

# US transportation officials express alarm about deteriorating rail service

**Erik Schreiber****6 May 2022**

During an emergency public hearing in late April, officials from the United States Surface Transportation Board (STB) grilled executives of the freight railroads about their deteriorating service. Upper management from Union Pacific, BNSF, CSX and Norfolk Southern were required to attend and describe their plans for improving their performance. The two-day hearing reflected increasing concern on the part of the ruling class that the current management of the railroads threatens to damage the US economy, exacerbate supply-chain problems and jeopardize plans for war with Russia.

Disruptions in rail service already are having broad and serious ramifications. At the hearing, shippers reported that transit times have increased by as much as 100 percent, forcing them to reduce or suspend production for lack of needed supplies. Farmers have been unable to get enough fertilizer or feed and have contemplated culling their herds. Power companies fear that long delays in coal deliveries could reduce the electricity supply and upset the power grid.

“The country is going to have a lot of trouble if 30 days and 60 days from now these numbers aren’t much different,” said STB Chair Martin J. Oberman, referring to railroad performance metrics. “If we’re relying only on hiring, I don’t see you being able to get there in 30 or 60 or 90 days. We’re going to miss the planting season, we’ve got fuel problems. That’s what I’m concerned about.”

Members of the STB cited the Class I railroads’ unwavering focus on generating profits for shareholders as the source of the crisis. To reduce costs, “the Class Is collectively have reduced their workforce by 29 percent—that is about 45,000 employees cut from the payrolls,” said Oberman in a statement. “In my view, all of this has directly contributed to where we are

today—rail users experiencing serious deteriorations in rail service because, on too many parts of their networks, the railroads simply do not have a sufficient number of employees.” The board’s concern is that job cuts among the railroads are hurting other industries’ profits.

Shippers and union bureaucrats pointed to Precision Scheduled Railroading (PSR) as another cause of the crisis. Though they billed it as a means of improving customer service, the railroads implemented PSR to improve their operating ratios (i.e., the percentage of revenue that is dedicated to paying expenses) and benefit their shareholders. PSR also encourages the use of longer trains—sometimes as long as three miles—which cause congestion, delays and accidents.

The railroads have shown little inclination to change their operations. Union Pacific and BNSF are asking shippers to reduce inventory, essentially making delayed trains the latter’s problem. This proposed solution will only worsen supply shortages.

James Foote, president and CEO of CSX, resisted shippers’ calls to shorten the length of trains and restrict the idling of trains. He talked over STB member Robert Primus during an argument about his company’s focus on operating ratios.

Norfolk Southern COO Cindy Sanborn was similarly recalcitrant. “I don’t believe we are facing a problem with an operating model,” she said. “We are facing an execution problem.” Norfolk Southern recently announced that it would buy back \$10 billion of its own shares to increase their value. Oberman singled the company out for criticism.

The railroads’ resistance to change will maintain the intolerable conditions that rail workers face. PSR has destroyed jobs and caused a sharp increase in resignations, including among workers with decades of

experience. The remaining employees have been stretched thin, which has increased fatigue and made conditions more dangerous. The industry's notoriously inaccurate train lineups make it nearly impossible for workers to know when they will be called for duty, causing anger and frustration. Moreover, punitive attendance regimes, such as the "Hi-Viz" policy at BNSF, all but eliminate the possibility of pursuing a life apart from work.

Workers at many Class I railroads also have been without a contract for two years. Hence, even before the current surge in inflation, their wages had not kept up with the rising cost of living. In the days before the hearing, the railroads offered workers monthly advances of as much as \$600 against any raises that they might receive when contracts eventually are finalized. But this amount would represent a raise of less than 1 percent per year. Moreover, workers would have to repay some of the money if the raises that they receive are less than the amount of the payments. Feeling the heat of their members' anger, the unions described the proposal as "somewhere between a loan and a payday advance."

Union bureaucrats used the hearing as another forum in which to posture as defenders of labor. Mark L. Wallace, national vice president of the Brotherhood of Locomotive Engineers and Trainmen (BLET), vowed to submit members' comments about grueling working conditions to the STB. Yet the solutions that Wallace proposed were not intended to improve workers' quality of life or safety. They were aimed explicitly at enhancing customer service and protecting the US economy. Wallace suggested that the railroads eliminate restrictions on train speed and reduce train lengths to a maximum of 8,500 feet (or 1.6 miles). Because long trains require more train crews, this solution would reduce the railroads' expenses.

Since January, BLET has worked to suppress BNSF workers' opposition to the "Hi-Viz" attendance policy. The union has enforced an anti-strike injunction, forbade its members to speak publicly about their grievances and attempted to divert workers' anger with a fruitless court battle with the company. To shore up its credibility, BLET recently placed an ad in the *Omaha World-Herald* that listed questions that the executives of BNSF and Union Pacific "do not want to be asked" at this year's shareholder meetings. Omaha

is the headquarters of Berkshire Hathaway, the holding company that owns BNSF.

The railroads' insatiable drive for profits has undermined workers' safety and now is causing serious disruptions in the transportation of essential goods throughout North America. Workers cannot secure decent working conditions, including adequate time off, by looking to the trade unions. These discredited organizations have spent decades integrating themselves into the management structure, with their material interests directly tied to increasing the exploitation of workers. To wage a genuine fight, rail workers need to form new organizations—rank-and-file committees that are independent of the trade unions and of both big business political parties. These committees will formulate demands based on the needs of workers, not the profit requirements of the rail companies. The fight for better conditions for workers and for the rational management of the supply chain requires a fight against the capitalist profit system and establishment of workers control over production. Only through scientific planning can the needs of both workers and the broader interests of society be rationally addressed.



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