

RAILROAD WEEK IN REVIEW

March 13, 2026

“Morningstar: ‘Running a precision scheduled railroad requires commitment to on-time train departures from employees and customers queuing cars for departure.’”

“This is what you’re really trying to do as a railroad: run cars. You’re not trying to move trains. A train simply being on time doesn’t necessarily mean the individual cars were where they needed to be.” Railroader: The Unfiltered Genius and Controversy of Four-Time CEO Hunter Harrison, Howard Green (c) 2018

Precision Scheduled Railroading requires the customer to be as on-time as the railroad. At the STB’s 2022 EP777 “URGENT ISSUES IN FREIGHT RAIL SERVICE” hearings, a utility said BNSF wasn’t pulling the empty coal trains promptly. BNSF response to STB: Train wasn’t empty at the previously agreed release time. But the public narrative missed that: “Utility says railroad didn’t pull the empty train on time.” — headline.

The operating reality — as BNSF responded — was that the train was not empty at the agreed release time, a completely different story, and one that goes straight to what Morningstar captured in one sentence: Precision requires commitment to on-time departures from employees and customers.

If the contract is: “Empty trains are to be released at 1400,” the servicing railroad builds its entire operating plan around that 1400 pull. Meets are scheduled according to that plan, so opposing trains are affected. So if the 1400 pull doesn’t happen, crew hours are eaten up, increasing the odds that crew will Go On The Law before finishing the job.

In other words, the railroad has two choices: (1) wait for the customer to release the train, making it non-compliant with the trip plan or (2) the railroad holds the customer to the plan. Hunter would choose Option 2 every time. Because once you allow slippage at origin, the entire downstream plan degrades.

Yes, the BNSF event was a couple of years ago. Yet the story repeats regularly. That the story is allowed to repeat tells one a deeper lesson: precision railroading isn’t just internal discipline. It’s bilateral discipline and when either party slips velocity suffers, asset turns are missed, points get added to the OR, and — worst of all — customer confidence goes into the toilet. And unless someone insists on the plan being sacred, drift resumes.

Railroads are absolute, or, to quote Ayn Rand, A is A. You can't just say we'll add the cars to a later train. Every train has its own unique trip plan, so "customer add-ons" are where doctrine meets reality. Every individual touching the trip plan, from the car-knocker to the conductor to the dispatcher, has a stake in trip plan compliance. Hunter again: "These are the rules; if you can't follow these rules you'd better find another line of work."

Operating rules are there for a reason. I watched a 60-car way-freight come into a yard with an empty wood rack behind the power. The Rules say empties must be at least six cars back from the locomotive. Didn't happen because the conductor didn't want to reach back six cars — easier to make the cut at the head end, grab the empty, and head for the barn for an early quit. Said conductor found himself looking for another line of work.

Then there was the customer who didn't release empties until the train arrived to pull them. Not only did the customer's demurrage clock keep running after the the cars had been made empty, but also the crew had no way of knowing the power needed for the job. Here it was the trainmaster's job to educate the customer to release the cars as made empty and help the power desk built the train.

If the railroad flexes every time the customer misses a release, the schedule becomes advisory, and that's no way to run a railroad. Dispatchers must be adamant: if the car isn't ready it gets left and the clock keeps running. And no add-ons after cut-off. Once you start making exceptions, the railroad is improvising again — improvisation is expensive.

Here's the cultural tell: If a railroad quietly tolerates frequent add-ons to protect volume optics in a flat market, it is prioritizing revenue capture over schedule integrity. That can inflate quarterly car-counts and revenue, but it erodes trip plan compliance — which eventually erodes velocity and the OR — which eventually erodes merchandise confidence. That's the chain.

Prohibiting add-ons is not minor operational nitpicking. It's a barometer. If the plan is sacred, add-ons are rare and disciplined. If the plan is flexible, the culture has shifted. And once again, this is steel speaking — not spreadsheets.

What that EP777 hearings really exposed wasn't malice. They exposed how fragile schedule integrity becomes when the covenant isn't universally respected. You saw the operating truth in the utility exchange, though most readers just saw the press release headlines. And that, in one sentence, explains half the misunderstanding around PSR.

AI to the rescue. I can ask ChatGPT to give me all the departures from Yard X heading for Destination Y on Railroad Z. I can also ask all the customers on Railroad Z when they

will release cars heading for Destination Y and then have ChatGPT to build me a train that will accommodate that traffic. From that, the railroad creates a trip plan for each car from pull at origin to place at destination.

My brief WIR reader survey about AI and trip plans brought forth the usual list of reasons WHY it won't work (because things go wrong). Nobody went beyond the WHYs to focus on WHAT it will take to become reality and WHO will take the lead. Just telling WHY is backward-looking; we really need the forward looking at WHAT. Until now the compute power to gather the data and create options from it hasn't been available. Such is no longer the case. More on this next week.

If the railroad knew when 80% of customer cars would be ready to depart for a distant node, they could schedule trains accordingly. The railroad provides crew discipline, yard discipline, and dispatch discipline. And it is up to the customer to provide car-loading discipline, car ready for pull discipline, and cut-off time discipline.

Bringing the PSR argument full circle, it was never "run fewer trains." It was: Run the trains you publish every day without fail. Fact is, precision isn't unilateral — it's relational. Customers must queue cars on time. The railroad must pull on time. And both must respect the plan.

It all boils down to this: Bernard Baruch (see WIR Feb 28) understood that capital structures are transient while physical capacity endures. In railroading, the equivalent truth is that the operating plan must precede the financial plan. When the railroad runs to a disciplined trip plan — the same trains, the same work, every day — service stabilizes, velocity improves, and customers respond. The financial results follow.

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