

Surface Transportation Board
95 E Street Southwest
Washington D.C. 20423

RE: EP 770 Rail Service Hearing

2022-04-21

Dear Chairman Oberman,

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Public Record

Thank you for holding this hearing concerning recent rail service problems and recovery efforts involving several Class I carriers and for the opportunity to comment. As an employee with twenty five years of service with Norfolk Southern, 20 years operating locomotives, and 20 years as a local union officer, I would like to provide you and The Board Members with some unvarnished feedback from the front lines of the Nation's supply chain crisis.

Some problems and concerns:

As you are aware, collectively, the Class 1 railroads have shed about 1/3 or 45,000 employees from their payrolls over the last 5 years in their myopic attempt to attain a sub-60 operating ratio. They have also shed railroad owned cars and locomotives as well as closed major hump classification yards on their respective systems under the guise of "Precision Scheduled Railroading." Their mentality is to "sweat the [remaining] assets," and people, and do more with whatever is left. The railroads have claimed they needed to do this to remain competitive in the transportation marketplace, despite having many captive shippers with no other options. However, I view this entire PSR idea as akin to needing to remodel your kitchen, but you burned your house down in the process, rebuilt it, and then boasting about your new kitchen. Along the way, the Class 1 railroads seem to have lost sight that they exist to serve customers, under a common carrier obligation, and if they take care of and service their customers reliably & predictably, everything else will take care of itself. Every quarter, it seems we all read about record profits, record low operating ratios, built upon higher rates, more ancillary charges, and lower volume. This model is unsustainable; employees & shippers, are weary of the railroads' excuses for poor service and promises that do not materialize, which affects the Nation's supply chain in a negative fashion.

During my 25 years, it used to be unheard of for a career railroader with 10-15-20 years of service to leave their careers. Now it is common place. Do the railroads know why people are leaving at an alarming rate and why they are having tremendous difficulty hiring & retaining new employees? I have read BNSF has experienced around 1,000 employees leaving their ranks, thanks to their new "Hi-Viz" attendance policy. Union Pacific has a similar punitive attendance policy in place. Various surveys published over the last three years have consistently ranked CSX, Norfolk Southern, and Union Pacific among the worst places to work in America. This should raise alarm at the toxic workplace culture that is pervasive in the rail industry. It is also difficult to retain & attract employees when The Carriers have collectively & openly stated they wish to diminish the number of conductors and regulate them to one mobile employee, responsible for several trains on a crew district, leaving the engineer as the sole occupant on a 2 or 3 mile long train. This is a hot topic with labor and management embroiled

in National Agreement negotiations that have plodded along for over two years. Indeed, the railroads have to make the thankless, demanding, Train & Engine (T&E) service jobs more attractive to retain existing employees and prospective candidates.

With the closure of most of the nation's hump classification yards during the shift to PSR, the classification of freight (removing cars from a train to be switched or classified, picking up cars for destinations further along the route, and the resulting switching those car set out along the way,) occurs at yards built a century ago, not designed to handle today's long freight trains. The railroads seem to have forgotten the hump classification yard, implemented over a century ago, was discovered to be the most efficient way to classify & switch cars by allowing gravity to do the majority of the work. The hump yards were given a black eye because of high dwell time. Conversely, long dwell times are a symptom of a faulty operating plan, where often only one train is originated between points A and B. If The Carriers originated more than one train at a hump yard between A and B on a given day, dwell time is magically cut in half. The hump classification yards also functioned as epicenters for locomotive and car repair, as well as crew bases for train operating crews.

