

FEEDBACK ON PRECISION SCHEDULED RAILROADING (PSR) REPORT

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Katherine E. Hamer,
Senior Analyst
Physical Infrastructure
U.S. Government Accountability Office
(202) 512-3824

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RE: Feedback on Precision Scheduled Railroading Report

Dear Katherine:

First and foremost, my most sincere “Thank You” to all personnel and staff at GAO who worked on producing the report on Precision Scheduled Railroading (PSR). I will attempt to provide you with meaningful and candid feedback. Please understand any criticism, real or perceived, is intended to be constructive in nature. I truly appreciate the hard work GAO performs in so many sectors of our government ensuring Congress, and the public have accurate, unbiased, and complete information. Worker safety, public safety, the national economy, national security, and more are all dependent on the proper functioning and responsible management of the national railroad network. I believe the GAO report on PSR is a “first step” in better understanding how operating models, like PSR, ultimately impact us all.

While the exact origin and implementation of PSR on each Class I railroad may vary, it would be helpful to have a clearer, more concise definition of what, exactly, PSR is, what it is not, and what specific elements comprise PSR and similar operating models (greater efficiency, greater profits, reduced costs, reduced operating ratio, etc.). The report loosely defines PSR as “...an overarching strategy to increase efficiency and lower costs.” I think the fact increased efficiency equates to increased profits needs to be mentioned too. Considering only the testimony given at the April 25th & 26th, 2022, during the Surface Transportation Board hearings, Docket# EP-770, **Urgent issues in Freight Rail Service**, PSR and similar operating models certainly have not lived up to customer expectations and have also been detrimental to railroad workers.

Some Class I railroads have specified in annual reports or other news releases a specific point-in-time they initiated their version of the PSR operating model, others have not. At least one Class I railroad, the BNSF, indicated they are not using PSR at all. Having worked on a Class I railroad and followed the railroad industry for the better part of three decades, I can tell you all the Class I railroads, including BNSF, are using PSR or some PSR hybrid. The Class I railroads, while independent of each other, coordinate their business strategies through The Association of American Railroads. Therefore, no Class I railroad is out-of-step with one another on any level.

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An important point missing from the report is identifying and naming the railroad executive most closely associated with the PSR operating model and its implementation. That executive is E. Hunter Harrison. Harrison held management and executive positions, including CEO, on several Class I railroads throughout his career. Some refer to Harrison as a “unbridled genius,” while others have him pegged as a ruthless Robber Barons akin to those of the Gilded Age. Which version best describes Harrison is a matter of perspective and, perhaps, best left to historians. But one thing is certain, Harrison was keenly capable of squeezing every ounce of profit out any railroad he managed – regardless of the consequences. This type of “iron fisted” management style adversely impacted workers, shippers, and ultimately, the American public (as evidenced by the recent supply chain disaster).

Consider the fact hedge fund activist Bill Ackman (Pershing Square Capital Management), chose Harrison, who at the time was semi-retired, to be president & CEO of Canadian Pacific Railroad should a proxy battle, which Ackman orchestrated, succeed. Ackman’s proxy battle did succeed, and Harrison was named president & CEO of the Canadian Pacific Railroad (CPR). However, Harrison’s former employer (and now direct competitor), Canadian National Railroad (CNR) was not supportive of this arrangement and filed a lawsuit for violation of a “no compete” cause in Harrison’s former CN contract. While Harrison ended up resigning from CPR to avoid a legal battle, and the potential to lose a very generous CNR retirement package, his appetite for exploitation of a railroad company using PSR did not subside. The CSX railroad quickly became interested in Harrison’s ruthless skillset. CSX agreed to hire Harrison and yet another round of PSR implementation began on a North American Class I railroad.

For better or worse, the Hunter Harrison era at CSX was cut short by his death in December 2017. This opened the door for long-time CSX executive James Foote to ascend to CEO. Rather than plot a more reasonable management course for CSX, Foote continued with the PSR model implementation Harrison had started. Foote continued as CSX CEO until September 2022. Of particular interest in Foote’s five-year tenure was his recent testimony during the Surface Transportation Board hearings, Docket# EP-770, in April 2022, regarding **Urgent Issues in Rail Freight Service**. Foote’s loss of composure during questioning by STB member Robert Primus exposed one of the Class I railroads underlying goals associated with PSR implementation: The railroad industry’s universal desire to operate trains using only a one-person crew.

