a benchmark, all the railroads are in IT catch-up mode. Precise detail accuracy hasn’t been achieved. It could be.

For deeper understanding, reference companies like Oliver Wyman, ALK Associates, and Amtech Logistics. Search for technical reports dealing with freight car trip plans.



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