At Norfolk Southern & other railroads, they have combined what used to be two or three trains in to one gigantic train, with train lengths exceeding 15,000 feet. Simply put, the existing infrastructure was never designed for these massive trains. The result is, many trains wait their turn to preform work events, congesting the system around these remaining, smaller yards, occupying space on the main track(s). It is not uncommon for a crew to spend most of their 12 hour day waiting their turn to do their work, or waiting on an opposing train to clear the main track(s) so they can proceed. Often, trains do not make it to their destinations with one crew, so another crew is needed to relieve the original crew. Crews that used easily traverse their assigned territories no longer do so with regularity. So, while The Carriers may crow they are very productive with only two men on a 2 or 3 mile long train, the reality is they are using more people in many cases over a given crew district between origin and destination. This methodology reduces train speed, velocity, asset & crew cycle times, and increases network congestion. These massive trains are often under powered, and the crews are given just enough locomotives to crawl along at 10-15 miles per hour. As you are aware many locomotives have been sold or stored, and many of those remaining have defects, but few repair personnel remain to service, fix, or maintain them. Often when one locomotive is defective, it throws the entire day's operations in to a tail spin; there are often no reserve locomotives to substitute for it. At some of the local switching yards on my railroad, T&E employees have been told by their supervisor there is no time for a heat break or lunch period; they must keep moving outside all day to classify the volume of cars within the smaller, antiquated yards.

On a more granular level, railroads have often decided to reduce first mile, last mile service to their local customers due to their self imposed crew and locomotive shortages. Before PSR, it was common place to have a three man crew (an engineer, a conductor, and a brakeman,) on these local assignments that directly pulled & placed cars at industries. With the reduction in headcount, most of our customer serving local trains are now staffed with only an engineer and a conductor. This in turn reduces the ability of each assignment to serve a given number of customers in a day; therefore the number of times per week a customer can get service is also often reduced. Often, our local crews make daily calls to the local supervisor, the trainmaster, to determine which customers must be skipped because there simply isn't enough time to work the customer(s) and return the train to its origin yard. On occasion, train crews are instructed to speak with the local supervisor so he or she can make up a failure reason code not attributable to the railroad. This often penalizes the customer with no service, additional delay, and potential monetary charges when the crew is simply out of time to preform their work within their allotted 12 hours of duty.

I would be remiss if I didn't also mention my colleges who dispatch trains at the railroads centralized dispatching offices. While most do work a scheduled shift, with scheduled days off, their task load and size/ route miles of railroad they are responsible for keeping fluid has grown exponentially during the past decade. Consolidations of two or more territories in to one has become common-place and the railroads are also struggling to hire and retain train dispatchers. While The Carriers seek to implement artificial intelligence (often referred to as auto router or movement planner,) for some tasks, technology can not replace institutional knowledge and thorough training.

Throughout the various traditional crafts in railroading, all of The Carriers have sought to implement their latest & greatest whiz-bang technology. While I acknowledge evolution and technology are inevitable, they do have their places and roles, The Carriers often see technology as a way to force more workload upon the already strained workforce. Legions of clerks have been replaced by mobile train reporting phones & applications, and the remaining work has been foisted upon the operating crews as one example. Automated training from virtual car inspections to on board systems that may operate the massive trains of today are all heralded as the future by the railroads. However, we must not lose sight that this is a people driven industry. The pulling and placing cars at customers, switching cars, and reporting them, all requires people to preform these tasks, not solely technology.

Possible solutions:

Thankfully there are some solutions available to the aforementioned issues:

If you asked any railroader what their biggest challenge is, over ninety percent would probably respond that they have a desire to plan when they are going to work. If an employee knows when they are expected to report for duty, they will be rested & ready and have the ability to plan their life outside of the railroad. Thankfully, on NS many assignments do have built in off time or days, with the notable exception of "road /pool freight conductors." However, one aspect where all railroads could improve their employee availability is more accurate train line ups; their internal predictions of when trains will run and when employees can expect a call for work. Most T&E employees across the nation exist within a list of employees that cycle to work first in, first out, on call 24 hours a day, 7 days a week. When you are at the top of the ever rotating list, you are expecting a call to work. Employees who are registering off duty are placed at the bottom of the list, and progress toward the top as employees ahead of them are used to staff trains. Indeed, this arrangement has existed for over a century and it is a lazy and archaic methodology to staff trains.

