



Transportation Division

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The Honorable Martin Oberman
Chairman
Surface Transportation Board
395 E St., SW
Washington, DC 20423-0001

Dear Chairman, Oberman,

SMART-Transportation Division (SMART-TD) is responding to the National Grain and Feed Association's (NGFA) March 24, 2022, letter to the Surface Transportation Board (STB). In that letter, NGFA highlights significant service disruptions experienced by its members because of the applicable railroads' implementation and advancement of the precision scheduled railroading (PSR) business model. We write today in support of the NGFA and subsequently wish to express to STB additional context which, from our perspective, has contributed to the cause of these disruptions and, if not corrected, will continue to further degrade this nation's supply chain.

As you are aware, SMART-TD represents approximately 40,000 men and women working in the operational crafts of the freight railroad industry; including, but not limited to, conductor, locomotive engineer, yard foreman, switchman, trainmen, and yardmaster. This includes employees on all seven Class I railroads. Every one of these men and women have been adversely impacted by PSR, and each of them have their own story to tell as to why the railroads are failing to fulfil their end of the bargain regarding service.

In the industry, it is common to hear PSR being described as doing "more-with-less." That statement, however, is simply incorrect. PSR is actually doing *less-with-less*. Simply put, the railroads cannot sustain the same level of production they had prior to the advent of PSR given the number of drastic cuts they have made across their systems. To that point, approximately 33% of America's railroad workforce was laid-off with the initial implementation of PSR, with thousands of locomotives placed into storage. This has resulted in a fundamental problem - there are not enough employees, nor locomotives available to operate the necessary number of trains required to provide a level of service that equals the current level of demand.

In typical PSR fashion, carriers are now compounding the shortages with hostile work environments via draconian attendance policies and unsafe working practices. For instance, on February 1, 2022, BNSF imposed the most drastic version of attendance policies in the railroad industry called Hi-Viz. This new policy assesses discipline based on a point system. In summary, an employee is given 30 points for the rest of their career. Every time they are unable to work a compensated day, points are deducted from their 30-point total. For road crews, it is now almost impossible for them to ever have a perfect or good attendance status. The bottom-line issue with this policy as well the attendance policies on Norfolk Southern (NS) and Union Pacific (UP), is that all three of these railroads are requiring their employees to work 29 out of 30 days a month. (Under the previous policy on BNSF they were required to work or be available 24 to 26 days a month, which was without any discipline.)

Additionally, employees are forced to come to work sick, and they are disincentivized from using authorized FMLA leave, going on vacation, and/or resting – even when exhausted. Employee time periods at home are minimal, and their time away from home has increased exponentially. These essential employees that sacrificed so much to keep this nation moving throughout the pandemic are now being forced to make a choice: stay awake to care for their family (when home) because time is limited; or go to sleep to get some rest. Crews are not getting time off at home and they have made clear that they are not going to work like this, especially when all Class I's are making record profits.

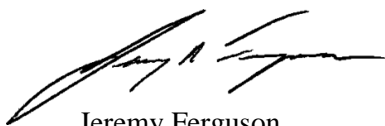
Not only has morale dropped to an all-time low, but employees are also leaving the industry in unprecedented numbers. These unilaterally implemented attendance edicts like Hi-Viz have resulted in the over 500 resignations on BNSF alone. These railroads can't retain current employees, they are having an even more difficult time recruiting new employees given the extreme working conditions, and they have no intent on giving anyone a decent wage increase. There is no end to this tailspin they are in if they cannot keep the qualified employees they have. They are putting record profits ahead of all else, including their customers whose payment for the shipment of goods provides those record profits.

From an operational standpoint, the railroads are intentionally slowing train speeds by reducing horsepower and using fewer locomotives to save on fuel costs. Regularly, crews are restricted from being able to operate their trains at the maximum authorized speed, as they are directed to limit the locomotive's throttle position, acceleration, and overall train speed to no more than forty (40) mph. This not only impedes system fluidity, but it greatly hampers a railroad's ability to service customers. The consequences of which are quite evident. Fewer locomotives mean fewer trains. Fewer trains mean longer consists. Longer consists mean more congestion. And more congestion means less predictive work cycles and longer work hours for the crews (less availability). All of this results in much slower velocities across the systems. This puts more pressure on the managers responsible for moving the trains and given that they are rewarded for terminal arrival and not customer service under PSR, the industries dependent upon the railroads' service are forsaken.

The freight rail network is at a breaking point. It cannot sustain anymore reductions. Substantial changes must be made, and they must be made quickly. We believe intervention from the STB is critically warranted and necessary to right this ship. It is not a coincidence that NGFA is sounding the alarm at this moment. America's rail system was fluid, profitable, and healthy prior to PSR. Perhaps a look back would serve as a sufficient marker on where/how to start over.

We as rail labor value the shippers we provide our services for and stand with them in finding a quick and collaborative resolution to the railroad supply chain crisis.

Sincerely,



Jeremy Ferguson
President

cc: The Honorable Michelle Schultz, Vice Chairman
The Honorable Robert Primus
The Honorable Karen Hedlund
The Honorable Patrick Fuchs