

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
“Nominations of Anthony Coscia, David Capozzi, Christopher Koos, Robin Wiessmann, and Samuel Lathem to be Directors of the AMTRAK Board of Directors; and Robert Primus to be a Member of the Surface Transportation Board”

10:00 AM, September 7, 2022

Questions from Senator Klobuchar to Mr. Robert Primus, to be Member of the Surface Transportation Board

Significant Rail Surface Disruption. We’ve been hearing from manufacturers, farmers, ranchers and energy producers about unreliable freight rail service, with doubling of trip times, increased rates, instances where scheduled trains did not arrive or were too full to load with product, and livestock operations that were forced to ration feed or find alternative feed options.

Question: If confirmed for another term, how will you work to address these concerns?

Answer: Senator Klobuchar, since mid-2020, our national supply chain has faced substantial pressure due to the enormous demand from domestic economic activity. Unfortunately, over the past sixteen months, our nation’s freight rail network has struggled to keep up with demand and, as a result, has not been able to provide the type of service its customers need and deserve. The network has subsequently experienced system-wide service disruptions and failures that have caused arduous shipping delays and imposed substantial added costs upon freight rail customers.

Much of the service failures can be attributed to manpower and equipment shortfalls, and the Board has been actively engaged with stakeholders to develop workable solutions to increase the reliability and resiliency of our freight rail network. We have encouraged the Class I’s to implement workforce decisions that would focus less on operating ratios and more on maintaining labor levels that can adequately handle the ebbs and flows of the national economy and customer demand. The Board also held a public hearing in Washington, DC, on April 26 and 27, 2022, to discuss the recent rail service problems and the adequacy of recovery efforts involving BNSF, CSXT, NSR, and UP, and has maintained ongoing oversight of the current service crisis. The Board also continues to rely on both its Rail Shipper Transportation Advisory Council and Rail Energy Transportation Advisory Committee, for stakeholder insight and perspective. And while I would rather see service problems resolved between the rail carriers and its shipping customers, I understand that Board intervention is sometimes warranted. Accordingly, I will work with my fellow Board members to develop workable solutions that will mitigate systemic service problems and ensure fluidity, efficiency, and balance throughout the network.

Freight Rail Workforce and the Federal Railroad Administration. Freight railroads employ approximately 135,000 workers and support over 1.1 million jobs. Precision scheduled railroad (PSR) operation model has led many of the Class I railroads to reduce their workforce by about 10 percent, cutting over 20,000 jobs between January 2019 to January 2020.

Question: If confirmed, can you speak to ways you will help support the freight and rail workforce?

Answer: Senator Klobuchar, without a doubt, our national freight rail network is the best the world has to offer. The strength of the network lies in its labor force and the thousands of individuals who work tirelessly to ensure that freight moves safely and efficiently from origin to destination. Recently, however, that strength has been eroded with the implementation of the Precision Scheduled Railroad model. Between 2018 and 2020, Class I railroads reduced their workforce by one-third, or 40,000 people. As a result, the network was left with a workforce that was stretched too thin and could not adequately handle the growing service demands of freight rail customers. This has led to severe service degradation and an over-worked and often demoralized labor force struggling to keep up.

While we do not have jurisdiction over rail labor, the Board conducted public hearings related to service and invited labor to share its concerns about working conditions and attendance policies, and the Class I railroads to share its employment plans and efforts to recruit, hire, and retain its labor force. The Board has also impressed upon the Class Is the necessity of keeping workforce numbers at a level appropriate to handle the nation's dynamic economic cycles. A strong and motivated workforce means a strong and efficient national rail network, and, if confirmed, I will continue to work to promote the success of this workforce.

Questions for the Record from Senator Rosen to Robert Primus to be a Member of the Surface Transportation Board

Investing in Rail Infrastructure. Mr. Primus, congratulations on being nominated to serve again as a member of the Surface Transportation Board. Through legislation like the Bipartisan Infrastructure Law that I helped write, Congress has made critical investments to improve transportation infrastructure across the country, creating new jobs, improving services, and supporting innovation. Making capital investments in rail will also enhance supply chain resiliency – safely and efficiently moving goods from ships to storefronts and lowering costs for American households. This is particularly important in landlocked states like Nevada, where goods that have been unloaded at coastal ports must travel hundreds of miles by rail and highway to reach their final destination.

Question 1: Mr. Primus, as much of that capital comes from the private sector, can you describe what steps the STB is taking to encourage greater investment in the rail industry?

Answer: Senator Rosen, thank you for the kind words and the well wishes. While the Board does not have direct oversight of the investment decisions of the railroads, I will work to encourage the railroads to invest more in their workforce and physical infrastructure. The strength of the rail network is in its labor force, and as the recent labor negotiations revealed, a strong, dedicated, and motivated rail labor force is a critically needed component of our national

supply chain. Along with a strong labor force, I believe further investment is needed in our rail network's physical infrastructure. The demand for freight rail service amongst our nation's various economic sectors is projected to grow over the coming decades and the Class Is will have important decisions to make concerning that growth.

Question 2: With robust investment from both Congress and the private sector in the wake of the Bipartisan Infrastructure Law, what do you see as areas in rail that are still lacking sufficient resources or support?

Answer: Senator Rosen, in my opinion, there is one area of rail that continues to lack sufficient resources and that is Amtrak's annual operating budget. Though the bipartisan Infrastructure Investment and Jobs Act included a record amount of funding for Amtrak, the funding is directed to be used primarily for infrastructure, equipment, and expanded rail service. Amtrak must still come to Congress annually to secure adequate funding for its operations. Consistently reliable operating funds are critical if Amtrak is going further expand and enhance the country's passenger rail network. Accordingly, I believe Congress should continue to look for ways to establish a dedicated source of funding to fully support the growing operational needs of Amtrak.