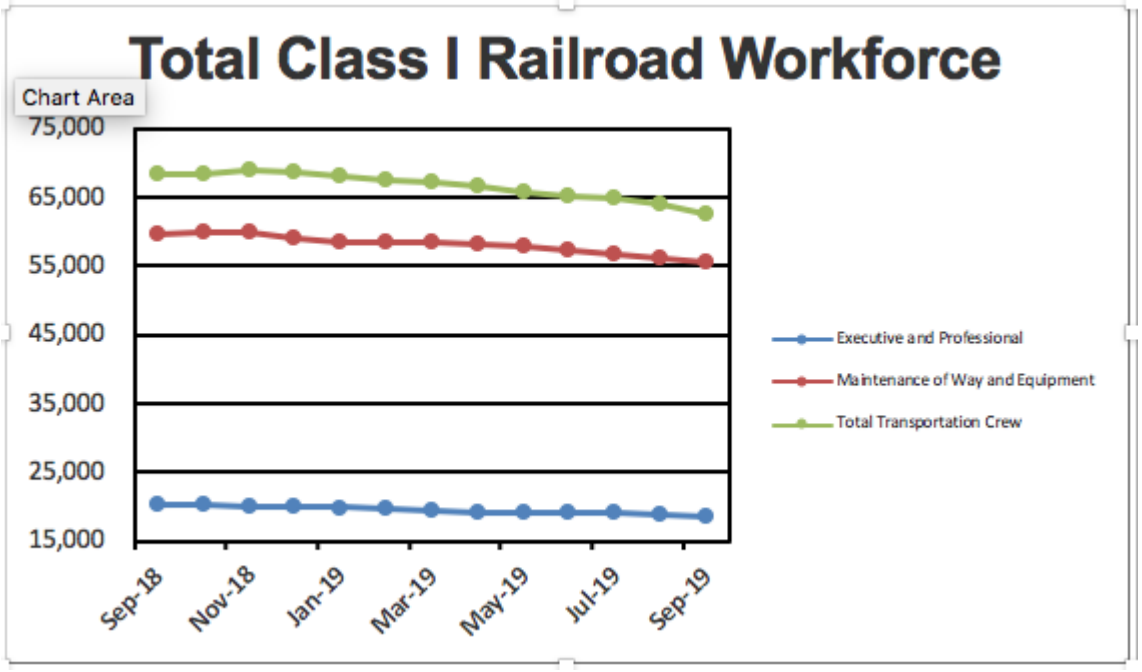
Railroads lead all U.S. industries in rate of job losses during October

By Bill Stephens | November 4, 2019
RELATED TOPICS: CLASS 1 FREIGHT RAILROADS | LABOR RELATIONS | GENERAL NEWS

Trains Industry Newsletter
Get a weekly roundup of the industry news you need.

