CSX railroad closes and downgrades major facilities

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Just months after the hedge fund Mantle Ridge Capital installed its preferred CEO at CSX railroad, the list of destructive changes is growing every week.

Hunter Harrison was appointed CEO of CSX in March, after a campaign by Mantle Ridge Capital, handing him $84 million up front and promising roughly $300 million total over his 4-year contract. CSX covers 23 US states, across the south, east, midwest and two Canadian provinces, and employs over 25,000.

Harrison is a ruthless railroad asset stripper, who has emphasized his “short tenure,” making clear that his cuts will be imposed rapidly. These changes will set the pattern for the rest of the industry. Layers of management have either been tossed out or told to justify their jobs by implementing drastic changes to operations that yield cost savings. More facilities are being closed while service levels continue to fall and worker safety is imperiled.

The CSX CEO stated he would close and downsize many rail yards, specifically hump yards that are a more automatic, mechanical method of sorting railroad traffic. Harrison claims most of CSX's hump yards are inefficient, and tells investors that each hump yard closure would involve over $10 million a year in savings. Instead, some yards are being converted to “flat switch” yards, where employees do more on-the-ground work to sort traffic.

In a hump yard a train of cars is slowly pushed up an elevated rise, where a crewmember uncouples (disconnects) cars, and then the cars roll downhill into different tracks that sort them by destination. On the downhill slope, there are devices called retarders that mechanically slow the cars to keep them at a reasonable and safe speed.

A signal maintainer spoke of a dangerous change in hump yard operations at Avon Yard, in Indianapolis, Indiana, “One of the big problems is that management was actively being encouraged to disregard safety standards, and being threatened with their jobs if dramatic changes didn't occur. They increased the speeds of the cars that go down through the retarder. Normally those cars take 5 seconds, but management said they should take 2 seconds to pass through [meaning, they roll at higher speeds].

“During this time, there were more derailments than I've ever seen in that yard, and I worked there for five years. If you are working in the yard, this is dangerous, and if something were to happen there are only two ways in and out for emergency services. One of those entrances is constantly blocked by trains, and the other often is as well.”

Despite the pursuit of the faster and more dangerous methods, Avon was closed in July, with other outdated Indianapolis yards taking its place. That plan failed within days, and Avon has since been reopened as a flat switchyard, and may be closed again. The locomotive repair shop at the yard was closed in June with no warning, putting several mechanical workers out of their jobs.

In addition to Avon, the hump portion of yards at Toledo, Ohio; Cumberland, Maryland; Louisville, Kentucky; Hamlet, North Carolina; Atlanta, Georgia; and Birmingham, Alabama have been closed. One of two humps at Willard Yard in Willard, Ohio, has also been closed, and the hump yard in Selkirk, New York has been threatened with closure. These locations also had speedups imposed under threats of closure, as well as layoffs and closure of car and engine shops.

A railroad worker writes on the railroaders’ blog, “CSX Sucks,” that at first, employees were added to the crews at their hump yard and the amount of freight

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processed initially rose, becoming second highest in the system. “After a time, though, you all fired all our managers, cut jobs, piled the freight in (1,000 cars every 8 hours,) and expected us to move it with half the manpower. After it was all said and done, we were told we were failures and we would be shut off.

He continued, “Men are constantly threatened, with their jobs on the line. We are told to switch cars like back in the 1950's when injury/fatality rates were high and it is just a matter of time before we have a headline injury or fatality. Men are getting cussed up one side and down the other, and shown no absolute professionalism in the least little way.”

Flat switchyards have been shut down as well. Caskey Yard, in Caskey, Kentucky, which was opened in 2014, has already been closed. Barr Yard, located in Riverdale, Illinois, was suddenly downgraded on Sunday, with no prior warning. Union employees did not receive formal notice of their assignments being eliminated, and crews were sent home without even receiving a time slip, which they need to get paid. Over fifty jobs were eliminated with the decision, further expanding the roster of CSX operating (T&E) employees who have been “bumped” from a regular job and form a pool of the railroad unemployed. Additionally, the engine repair shop at the facility was closed several weeks ago.

Last week, Barr Yard was busy and full of freight traffic that was then suddenly redirected to other yards in Chicago. The miserable state of CSX service—which has major industrial customers complaining to federal agencies—is likely to worsen with the closure.

Other changes to policies relating to safety have been instituted system-wide. A process called “Three Step Protection” was ended, the ban on getting on and off moving equipment was lifted, and safety meetings at the start of shifts have been ended. Company provided work boots and safety equipment were discontinued for most and “brake sticks,” that allow employees to more easily turn the heavy brake wheels of freight cars, were banned. Some workers felt the previous safety rule structure was excessive, but the removal of several of the safety measures clearly relates to CSX increasing the speed of work, not concern over reasonable safety.

Amidst the widespread changes in work rules, intimidation, layoffs, and closures, the unions have remained nearly silent. The SMART Transportation Division, formerly the United Transportation Union (UTU), published a public letter rebutting Harrison's claim that employees are to blame for service delays. Yet, after noting that CSX has violated collective bargaining agreements, it identifies the interests of workers and management stating, “employees are stockholders with a vested interest in the company.”

The Brotherhood of Locomotive Engineers and Trainmen has published nothing about the subject, but is talking behind the scenes with Harrison to implement an hourly pay agreement. That agreement was implemented by Harrison at parts of Canadian National and Canadian Pacific, and will allow the company to get more work out T & E crews, to further slash their numbers.

Railroad workers around the country, and even the world, face similar conditions. Currently, 145,000 railroad workers in the US are working under terms of a contract that expired two years ago, under conditions where the railroads are demanding relaxed work rules, higher health care costs, minimal raises, and other attacks.

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