GlobalResearch
Center for Research on Globalization

Poisoning America for Profit: A Brief History of Norfolk Southern's Greed

By Amanda Yee
Global Research, February 27, 2023
Liberation News 23 February 2023

Region: USA
Theme: Law and Justice

***

On Feb. 3, a Norfolk Southern train carrying vinyl chloride and other hazardous materials derailed in East Palestine, Ohio. To prevent a potential deadly explosion, officials conducted a "slow burn" of the vinyl chloride, which produced a cloud of thick black smoke lingering over the town for days. The fallout from this spill and the chemicals released has resulted in thousands of dead aquatic life, contamination of residential water wells, a noxious chemical smell in the air, and mysterious symptoms afflicting residents such as rashes, headaches, sore throat, and nausea.

What happened in East Palestine is just the latest in an upsurge in train derailments in recent years. Norfolk Southern alone is responsible for over half the damages caused by hazardous materials incidents involving railways in 2022. In May of last year, a Norfolk Southern train derailed in western Pennsylvania, releasing 1,423 gallons of combustible petroleum distillate. Then, in October of 2022, another Norfolk Southern train derailed in Sandusky, Ohio releasing 20,000 gallons of liquid paraffin wax. And then another derailed just a few weeks later in Illinois, releasing over 20,000 gallons of flammable chemicals.

The East Palestine disaster is an expression of capitalism's single-minded drive for greater and greater profit: Norfolk Southern has for decades now eliminated services and operating costs to dangerously low levels—all to deliver more and more wealth to its shareholders each year.

What causes train derailments?

The uptick in train derailments can be attributed to a confluence of three factors that epitomize capital's profit motive incentive at all costs. The first factor is the introduction of Precision Scheduled Railroading starting in 1993—the implementation of which was largely pushed by Wall Street to cut operating expenses and increase stock buybacks and dividends. PSR means rail companies spend less money on labor in order to create higher profit margins, resulting in trains transporting heavier and heavier loads with a diminishing number of workers. In fact, while 80-90 cars were once supported by five rail workers before the introduction of PSR, after PSR was set into place two workers can now oversee as many as 150 rail cars or more. According to *More Perfect Union*, "In 2002, Norfolk Southern employed 29,000 people. By the end of 2022, the company had slashed its headcount by 33%. Meanwhile, management more than doubled profit margins."

The second factor contributing to this increase in derailments is that rail companies are making their trains longer and forcing them to carry heavier and heavier freight. Very long trains can also disrupt radio communications between rail crew, making accidents more likely. In fact, the same train that derailed in East Palestine broke down at least once a few days prior, due to excessive length and weight. When it derailed, the train was 9,300 feet long, consisted of 151 cars, and carried 18,000 tons. Again, this is to generate higher profit margins for its investors, which include the likes of Vanguard, Blackrock, JP Morgan, and Wells Fargo, among others. In its 2021 annual report, Norfolk Southern assured shareholders it would increase "efficiency" by increasing average train weight by 21% and train length by 20%.

The third factor is that most railroad trains—including the Norfolk Southern one which derailed in East Palestine—rely on outdated braking technology. That is, trains are still using 19th century braking systems which stop each car individually rather than the entire train at once. Also, in an emergency situation, the longer, heavier trains which have become commonplace are much more difficult to halt.

While the rate of accidents for Norfolk Southern has increased, the rail company reaped over $8 billion of gross profit in 2022. And railways, as a whole, are the most profitable industry in the United States, with an over 50% profit margin.

The powerful rail lobby

In the interest of protecting profits, the railway industry invests over $20 million on political lobbying each year. After a string of train derailments, the Obama administration issued a new safety rule in 2015 that required electronically controlled brakes—which stop a train simultaneously by electronic signal, rather than car by car—to be installed in trains carrying hazardous materials by 2023. After the railroad lobby donated $6.6 million to Republicans in 2016, the Trump administration repealed the rule in 2018. Despite initial support for the measure, Norfolk Southern later lobbied for the repeal, claiming the electronic brakes "impose tremendous costs without providing offsetting safety benefits." Rather than investing in the necessary safety features, over the last five years, Norfolk Southern has instead paid shareholders nearly $18 billion through stock buybacks and dividends, which was twice the amount it invested in its railways and operations.