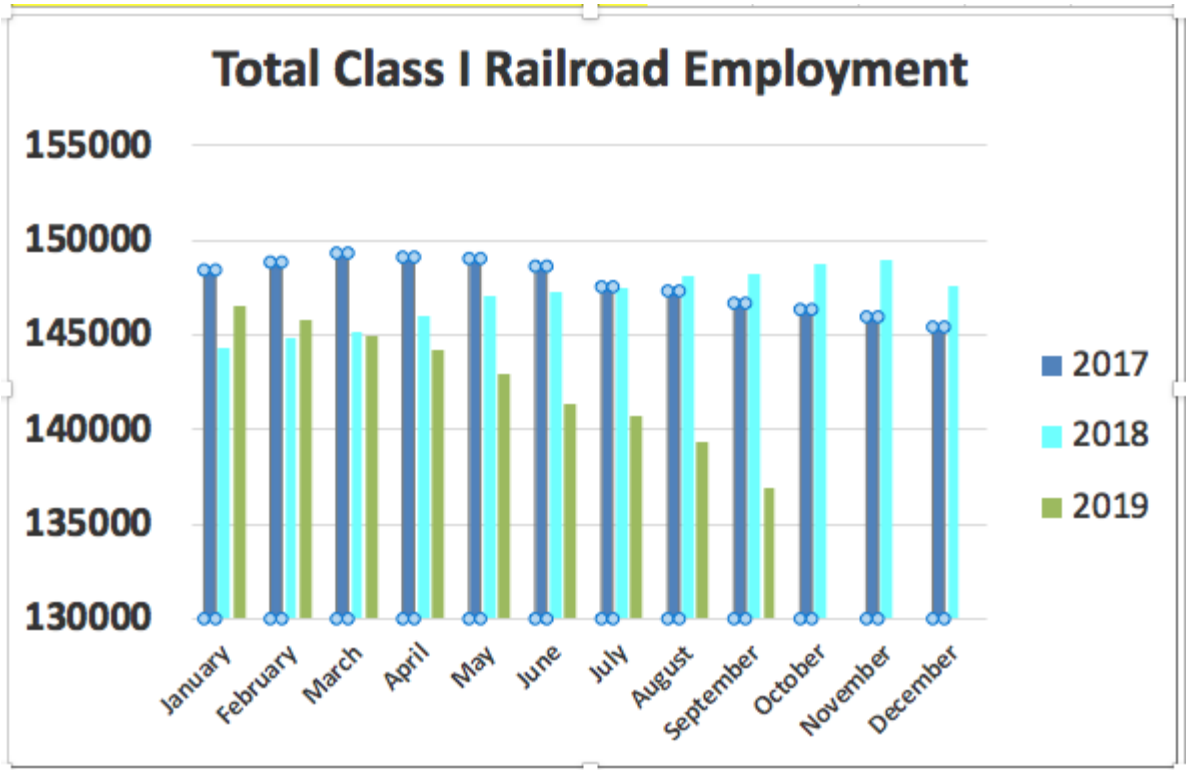
Sign up

By signing up you may also receive occasional reader surveys and special offers from Trains magazine. View our privacy policy.



The downward trend in rail employment continued in October.

Surface Transportation Board



The total number of rail jobs continues to show a dramatic decline in 2019 compared to the two previous years.

Surface Transportation Board

WASHINGTON — American railroads shed jobs faster than any other industry in October.

The data point, contained in the Bureau of Labor Statistics jobs report for the month, measures the year-over-year decline in monthly payroll. Railroads were down nearly 8%, leading a group of the fastest-contracting industries, according to Avery Vise, an analyst at FTR Transportation Intelligence.

The employment decline comes primarily from two factors: Class I systems furloughed crews as the year's traffic decline accelerated, along with broad operational changes related to the implementation of Precision Scheduled Railroading at Norfolk Southern and Union Pacific.

"Rail transportation has been on this list for some time because of structural changes that are ongoing related to Precision Scheduled Railroading and the industry changing how it moves traffic," says Todd Tranausky, a rail and intermodal analyst with FTR. "What has changed over the last several months is that the rail industry has steadily moved up that list."

It's startling, Tranausky says, that railroads could top the list in a month when General Motors workers were on strike.

"That speaks to how quickly the railroads are reacting to the volume downturn," Tranausky says.

Industry-wide improvements in average train speed and terminal dwell have stalled, suggesting that railroads are not as concerned about moving lower volumes as quickly as they have been as they size their employment levels to a dwindling traffic base, Tranausky says.

Through the week ending Oct. 26, total U.S. rail traffic was down 4.3% for the year to date, according to the latest data from the Association of American Railroads.

Separately, the Surface Transportation Board last week released the latest U.S. Class I railroad employment data for September. Overall railroad employment declined 7.6% year over year and by nearly 2% compared to August.

NS and UP reported the steepest declines in employment during September.

NS is currently operating with its lowest train and engine crew roster ever, executives said during the railroad's quarterly earnings call last month. When the year began, NS expected overall employment to be down by 500 positions by year's end. Instead, executives expect the railroad to have 3,200 fewer employees at the end of the year.

Both NS and UP have been moving traffic on fewer but longer trains, further reducing the need for train and engine crews. They've also been storing locomotives and freight cars, which reduces the need for locomotive and car shop mechanical forces.

Compared to September 2018, train and engine crew employment was down 7.9% on BNSF, 8.9% on CSX, 2.5% on Canadian National's Grand Trunk, 12.6% on NS, 0.7% on Canadian Pacific's Soo Line, and 9.7% on UP, according to STB data.

Train and engine crew employment grew 2.2% on Kansas City Southern, whose cross-border traffic is steadily rising.