Hunter Harrison’s executive reign in the railroad industry is inextricably intertwined with Precision Scheduled Railroading. That fact needs to be incorporated into the GAO report on PSR. Congressional members and the public need to understand PSR’s genesis as it has influenced the mindset of what “efficiency” should be in the railroad industry. With PSR or similar operating models in-effect on virtually all the Class I railroads, Congress needs to carefully consider re-instituting the regulations removed under the Staggers Act and other Acts of the 1970s. If we have learned anything from history, it’s that greed is a powerful motivator. But greed cannot be allowed to rule

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supreme – especially when the U.S. economy is dependent upon sound stewardship of the railroads. Executives like Hunter Harrison demonstrates precisely why no industry should be allowed to “self-govern” and do so under the “honor system.”

As a sidebar comment, BNSF asserts their current operating model is not PSR and is somehow “unique” to the industry. That’s hooey. In truth, BNSF’s operating model is PSR or a close iteration of it. BNSF’s operating model is just a little more subtle. The fact of the matter is, Berkshire Hathaway has been using similar operating models for decades. The Berkshire “way” is to locate a business that has consistently performed well on Wall Street, gain control of it, and then require every department in the company to “tighten their belts” and run a leaner operation. The problem is Class I railroad operations are unique. There are a lot of variables - and a lot of impacts to other industries when rail service is inconsistent and/or unreliable. Ultimately, poor rail service impacts the national economy. Many thousands of rail dependent shippers rely on consistent rail service to run their operations. The “honor system” cannot be the only guideline ensuring railroad CEOs do what’s in the best interest of the rail customers and country. Hunter Harrison and his ruthless management style are proof-positive why the railroad industry must not be allowed to self-govern.

Again, consider that Bill Ackman hand-picked Harrison to lead Canadian Pacific Railroad. Ackman knew Harrison possessed the ruthless, “profit before all else” mentality required to reap the short-term profits Pershing Square Capital Management was seeking. That’s what too many hedge fund and private equity types are all about – and they’re good at it. The problem is the economy and security of the United States of American is dependent on consistent Class I railroad service, performance, and r-e-l-i-a-b-i-l-i-t-y. To be frank, Class I railroad should be operated like a utility, with sensible regulatory guidelines set by a utility board (the STB?). This would help ensure a viable and reliable transportation network is always available to service customers – including the Department of Defense (DOD).

Here in Washington state, I have received reports that local military shipments from Joint Base Lewis-McCord were delayed due to PSR-related shortages (crews, locomotives). GAO should examine DOD data regarding any missed or delayed rail shipments associated with PSR and similar operating models over the time period from 2011 to present.

With regards to the Federal Railroad Administration (FRA) and Surface Transportation Board, they are not the only agency with statutory oversight of the railroad industry. The Occupational Safety & Health Administration (OSHA) has statutory authority in the protection of railroad whistleblowers and injured employees under the Federal Rail Safety Act of 2007, 49 U.S.C. § 20109. I have first-hand experience with this statute as a railroad whistleblower (See Michael Elliott vs. BNSF Railway Company; Western District of Washington, Case 3:14-cv-05054-RBL). Additionally, certain occupational matters on railroad property continue to fall under state OSHA regulations. Unfortunately, there remains significant gaps in railroad occupational safety and health

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that need to be addressed. Frankly, the FRA safety department needs to undergo a comprehensive outside investigation and audit to assess its overall effectiveness. Some, myself included, believe FRA is too heavily influenced by the railroad industry and that FRA may have been “captured” by industry interests.