Within the NS & CSX agreements with the Brotherhood of Locomotive Engineers & Trainmen is an under-utilized provision for "calling windows." Simply stated, this is a window of time during which a crew, or a number of crews, may expect to be called to work during a designated 8 hour period. This could be widely implemented on these two railroads immediately if the railroads were willing to work with labor. The calling window can be implemented for a designated train or the first one, two, or three, etc. trains to originate at a designated location. It stands to reason that a precision scheduled railroad could anticipate the number of trains they plan to run and their staffing needs within a given 8 hour period. The benefit to the employees is a more accurate schedule. The benefit to The Carriers is it reduces the need for missed work because the employee has a resemblance of schedule. Further, these calling windows are often viewed by labor as preferred assignments when compared to the massive rotating list of employees in regular and extra service that must anticipate a call any time within 24 hours of the day or night. The calling window provision within the aforementioned agreements may also entice new & existing employees to stay with the railroad as something to look forward to in the

form of a better schedule they can also attain when they accumulate enough seniority to hold such an assignment.

Additionally, the draconian attendance policies at Union Pacific and BNSF must be addressed meaningfully between rail labor and management. These points based systems are a "carrot and stick" approach to discipline, but there are no carrots involved; only sticks. The board must ask the railroads why they refuse to dialogue and reach agreement with rail labor on attendance /availability concerns yet implement unilateral policies that adversely affect the workforce. Most rail managers enjoy a set schedule, and there is no good reason the T&E employees can not be afforded a similar lifestyle.

The board would be well served to collaborate with FRA in designating a minimum number of employees required upon trains that exceed a certain tonnage or length, and also consider mandating a minimum of two or more employees for trains transporting hazardous materials. The engineer & conductor exist together as a focused team, often operating in remote areas, as well as through urban city centers. Task overload is often common place given the exacting demands of operating today's massive trains. Reducing the number of on board personnel to one man is a public safety catastrophe waiting to happen. Again, the uncertainty of the long term outlook for the role and number of conductors needed, surely plays a role in the retention and "on boarding" of conductors on all the Class 1 railroads.

All of the Class 1 railroads have boasted their record profitability, record low operating ratios, and billions in stock buy backs over the last 5 or more years. Yet, at the negotiating table with rail labor, the railroads refuse to negotiate in good faith to achieve a National Agreement among the various operating crafts. The railroads have also given their verbal platitudes to their so called critical /front-line /essential employees during the Covid 19 pandemic, but failed to monetarily reward them for their dedication. Further, the railroads are demanding at the bargaining table that their agreement employees be forced to pay more for their health insurance -which used to be at little to no cost to the employees 25 years ago. Rail labor asserts that the Class 1 carriers can easily afford not only competitive, but generous, general wage increases and afford reductions in employee expenses /contributions concerning health insurance. While it may be outside of the direct purview of the board, I would encourage the board to direct the nation's railroads to get serious and realistic in their national negotiations with rail labor. The uncertainty of more than two years without an agreement and almost three years without a general wage increase, has many railroaders uneasy about their future and looking for greener pastures in other employment. Obviously these issues exacerbate the current hiring process and retention of career railroaders.

The board could also consider requiring Class 1 railroads to stage a minimum number of stored serviceable locomotives at various locations on their network. Such reserve locomotives should be easily available to be deployed when an inevitable locomotive failure arises. Additionally, perhaps the board would also consider mandating a minimum number of employees to service and maintain their locomotives correlated to the number of locomotives on their systems. Similarly, the ranks of car inspectors have also been slashed along with the reduction in cars online. These highly trained car inspectors provide the thorough & detailed inspections needed to ensure safe & reliable movement of cars. Their specific training goes beyond what defects a typical conductors is tasked with finding.

In closing, I'd like to thank you and the board for considering my observations and suggestions from a career railroader. The Class 1 railroads have collectively lost sight of their reason for existence: their customers. They have been blinded by their myopic desire to please only their shareholders and Wall

Street. All of the record profits, record low operating ratios, and gains have been realized upon the backs of rail labor on the front-lines of a nation-wide shipping crisis. Indeed, they have self inflicted their current predicament with drastic cuts of people and assets, all in the name of corporate greed. However, I really believe all of rail labor is still willing and able to help The Carriers get on the right track. We are the people that do the work on the front lines every day. We see the both the problems and potential solutions. The solutions require honest & good faith bargaining and open, honest, respectful dialogue. Our futures are intertwined and it is in our collective interests to work together to make the railroads a better place to work long term and serve our customers and keep the nation's freight moving to the best of our abilities.

Respectfully submitted,

Steve Broady /s/

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