

The Value Of Adopting Generative AI In The Freight Railroad Industry

7 Competitive Advantages For Railroads In Prioritizing AI

MT. LAUREL, NJ, UNITED STATES, February 8, 2025 /EINPresswire.com/ -- In 2024, 77% of U.S. companies are either using or exploring the use of generative AI in their businesses. 83% of companies claim that AI is a top priority in their business plans, according to research completed by Exploding Topics. In the freight railroad industry, which has traditionally been slower in adopting new technology relative to others, it is estimated that approximately only 35% of railroad companies are working on developing some application of generative AI to work within their organizations. Brian Gorton, President and CEO of Conrail Corporation, the nation's largest switching and terminal rail service provider, said, "The rail industry faces obstacles in adopting generative artificial intelligence, such as incomplete data, inconsistent standards, and the substantial costs of necessary capital improvements. Nevertheless, generative AI holds immense potential to deliver significant value and efficiencies to railroad operations that may justify the initial investment."



Brian Gorton - President & Chief Operating Officer, Conrail Corporation

Gorton recommends that railroads take a hard look at adopting generative AI. In particular, he has identified seven advantages where installing generative AI can generate meaningful value and cost savings for railroads including:

- 1) safety – anticipating danger zones and potential accidents thereby reducing injuries and creating a safer work environment for employees.
- 2) preempting track failure and preventing damage, blockages and delays.
- 3) preempting rolling stock failure and preventing damage, blockages and delays.
- 4) predicting maintenance needs and recommending less expensive proactive service well before equipment experiences complete failure, potentially creating costly damage and/or tying



The rail industry faces obstacles in adopting generative AI - incomplete data, inconsistent standards, high cost of capital improvements, etc. Yet, it also offers strong value & efficiency potential.”

Brian Gorton - President & Chief Operating Officer of Conrail Corporation

up parts of the system.

- 5) recommending more efficient train assembly, saving time both assembling and disbanding strings of cars.
- 6) improving customer service by providing more efficient train routing, speeding delivery times.
- 7) giving railroads that utilize generative AI a competitive advantage against slower adopter competitors.

Said Gorton, “Imagine the potential cost reduction achieved by implementing generative AI, even in just one of the above areas.”

In taking the first step, Gorton recommends setting up an AI task force. Study the actual cost of each of the above issues at one’s organization and compare it against the anticipated savings AI could provide. Run the numbers relative to the investment required to adopt an AI system in that area. Once the numbers are known, he recommends selecting those areas which make the best financial sense, allocate the investment and implement.

Gorton said, “Although the cost of entry to using AI can be high for railroads, it may also make good financial sense. Instead of dismissing AI implementation outright, railroads need to prioritize exploring its adoption. AI’s potential to save money, provide a competitive advantage and more effectively position companies for the future make it a prime consideration for inclusion in planning strategies and budgets now and in the future.”

ABOUT CONRAIL CORPORATION

Founded in 1976, Conrail is a premier terminal and switching service provider, operating about 1,200 miles of track for its owners CSX Transportation and Norfolk Southern. The company provides safe and efficient rail service to local freight customers in the areas of Detroit, New Jersey and Philadelphia. Operating in shared asset areas, Conrail connects customers to the national rail network through CSX and NS. Guided by the core values of Safety, Service, Value and Leadership, Conrail remains committed to providing excellent rail services. For more information, visit <https://www.conrail.com>.

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