Over the past several years (2017-present), FRA has undergone consolidation that has, in my opinion, reduced infrastructure inspection capabilities and regional safety oversight to the detriment of worker and public safety. Where there once existed an FRA Region 8 Office (servicing eight western states & Alaska) in Vancouver, WA, with a regional administrator overseeing day-to-day operations, today that operation is no more. Instead, there is a consolidated system that mostly deals directly with the Class I railroads at the headquarters level (Ft. Worth, TX, for BNSF, and Omaha, NE, for Union Pacific). I think this has greatly reduced the effectiveness and accessibility of FRA resources to both workers and the public. Also, it seems to have negatively impacted transparency and undermined what was a more comprehensive and responsive rail safety oversight agency.

A word about data submitted by railroads to the STB and to the GAO: All data should be verified by either the Justice Department or a reputable, independent civilian company (Esperion, TransUnion, etc.). Accepting Class I railroads “at their word” that data is true and accurate is unacceptable. The railroads have been allowed to operate with very little regulatory oversight since passage of the Staggers Act – and now were seeing the results of that experiment. Managers, like Hunter Harrison, have and will continue to take full advantage of minimal regulatory oversight to enhance profits for top shareholders (and themselves) – at the expense everyone else. That’s not right.

As information, the railroad industry in most regions of North America is a “duopoly.” With few exceptions, only two (2) Class I railroads service any given region of the United States. In the West, Union Pacific and BNSF form a duopoly. In the East, CSX and Norfolk Southern form a duopoly. In Canada, the Canadian Pacific Railroad and the Canadian National Railroad form a duopoly. Only in the Mid-West does there exist slightly more Class I options as this is considered the “industrial corridor” of the United States. The Mid-West contains several interchange locations (Kansas City, MO, St. Louis, MO, Chicago, IL, etc.) where railcars are transferred between Class I railroads. All the North American Class I railroads engaged in interchange activities at various locations in the Mid-West region. Finally, the Industrial Mid-West is the “halfway point” dividing the continental USA into what has been termed the “mini-land bridge,” that is, the railroad haulage from the West Coast to the Industrial Mid-West and the full “land bridge,” the railroad haulage from the West Coast to the USA East Coast of the USA.

I will now provide a brief page-by-page critique of the GAO report, not necessarily in page order.

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Page 58: Regarding the interviewee list, the group polled for this study appears to be limited and, as such, the data should not be extrapolated or construed to be representative of the entire country. All states with rail inspectors certified under the FRA State Participation Program should be interviewed, as well as a broader base of railroad employees, not only from each railroad, but from the various crafts on each railroad and from every region of the country.

Additionally, The Brotherhood of Locomotive Engineers and Trainmen (BLET) recently had a national election and, for the first time in its 160+ year history of that union, a national president was turned out by a vote of the membership. While the former president utilized a bylaws maneuver to call for a “re-run” of the entire national election, he ultimately announced his retirement - ostensibly as an altruistic gesture to avoid putting the membership through another grueling election cycle. Truth be known, the only thing this former president was trying to avoid was the disgrace of being officially the first BLET president voted out of office. Regardless, the BLET has a newly elected president and GAO should seek out input on the PSR report from the new president.

Page 9: All the applicable statutes and regulations reviewed by GAO for this report should be listed (bibliography?).

Regarding FRA reportable injuries/accidents, it needs to be stated this data may not be accurate for the following reason: 1) Some injured employees do not report their injuries for fear of retaliation (yes, it’s unlawful to retaliate, but it still occurs), 2) The dollar threshold for a reportable FRA accident, while established, is subjective in terms of the how the damage estimate is calculated (usually left to railroad officials to determine).

Page 10: It would be useful to list, specifically, the oversight categories STB has regarding railroad operations and what, specific, enforcement vehicles can STB use to compel railroad carriers to comply with STB directives.

An explanation of what, specifically, constitutes “accepted government auditing standards” would be useful. Perhaps this information could be included in an appendix.

Explain what is meant by, “provide reasonable basis for our findings.” Does that mean conclusions (based on the objectives)? This needs to be clarified further.

Page 12: The *railroads* seem to be indicating PSR has provided consistent, reliable, and predictable service. What do they base this on? Is it based on the data the railroads submitted? Is it based on the STB hearings of April 2022, Docket# EP-770 on **Urgent Issues in Freight Rail Service**? If data supports the railroads assertion that “all is well,” the veracity of the data needs to be further examined as most rail stakeholders who commented (both written and oral) at STB hearings under Docket# EP-770 have indicated the opposite.

