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Transportation Trades Department, AFL-CIO

**WRITTEN STATEMENT OF
GREG REGAN, PRESIDENT
TRANSPORTATION TRADES DEPARTMENT, AFL-CIO**

BEFORE THE SURFACE TRANSPORTATION BOARD

September 16-17, 2024

Chairman Primus and members of the Board, my name is Greg Regan and I am the President of the Transportation Trades Department, AFL-CIO (TTD). By way of background, TTD consists of 37 affiliate unions, representing millions of frontline workers across every mode and every sector of America's transportation system. Our affiliate unions represent the totality of rail labor, including both freight and passenger rail workers.¹ I am here today to speak on the collective behalf of those 37 unions and their members. Rail workers understand better than most that stagnation in the freight rail industry is a critically important issue and we thank the Board for scheduling today's public hearing.

Everyone in this room no doubt agrees that freight rail is of vital importance to the U.S. economy. Unfortunately, safety, service, and staffing deficiencies continue to plague the industry and contribute to its lack of growth. Given their size and reported profits, Class I railroads clearly have the wherewithal to take the steps necessary to improve safety, service, and staffing levels, which would contribute to renewed growth in the industry. What appears to be missing, however, is their willingness to do so.

Since 2015, the Class I railroads have reduced their total workforce by 30 percent; slashed their private investments in physical infrastructure, like rail yards; and sold off or sidelined essential equipment such as rail cars and locomotives. For example, BNSF slashed its number of maintenance of equipment and stores employees from a recent high of 8,908 in March 2019 to 6,144 in June 2024, a decrease of over 30 percent.² As a result of self-inflicted cuts like these, the railroads do not have the workforce or equipment necessary to provide adequate rail service. For years, TTD and our affiliated unions have warned that these reductions leave zero margin for error.

¹ Attached is a complete list of the unions affiliated with TTD.

² <https://www.stb.gov/reports-data/economic-data/employment-data/>

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In addition, widespread safety issues in the freight rail industry contribute to more than 1,000 freight rail derailments a year – nearly three a day. And contrary to the railroads’ rhetoric, the industry’s safety record is getting worse, not better. Rail workers can attest that a high level of safety is an essential element of efficient and reliable transport of goods.

The Class I railroads have strayed from the traditional operating model of a service industry that responds to the demands and needs of its customers. Instead, the Class I railroads began pursuing an operating model known as Precision Scheduled Railroading (PSR) nearly 10 years ago. PSR dictates that rail cars operate on a set and often arbitrary schedule, arriving and departing at specific times regardless of the needs of customers. PSR proponents claim that this improves train velocity – how quickly trains can move from one terminal to another, not how quickly and responsively cars are picked up from and delivered to a shipper’s facility. Fundamentally, PSR seeks to generate the highest possible profits through the lowest possible operating ratios. To achieve these profits, railroads have stripped rail networks of their physical and human capital.

In order to address lack of growth in the freight rail industry, we encourage the Board to further delineate the scope of the common carrier obligation, which would provide much needed clarity on an important legal obligation of the railroads, target the heart of freight rail service problems, and holistically address the ongoing issues with the Class I railroads. Enforcing a robust common carrier obligation would hold railroads collectively accountable for providing a higher quality of service, effectively address many of the problems shippers continue to experience, and in turn contribute to renewed growth in the industry. As it stands now, railroads continue to fail their customers and their employees by providing insufficient levels of service.

It will take action from the Surface Transportation Board, Congress, and the Class I railroads themselves to resolve the core staffing, service, and safety issues that have restricted growth in the freight rail industry. I appreciate the opportunity to speak at today’s hearing and certainly look forward to continuing to work with the Board to address these issues.