The rail lobby is a powerful force both on the federal and state levels. In Washington, Norfolk Southern consistently opposes any legislation which could potentially cut into its profits. In 2018 alone, the rail company lobbied against over 20 different bills which sought to regulate weight uniformity or limits on trains. In fact, Bill Johnson, the U.S. Congressman who represents East Palestine, received $18,000 from a Norfolk Southern PAC—though he later donated this money to a firefighter's association after public scrutiny of the rail carrier emerged following the derailment.

On the state level, Norfolk Southern and its affiliates in the last five years made over 100 contributions to Ohio state officials and candidates, including $29,000 to Governor Mike DeWine's campaign, totaling nearly $100,000. Since DeWine took office in 2019, the rail company has donated $73,000 to him and other state legislators to buy their support in killing bills regarding railroad safety.

And even after the East Palestine derailment, the Biden administration has shown reluctance to mandate electronic brakes, with officials citing pushback from the rail industry.

Mallory v. Norfolk Southern Railway Co.

In 2016, former Norfolk Southern employee Robert Mallory was diagnosed with colon cancer after years of exposure to asbestos and other hazardous materials working for the rail company. In 2017, Mallory filed a lawsuit against Norfolk Southern for the company's failure to provide the necessary protective equipment. As reported by *Lever News*, "Pennsylvania has what's known as a 'consent-by-registration' statute … which stipulates that when corporations register to do business in the state, they are also consenting to be governed by that state's courts. Norfolk Southern asserts that being forced to defend the case in Pennsylvania would pose an undue burden, thereby violating its constitutional right to due process." Mallory appealed, and the case has been brought to the Supreme Court.

This is a landmark case, especially in light of the East Palestine derailment catastrophe: if the right-wing dominated Court rules in favor of Norfolk Southern, the rail company could block lawsuits brought by victims exposed to toxic chemicals from the spill in neighboring Pennsylvania. Only those living in states where Norfolk Southern is headquartered could bring lawsuits against the company. The case could also severely limit individuals' ability to sue corporations overall.

Nationalize the railways

Under these current conditions, train derailments are set to continue increasing—major rail carriers like Norfolk Southern are first and foremost beholden to their investors and driven by the profit motive. Armed with millions of dollars and an influential political lobby, it is clear that Norfolk Southern and other rail companies have the power and financial backing to oppose any law that could potentially threaten shareholder profits, even going so far as weaponizing the Supreme Court. We have seen them slashing their workforces, increasing freight to dangerous limits, relying on outdated brake technology, and even subjecting working class people to dangerous chemical spills and exposure to protect their own financial interests.

The solution is to remove the profit motive altogether and nationalize Norfolk Southern and the rest of the rail industry, as organizations like Railroad Workers United have called to do. With nationalization, rail workers could be placed in direct leadership positions where they could have greater oversight in day-to-day decisions and implement improved working conditions. Revenue could then be directed toward improving safety and infrastructure, rather than into the pockets of billionaire shareholders.

Defenders of Wall Street denounce this idea as "too extreme" and an infringement on the sacred right of corporations to profit. But a look at Norfolk Southern's record makes it clear: the alternative is a constantly escalating safety crisis causing injury, sickness and suffering across the country.

*

Note to readers: Please click the share buttons above. Follow us on Instagram and Twitter and subscribe to our Telegram Channel. Feel free to repost and share widely Global Research articles.

Featured image: A Norfolk Southern train. Photo: James St. John (Wikimedia Commons)

The original source of this article is Liberation News

Comment on Global Research Articles on our Facebook page

Become a Member of Global Research

Articles by: **Amanda Yee**