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GAO references a 2016 railroad news release (listing the five foundations of PSR). First, profitability is missing from the list and, second, the publication that printed the list needs to be listed by name. FYI, all types of railroad news sources are heavily slanted in favor of industry's position and should NOT be considered unbiased news sources. I think a graph indicating bottom line Class I railroad profits, on a decade-to-decade basis, would be useful.

Page 13: Which railroad set goals using operating ratio as a major performance metric? 60% (of the Class I railroads?). Specifically, which ones? Could this information be listed, please?

Page 14: Figure 1 needs to show the operating ratio for each Class I railroad (by name).

Page 17: Figure 3 refers to "volume." The volume of what? Cargo in a railcar? Does volume reference the total capacity the railroad has to move cargo and, if so, which railroad? This needs clarification and data for each Class I railroad. Also, the Ton/Mile definition needs further clarification (movement of 1 ton of freight, 1 mile, etc.). Tons involves weight, not volume. Understanding the relationship between key industry metrics, and how the data is used by railroads as part of a railroad operating model (in terms of efficiency and reliability) is important. After listening to the STB hearings, Docket# EP-770 and EP-772 hearings in 2022, it is clear to me the Class I railroads are heavily dependent (to a fault) on mathematical algorithms being a major part of their decision-making process. These operating models, PSR or similar type, may improve a balance sheet, but they are missing the mark for providing reliability and consistent rail service to customers.

Page 18: If thirty (30) states have FRA certified inspectors, why not gather data from each of those states? If this was done, then the individual states need to be listed and data broken down state-by-state (shown in appendix?). The national railroad network is not a "one size fits all" system. Geography varies greatly, as well as weather conditions, and other factors that can significantly impact rail service too, etc.

Apparently, no data was obtained from any states in the Pacific Northwest. This is disappointing and hopefully will be addressed in a future amended addition of the report.

Also, there exists today a shortage of both state and federal FRA certified inspectors. This needs to be examined and all unfilled inspector positions identified at both the state-level and federal-level across the country and in every state. If there are significant inspector vacancies, it is reasonable to assume inspections are not occurring as frequently and comprehensively as they should be happening.

The FRA certified inspector positions I am familiar with here in Washington state are:

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- Track & Structures
- Signal & Train Control
- Grade Crossings
- Motive Power & Equipment
- Operating Practices
- Hazardous Material (HazMat)

I know for a fact there are currently at least two (2) state-level FRA certified inspector positions unfilled (due to COVID resignations, etc.) and non-competitive wage issues here in Washington State.

FRA field operations, specifically the regional operations system, has seen significant restructuring over the past ten years, and especially, over the past six years. How inspections are conducted and how suspected problems are communicated to FRA has changed significantly. I do not believe the current FRA field inspection system is an improvement. It seems to favor industry and not the greater good of public safety.

Again, the dollar threshold for reporting an FRA accident, \$11,300.00, needs to be further explained as, I believe, there are pitfalls in the estimate methodology allowing data manipulation by the Class I railroads. The subjective nature of an accident estimate relies too much on railroad company personnel providing accurate details and calculations. Rather than a monthly dollar total, each incident should require an accurate estimate with parameters established by statute. In some cases, independent verification may be required.

Data from the Occupational Safety & Health Administration on whistleblower and injured employee retaliations (number of cases filed with OSHA) should also be included in the report.

Again, vacancies in state-level railroad inspectors, certified under the FRA State Participation Program, need to be included in the report on a state-by-state basis.

It would be useful to show data (in dollar amounts) associated with fines assessed each Class I railroad for violations found during inspections. Also, indicating the violation category for which the fines were assessed and whether the original fine was later reduced or forgiven as part of a “negotiation” between FRA and the Class I railroads would be useful.

Also, it would be useful to provide more in-depth information on the Common Carrier Obligation clause (in the appendix?). Specifically, details as to how often STB takes action under the Common Carrier Obligation clause statute, the extent of STB action, and what types of things give rise to STB intervention under the statute would be useful, etc.

