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Railroad Industry – Indicators of Readiness for Change?
Who Will Be the Catalyst & Driver of Change?

Words, words, words. From mid-2020, it seems mostly the railroad industry talking to itself.

- As Precision Scheduled Railroading ("PSR") matures, a "capacity dividend"? Focus on changing customer demands, make product more compelling.[1]
- More competition, more options for shippers?[2]
- PSR 1.0 to pivot to PSR 2.0, pivot to growth. RRs in an age of disruption. Short, fast trains if one has capacity.[3]
- Rail Pulse Venture, will true telemetrics come to railcars, transform non-RR ownership?[4] How long will it take? Will technology acceleration overcome RR-time?
- Opportunities in "service sensitive" markets. Not so much speed as "reliability", "predictability". Consistency and accuracy. Intermodal to lead growth, truck competitive. Become more truck-like. Visibility for customers – make it easier to do business with us.[5]
- Intermodal growth above GDP growth, faster than carload. Not a seller of short lines. Will compete with anybody.[6]
- Oriented to consumer side, competing with truck is our bigger future. ESG coming. Propulsion will not be diesel. Supply chain visibility for customers is down the road. Cost leadership is how to divert freight from highway. More door-to-door, like long haul trucking. The secret sauce is how to manage a smart network, safely with increased capacity.[7]
- E. Hunter Harrison: "Why would I want to give it up? I can operate it better than they can." So, CN, what's with the "Divestiture" thing? But, perhaps, CN's "Divestiture" will come with a few twists of its own, when it is the shippers' and public's turn to be heard?

The answer to "Who"? It's implicit in the words RRs are saying to each other. It is the freight; it is the shippers together.[8] By shippers, we mean their Actionable Shipper Data, scaled up to support Rail Infrastructure Investment and Operations Planning ("RII-OP"), *i.e*, demand-side data and analytics. What will Q2-Q3 2021 bring? Is this how ESG will come to the RR industry?

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[1] Mike McClellan, VP Strategic Planning, NS, Virtual Midwest Rail Conference 8/12/2020.
[2] Martin Oberman, Surface Transportation Board, ATLP Transportation Forum XVII 11/12/2020.
[3] Tony Hatch, Senior Transportation Analyst, ABH Consulting, RailTrends 11/19/2020.
[4] Panel discussion: McClellan, VP Strategic Planning, NS; DeGroot, Senior VP, Sales, TrinityRail; Titterton, Sr. VP and COO, GATX - RailTrends 11/19/2020.
[5] Alan Shaw, Executive VP, Chief Marketing Officer, NS, RailTrends 11/20/2020.
[6] Jim Foote, President and CEO, CSX, RailTrends 11/20/2020.
[7] Jean-Jacques Ruest, President and CEO, CN, RailTrends 11/20/2020.
[8] Possibly, in the form of one or more "classic shippers' associations" – First Amendment free association at work.