

# Railroad workers at CSX face the dictates of Wall Street

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*The WSWS urges railroad workers to contact us with any information.*

Workers at CSX railroad are facing a ruthless new regime, backed by a hedge fund, that aims to boost the stock price of the company through the pillaging of the railroad's workforce and infrastructure.

In the months since CEO Hunter Harrison was installed, radical changes to working conditions have been imposed and service has plummeted. Meanwhile, one union representing engineers is pursuing talks with Harrison to formally ditch working rules in favor of higher hourly pay.

CSX, now with 25,000 employees and 21,000 miles of track, is the largest target yet of Harrison and his hedge fund backer Mantle Ridge. It stretches across the US East Coast and Midwest, stretching into eastern Canada, connecting cities as distant as Miami, New Orleans, St. Louis, Chicago, Detroit, Montreal, and Boston. Traffic includes large amounts of coal, grain, finished automobiles, chemicals, industrial products, and intermodal (trucks and shipping containers carried by rail.)

While Harrison has been CEO of both Canadian major railroads, Canadian National and Canadian Pacific, his installation at CSX marks a turning point, as it signifies that whatever cuts are achieved will set the national pattern, with Wall Street demanding the same from workers at the other major US railroads—Union Pacific, BNSF, and Norfolk Southern.

Harrison received \$84 million upfront from CSX's Board of Directors and shareholders, with \$300 million total promised over his four-year contract. His payment places him among the highest-paid CEOs in the country, and is premised on a massive increase in the share price, which has doubled with his installation.

The 72-year-old runs the railroad from his

9,200-square-foot mansion within the Palm Beach Polo & Country Club. Even as Harrison oversees major cuts at the company, CSX has announced the expenditure of \$1.8 million to renovate the executive floor of the corporate headquarters which Harrison will not even occupy. When Harrison does leave the mansion, it is with a personal assistant carting an oxygen tank for his undisclosed health issues, and a personal security detail.

So far this year, 2,300 CSX employees have been laid off; 1,000 management staff prior to Harrison's imposition, and 1,300 management and labor since, and CSX has suggested another 700 layoffs are to come.

Shops that repair and maintain freight cars and locomotives have been closed, and major yards which sort traffic have been downsized. Service has gotten so poor that some shippers have had to stop production due to material shortages. Last week, the federal Surface Transportation Board sent a letter to CSX because of the poor service. Harrison smugly stated that anything going wrong at the company is "push back by the troops."

On the ground, the changes are drastic. Taxi services that transport railroad crews to and from trains have been cut, and trainmasters, the lowest rung of management, have been told to take up the job using their own personal vehicles. Recently, trainmasters were told that all vacation days and off days were canceled, they are now expected to work continuously, often logging 16-hour days.

A safety directive issued to workers announced the ending of company-provided steel toe boots and other personal protective wear, cynically stating that purchasing the gear is part of workers' shared responsibility to work safely. This violates an Occupational Safety and Health Administration

mandate which requires employers to provide safety gear if the job requires it.

CSX has had a vicious attendance policy that makes taking time off for family or even sickness liable to discipline. A freight train generally has two crewmembers, an engineer and a conductor, who often do not have set schedules, and are expected to work 24/7 including on weekends and holidays. A shift is commonly 12 hours, but often longer if travel to and from the train is included. A majority of operating employees work 50, 60, or 70 hours a week, for years.

As an example of how unstable schedules are, if an off-duty engineer gets a call on their phone to go to work, according to their contract, just answering the call makes it mandatory to agree to the shift.

In this context, Harrison has eliminated the ability of operating crews to take naps on trains, which is a standard policy on railroads. The *Wall Street Journal* published an ignorant piece of lies and omissions on the change, accepting that rationale as good coin, and implying that workers were mooching by napping on the job. What went unmentioned is that operating crews commonly face hours of waiting on a shift for other traffic to clear. This is especially true under Harrison, whose changes have created service meltdowns where a crew might barely turn a wheel once on board.

In a job with no consistent schedule and 24/7 operation, fatigue is a major and deadly issue. If a crew is stuck in a siding waiting at 2 a.m., a short nap may provide the ability to fend off fatigue and resume operation when more alert.

The policy change on naps is effectively cementing fatigue, ensuring dangerous operating conditions. Presumably when a worker falls asleep and a tragic accident happens, Harrison will state that the rule book says employees are supposed to arrive well rested, and that is where the blame lies.

In this climate, the Brotherhood of Locomotive Engineers and Trainmen (BLET), which represents engineers, announced it was in discussion with company about agreeing to an hourly wage.

Currently, many workers earn pay that depends on the trip, get overtime after 8 hours, and have restrictions on what work they can do. The BLET and CSX are proposing a flat hourly wage, with overtime after 10 hours, and no restrictions on the use of crews. The proposal would give CSX free rein to use engineers

however they wish, and is being sold by offering higher hourly pay.

This occurs while contracts for 13 railroad unions are in the third year of negotiation nationally, with the rail carriers pushing hard for fundamental revisions to job conditions, pay, and health care.

In response to the BLET proposal at CSX, rail workers have noted that in reality, for years their working conditions have been so eroded that the new proposal hardly sounds different, so they might as well take the high hourly pay. Indeed, for years, all of the major railroads have made changes to working conditions with little opposition from the unions. Harsher discipline, attendance policies, employee monitoring, and other issues are common across all carriers.

The unions, who funnel money to both the Democrats and Republicans, claim their hands are tied by the federal laws and processes that restrain strike action. Those laws exist because of the enormous role that railroad workers play in the economy, and the immediate political crisis that would follow any major job action. A national strike would immediately impact the large amount of power generation, industrial production, global trade, and agriculture that rely on the rail network. A work stoppage by railroad workers would have global ramifications.

Harrison's installation and cutbacks show that Wall Street is clamoring to profit off of even deeper cuts to railroad workers, even after decades of concessions agreed to by the unions. To combat this, a new strategy is needed that unites rail workers across crafts in rank-and-file committees independent of both political parties.



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