Again, all data collected from Class I railroads needs to be verified.

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Page 22: Data indicating when significant management changes occurred on a Class I railroads may be useful in identifying trends associated with PSR and PSR-type operating programs. For example, former BNSF president and CEO Matt Rose stepped down in 2014, and Carl Ice took over as CEO at that point. After Ice, came Katie Farmer. While the progression of PSR or similar operating programs may have been more gradual at BNSF, it appear to have happened and is continuing today.

Many industry executives, including those managing Class I railroads, are groomed internally and “move up” to continue running the company in the same general manner as predecessors. In most cases, there is not drastic deviations in operating model methodology from CEO to CEO. Hunter Harrison is where the departure is pronounced and may be why PSR and similar operating models quickly gained popularity on the Class I railroads. Profit is a huge incentive and Harrison’s profit numbers were noticed. CEOs who can produce profits, and do so consistently, are rewarded with bonuses and other incentives (cash, stock options that avoid taxation, etc.). Other railroad CEOs, and the director boards that control them, decided if it worked for Harrison, it can work for us.

Page 24: Regarding Class I train length, this category needs additional granular data collection, and then, examination of that data for trends. An accurate source of granular data on train length, train make-up, cargo type, and tonnage is available in each train’s Wheel Report. The Class I railroad will argue this information is sensitive (security purposes, proprietary, etc.), but it is essential that the GAO and STB have access to it for meaningful data analysis.

Regardless of railroad opposition, wheel report data on every train should also be made available to the public at some point. Here in Washington state, the Department of Ecology, Utilities & Transportation Commission, and the State Department of the Military monitor Bakken Crude Oil shipments in real time in the interest of public safety. However, exact train locations and shipment details are delayed for security purposes. That’s reasonable. On the other hand, the Class I railroads would prefer all information associated with their operation be confidential. That’s unreasonable.

With the national economy and scores of other North American industries dependent on reliable rail service, the public has a right to know if the national rail network is being operated responsibly, in service to everyone, or if it’s just being operated for the financial interests of a few top Class I railroad shareholders. Train wheel report information is one source of Class I train data that can help assist in constructing a more comprehensive understanding of issues associated with train length and, further, provide insights to shortcomings in Class I railroad operational models.

Page 25: It would be useful to have a more detailed explanation of Positive Train Control (PTC) and why it was mandated on all the Class I railroads in the first place. Regarding its purpose, PTC is supposedly a *safety overlay system* designed to augment the existing train control system, i.e., the signal system. PTC was not intended

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as a replacement for a professional train crew, nor was it intended to replace the trackside signaling system along the railroad right-of-way.

Page 29: Additional details and clarification as to Class I railroad capital expenditures, listed by individual railroad, would be useful. Also, what percentage of capital expenditures were associated with PTC implementation? Was infrastructure maintenance a part of capital expenditures too? If so, please list the categories (track, rolling stock, building & bridges, etc.). A detailed breakdown, by railroad, as to amounts of capital spent and in what specific category would be useful. Finally, what were the top five (5) capital expenditure categories and dollar amounts for each Class I railroad between 2011 and 2021?

Page 30: FRA data on safety effects of PSR, by their own admission, is inconclusive? This is unacceptable. If safety is truly “Job #1” at FRA, then there needs to be emphasis placed on ensuring enough data is collected to draw conclusions, formulate opinions, and make recommendations as to how railroad safety can be improved (generally and in specific categories).

Page 31: Regarding the FRA indication there is no *clear* “causal” relationship between the timing of reported PSR and changes in the railroads’ train accidents and incident rates. This statement is vague. FRA needs to clarify and provide meaningful a meaningful explanation. Also, was all FRA accident and incident data classified as being “human factor”?

It would be useful to identify the *type* of railroad safety programs in use on each Class I railroad today. Namely, the programs are all known as *behavior-based* safety programs. That is, they focus on placing blame on workers and their alleged improper “behavior” as being the primary causal factor in all accidents and incidents.

