

April 11, 2022

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

Dear Chairman Oberman,

On behalf of the Transportation Trades Department, AFL-CIO (TTD) and the totality of rail labor as represented by our affiliated unions, I write in support of the sentiments raised by the National Grain and Feed Association's (NGFA) March 24<sup>th</sup> letter to the Board. NGFA describes service disruptions its members are facing on the Union Pacific (UP), Burlington Northern Santa Fe (BNSF) and Norfolk Southern (NS), in both picking up and delivering grain and feed products. As NGFA discusses, this presents not only financial challenges for its members, but ultimately threatens the ability of the nation's farmers to feed their livestock. The notion that our nation's food supply chain is threatened by the continued negligence and intransigence of the railroad industry is both stunning and unacceptable.

As NGFA correctly asserts, the scourge of Precision Scheduled Railroading (PSR) looms large in the disruptions its members are currently facing, as well as in the degraded service the freight rail network is providing broadly. Only a few months ago, at the height of the supply chain crisis, UP suspended service between the West Coast and its Global IV gateway in Chicago, and BNSF began rationing service over its LA/Long Beach-Chicago routes. For both NGFA's members and the American consumer writ large, when the Class I railroads needed to step up and provide the quality service required by statute, the consequences of an operating model that prioritizes profits at the expense of service and safety prevented them from doing so.

In particular, NGFA cites that a lack of available crews has resulted in long delays. This should come as no surprise, as the carriers have spent the last several years slashing tens of thousands of jobs across every craft, without regard to the impact this would have on the provision, quality, or

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Greg Regan, President / Shari Semelsberger, Secretary-Treasurer

frequency of service. With regard to crew shortages, in the five years prior to the pandemic BNSF cut its Train and Engine (T&E) workforce by 27%. NS has cut 24% of such employees, and UP has cut 32%.<sup>1</sup> It is completely unsurprising that this would result in crew shortages and rigid inflexibility in the network. These cuts have occurred with complete impunity for the railroads, and we continue to urge the Board to consider the impacts of these ill-considered mass layoffs on service quality.

For the employees that remain, Class I railroads have <u>pursued policies determined to degrade</u> what remains of job quality, dignity at work, and rail safety. The recent adoption of overly punitive and abusive attendance policies at BNSF and UP are indicative of this paradigm. Rather than pursue real measures to return headcount to appropriate levels, the carriers have instead focused on extracting maximal hours from the existing workforce under the threat of discipline and termination. In an industry where fatigue is already endemic, further increasing the workload for existing employees is simply unsustainable. Not only do these policies invite further safety risks into the system, they are directly contributing to degradation of formerly good jobs on the railroad. Our unions are aware of several hundred resignations at BNSF in response to the adoption of its Hi-Viz attendance policy. At a time when NGFA's members and other shippers like <u>Growth Energy</u> are clamoring for more service it is remarkable that a railroad is taking actions that are demonstrably driving its own employees away.

It is for these reasons that we wholeheartedly reject the characterizations of the issue in BNSF's March 30<sup>th</sup> reply. BNSF's statement waving away the issues of crew shortages and citing, "the same attrition and hiring obstacles that nearly all U.S. corporations are experiencing at the moment" is simply inaccurate. The situation that BNSF and the other Class I carriers find themselves in is solely of their own making – they unceremoniously eliminated thousands of T&E employees prior to realizing their services were needed, and have degraded job quality to the point that they are unnecessarily increasing attrition and discouraging new entrants to this essential workforce. We are also unimpressed by BNSF's comment that it has increased its T&E workforce by 3.6% year-over-year as of February, when headcount is still down 9% from the beginning of the pandemic (March 2020). This rate has continued to be divorced from the return of carloads from a pandemic low point, and has only come as a response to the crisis circumstances the carrier has now found itself in.

It must also be recognized that the current shortage of T&E employees has been negatively compounded by BNSF's refusal to properly manage the employees that they have. The vast majority of T&E employees have no assigned days off, and predictability for when they are called to work is nearly non-existent. They are forced to leave home for work while fatigued and sick, or face disciplinary consequences, with as little as two hours' notice on a daily basis. Once on the job, T&E employees frequently find themselves stuck on trains waiting for a relief crew, after having worked the maximum hours allowed under FRA's Hours of Service laws, further delaying their arrival at their away from home hotel and the start of their required rest for their trip home.

<sup>&</sup>lt;sup>1</sup> STB Employment Data, Jan 2015-Jan 2020.

Finally, after their shifts end, these employees are often left stuck at hotels for far longer than required, sometimes for multiple days before the trip back, and are then expected to work another shift in as little as 10 hours after arriving at home.

In addition, like many Class 1 Carriers, BNSF has imposed its own operational changes that have slowed traffic to a crawl. Forcing trains in excess of two miles in length over territories where passing tracks are not of sufficient length to keep other trains moving also requires the use of additional crews that are often not available. BNSF has also reduced its train speeds dramatically on many of its lines, making for longer trips. All of these changes require trains to be regularly recrewed just to get trains to their normal crew change point. BNSF's only solution is to force these employees to work more, yet this is not a sustainable solution. Instead, it stands to further harm the nation's supply chain.

Finally, we strongly endorse NGFA's call for action from STB and from Congress on the issues of service quality. It is clear that a lack of oversight has allowed Class I railroads to operate in a manner that is harmful to shippers, employees, and the American public, and these issues will not resolve out of self-regulation by the carriers. We urge the Board to continue to delve into the service issues faced by shippers, and how these issues have been caused or exacerbated by an overly reduced workforce, T&E and otherwise. We also call on the Board to consider how it can leverage its existing authorities to address these problems, including robust enforcement and application of the "reasonable service" component of freight railroads' common carrier obligations.

We appreciate your consideration and look forward to continuing to work with the Board on these matters.

Sincerely,

Greg Regan President