Failed management practices and/or physical infrastructure shortcomings (poor maintenance, inadequate capacity, poor design, etc.) are seldom listed as a causal factor in railroad accident/incident reporting. One possible influence for this is that the Federal Employees Liability Act (FELA) *requires* that railroads provide employees with a safe working environment and, if they fail to do so, exposes them to as much as 100% liability in fault-base injury lawsuits. FELA is a far superior worker protection law when compared to other programs like Worker’s Compensation. Needless to say, the railroads hate the FELA law. Consequently, the railroads have created massive rules books focusing on worker rule non-compliance in order to shift blame (and liability) onto workers injured on the railroad. In most cases, training on knowledge of these rulebooks is more extensive for front line managers then it is for railroad workers.

As information, railroad managers and railroad lawyers are the ones who created the railroad operating rules (GCOR-General Code of Operating Rules, NORAC-Northeast Operating Rules Advisory Committee) used on the railroad.

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One of the first railroad behavior-based “safety” programs introduced in the railroad industry was designed by the Dupont company. Since that time, several iterations of behavior-based safety have evolved out of that initial Dupont program.

Page 32: If the FRA indicates data, that they presumably obtained from the railroad, is inconclusive with regards to PSR and safety, how can any of the Class I railroads claim that safety has improved? I think this goes back to data verification and having more granular data for analysis. Further, one railroad indicated they had invested in technology to ensure the railroad could operate safely with fewer employees. Which railroad (and the official’s name at that railroad) and what specific technology (PTC?)?

Page 33: Having freight conductors or yard utilities (TYE) perform Initial Terminal Air Test (rather than Qualified Mechanical Inspectors) is likely a management strategy to “dumb down” the inspections so federal defects are either overlooked or not recognized by a lesser trained worker.

Another consideration regarding equipment inspections is industry’s seemingly constant petitioning of FRA to lower established standards. Previously, most railroad rolling stock equipment was required to have a thorough inspection, by a qualified mechanical inspector, every 1000 miles of travel distance. However, the railroads petitioned FRA to have this mileage threshold increased to 1500 miles on certain Extended Haul unit trains (see Title 49, Part 232). Usually, these requests are accompanied by some type of technological “breakthrough” that allows the lowering of the standard without compromising safety.

Also, certain unit trains may now be allowed to travel even farther distances between inspections. Unit trains with Electronic Controlled Pneumatic (ECP) brake systems may be allowed to travel up to 3500 miles between mechanical inspection, with few exceptions (see Title 49, Part 232). Allowing industry to continually lower safety standards, as well as training requirements, is a recipe for disaster. Yet, FRA continues to allow it, partly in the name of technological advancement and/or lack of empirical data to prove the practice compromises safety.

Page 36: Regarding FRA reference to allocation of limited human resources. This is a significant issue. Limited human and other regulatory agency resources may very well equate to limited safety inspections in all the inspector categories listed previously. This is something Congress needs to monitor to ensure FRA is living up to its agency mission.

Again, DOD data is needed for military shipments that may have been impacted by PSR or similar operating models. In Washington state, military equipment is periodically hauled by rail between Joint Base Lewis-McChord and the Yakima Firing Range for training and combat readiness exercises. Class I managerial decisions associated with PSR, and similar operating models, have reduced TYE employee numbers and

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locomotive power numbers. PSR and similar operating models have created delays in rail shipments, likely including DOD, and may have impacted military training missions.

Again, it would be useful to identify that operationally each Class I railroad runs, for the most part, independent of the others. However, as members of the Association of American Railroads, the Class I railroads operate as a collective, using a coordinated business strategy.

Page 37: Some mention as to the length of time an average rulemaking takes at FRA would be useful, as well as an overview of the rule making process. From my observations, the rulemaking process can be lengthy and subject to legal maneuvering by those trying to delay the process in hopes a change of FRA leadership after a presidential election could help influence the process.

Page 42: With regards to Figure 9, the data for Locomotive & Crew delays lacks detail and specifics. Also, what train length constitutes one (1) train? If 5000' equals one train, then 15,000' should equal three trains, and so on. More detail on all aspects of train length, on a railroad-to-railroad basis, would be useful.

Page 50: Regarding the reference to Loop Capital, both Chase Bank and Loop Capital officials provided compelling testimony during the STB hearings, Docket# EP-770, **Urgent Issue in Freight Rail Service** in April 2022. While FRA could not conclude if there was a decline in safety due to PSR, it seems clear there was most certainly a decline in railroad service, with far-reaching economic impacts. It would be useful if the Loop Capital and Chase Bank testimony could be corroborated with data.

Page 51: Regarding rail customers forced to shift freight to trucks account of poor rail service. This had adverse environmental impacts, specifically increased emissions, on a national scale. Additionally, freight shifted to trucks caused additional wear & tear on roads, highways, and freeways. It would be useful to present data on this subject while a graphical comparison.

Another metric that would be useful is the relationship between number of employees qualifying for Railroad Retirement Board (RRB) pension benefits, the size of the RRB pension benefit fund in 2011, the size of the pension benefit fund in 2021, and a graphical comparison illustrating the relationship. The RRB does have conduct periodic actuarial analysis on the solvency of the pension fund and this data may be useful in showing trends associated with PSR. It is a fact the Class I railroads incur significant costs associated with RRB pension fund contributions for each employee carried on their payrolls. In other words, there exists a monetary incentive for the Class I railroads to adopt an operating model, like PSR, that encourages downsizing the workforce.

Page 55: Regarding Table 3, what affect, if any, was there to DOD rail shipments?

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Page 56: Another metric that would be useful to show would be any preferential haulage of certain commodities. Specifically, crude-by-rail shipments. On the BNSF Hi-Line Route (north lines), Bakken oil seems to be the preferred commodity and likely the more profitable commodity (as compared to other bulk commodities).

Another metric that would be useful to show is worker Federal Employer Liability Act (FELA) claims associated with stress and anxiety. Considering Draconian Availability Policies and the increased hours employees are being forced to work under PSR operating models, the health effects of the hostile working environment created by PSR needs to be taken into consideration.

Employee suicide is another tragic metric that need to be considered in the PSR report. Work-related stress and anxiety, brought on by PSR and similar operating models, have become commonplace in the railroad industry and data may be able to establish connection to PSR or similar operating models.

Page 65: Further details are needed regarding the STB's five (5) year time frame allowed for accident/incident data editing? Who determines this time frame and why is it needed?

Page 66: Regarding workplace injury and/or illnesses, the FRA indicates variations could be due to a number of factors? This is vague. FRA needs to provide conclusive information. Speculation and inconclusive responses from FRA are not helpful. If more granular data is needed for FRA to form conclusions, then they need to request it and gather it.

Once again, data from railroad carriers needs to be independently verified and data comprehensive enough to draw reasonable conclusions on safety and other important matters of regulatory oversight.

Regarding AMTRAK and its use of host railroads to operate, the host railroads receive a maintenance subsidy for allowing AMTRAK to operate over its tracks and on schedule. This needs to be explained in more detail in the report. If host railroads are accepting government funds to help defer maintenance costs and, in return, allow AMTRAK to run on its tracks, then the host railroads need to be living up to their end of the bargain. Namely, AMTRAK trains should run on-time and, if delayed, the host railroad needs to be monetarily penalized.

Page 89: The railroads indicate PSR-associated practices have the potential to improve reliability. How? This needs to be explained in greater detail.

There needs to be: 1) A clear definition as to what PSR is (and what it is not), 2) A clear definition of what reliable rail service is (and what it is not)?

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Expecting every rail customer to “tighten their belts”, add storage tracks to their plants so the railroad can reduce service from five days per week down to two days per week is NOT a reasonable expectation. Again, the railroad is a service provider. The onus needs to be on the railroad carrier to be the provider of reasonable, reliable service. Not the other way around. There are limitations as to what a customer can, or should, be compelled to receive rail service.

Finally, I have attached three articles that may provide additional context and insight as to Class I management thinking and planning regarding PSR and similar operating models.

This concludes my feedback regarding the GAO report on Precision Scheduled Railroading. Again, “Thank You” to all staff at GAO who contributed to this report. The work GAO does in support of Congress and the American people is essential.

Respectfully,

A handwritten signature in black ink that reads "Mike Elliott". The signature is stylized with a cursive script.

Mike Elliott

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