

REPORT

to

THE PRESIDENT

by

EMERGENCY BOARD

NO. 230

Submitted pursuant to Executive Order No. 13004

Dated May 17, 1996, and

Section 10 of

The Railway Labor Act, as amended

Investigation of dispute between the railroads represented by the National Carriers' Conference Committee of the National Railway Labor Conference and ~~their~~ employees represented by the International Association of Machinists and Aerospace Workers, the International Brotherhood of Electrical Workers and the Sheet Metal Workers' International Association.

(National Mediation Board Case Nos. A-12769, A-12771 and A-12772)

Washington, D.C.

June 23, 1996

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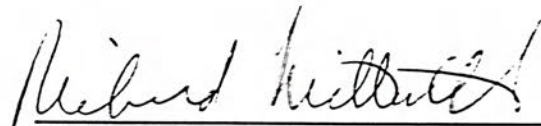
THE PRESIDENT
The White House
Washington, D.C.

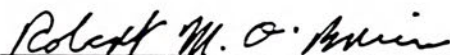
Dear Mr. President:

On May 17, 1996, pursuant to Section 10 of the Railway Labor Act, as amended, and by Executive Order No. 13004, you established an Emergency Board to investigate disputes between certain railroads represented by the National Carriers Conference Committee of the National Railway Labor Conference and their employees represented by the International Association of Machinists and Aerospace Workers, International Brotherhood of Electrical Workers, and Sheet Metal Workers' International Association.

The Board now has the honor to submit the Report and Recommendations to you concerning an appropriate resolution of the disputes between the above-named parties.

Respectfully,


Richard Mittenthal, Chairman


Robert M. O'Brien, Member

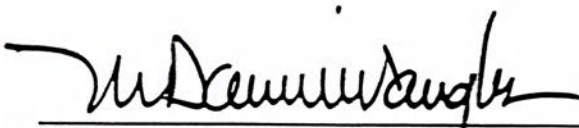

M. David Vaughn, Member

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I. CREATION OF THE EMERGENCY BOARD

Emergency Board No. 230 (the Board) was established by the President pursuant to Section 10 of the Railway Labor Act, as amended, 45 U.S.C. § 160, and by Executive Order 13004. The Board was ordered to investigate and report its finding and recommendations regarding unadjusted disputes between the National Carriers' Conference Committee of the National Railway Labor Conference (NRLC) and their employees represented by the International Association of Machinists & Aerospace Workers, the International Brotherhood of Electrical Workers, the Sheet Metal Workers' International Association, and the Brotherhood of Railroad Signalmen. A copy of the Executive Order is attached as Appendix "A".

On May 17, 1996, the President appointed Richard Mittenthal of Bingham Farms, Michigan, as Chairman of the Board, and Robert M. O'Brien of Milton, Massachusetts, and M. David Vaughn, of Gaithersburg, Maryland, as Members. The National Mediation Board appointed Roland Watkins, Esq., as Special Counsel to the Board.

II. PARTIES TO THE DISPUTE

A. THE CARRIERS' CONFERENCE

The carriers involved in this dispute include most of the Nation's class I line haul railroads and terminal and switching companies. They are named in the attachment to Appendix "A". The carriers are represented in this

dispute through powers of attorney provided to the NRLC and its negotiating committee.

B. THE LABOR ORGANIZATIONS

Although the Executive Order listed four labor organizations (**unions**), the disputes before the Board involve only three. They are:

the International Association of Machinists & Aerospace Workers (IAM);

the International Brotherhood of Electrical Workers (IBEW); and

the Sheet Metal Workers' International Association (SMWIA).

On May 21, 1996, the Board received the following notice signed by W.D. Pickett, President of the Brotherhood of Railroad Signalmen, and Robert F. Allen, Chairman of the NRLC:

Based upon the tentative agreement reached between the Brotherhood of Railroad Signalmen and the National Carriers Conference Committee, you are advised that the above named organization will not participate in the proceedings with the Shopcrafts scheduled to begin May 23rd, 1996.

III. ACTIVITIES OF THE EMERGENCY BOARD

The Board held an organizational meeting with representatives of the parties on May 20, 1996.

The Board conducted hearings on the issues in Washington, D.C., on May 23, 24 and 25, 1996. The parties were given full and adequate opportunity to present oral testimony, documentary evidence, and argument in support of their respective positions. Their closing-and-rebuttal briefs were filed on June 4, 1996. The parties agreed to and the President approved an extension of the time that the Board had to report its recommendations until June 24, 1996. The approval letter is attached as Appendix "B".

The unions presented their positions through written statements and oral testimony by William L. Scheri, Vice President, Transportation, IAM; Norman D. Schwitalla, International Vice President, IBEW; Donald C. Buchanan, Director of Railroad and Shipyard Workers, SMWIA; Thomas R. Roth, President, The Labor Bureau, Inc.; James J. Kilgallon, President, Ruttenberg, Kilgallon & Associates, Inc.; Thomas Harter, consultant on employee benefits programs; and Robert L. Reynolds, President-Directing General Chairman, IAM District Lodge 19.

The IAM was represented by Joseph Guerrieri, Jr., Esq., of Guerrieri, Edmond & Clayman, P.C. The IBEW and SMWIA were represented by Michael S. Wolly, Esq., of Zwerdling, Paul, Leibig, Kahn, Thompson & Wolly, P.C.

The carriers presented their positions through written statements and oral testimony by Robert F. Allen, Chairman of the NRLC; Robert W. Anestis, President, Anestis and Company; Tom Finkbinder, Vice President, Intermodal Norfolk Southern Corporation; Dan Mazur, Assistant Vice President of Asset

Utilization and Development, Unit Train Service Group, Consolidated Rail Corporation (Conrail); Michael F. Corbett, Co-founder and Director of Research and Member Programs, The Outsourcing Institute; Dr. Leland S. Case, economics consultant; David Miller, Assistant Vice President of Maintenance, Planning, Scheduling, Engineering and Mechanical Work, CSX Transportation; Jack Jolley, Director of Systems Locomotive Shops, Union Pacific Railroad; Craig Rockey, Senior Assistant Vice President, Association of American Railroads; Don Tutko, Managing Director, Conrail; Don Graab, Conrail; Anthony J. Licate, Director of Labor Relations, Conrail; Warren Comiskey, Director of Labor Relations, CSX Transportation; Dennis Arouca, Vice President of Labor Relations, Conrail; and David S. Evans, Senior Vice President of National Economic Research Associates, Inc.

IV. HISTORY OF THE DISPUTE

On or about November 1, 1994, the NRLC, in accordance with Section 6 of the Railway Labor Act, served notice on the IAM of its demands for changes in the provisions of numerous existing collective bargaining agreements. The IAM, on or about November 3, 1994, served its notice on individual railroads. The parties commenced direct bargaining on November 20, 1994. Direct bargaining did not result in an agreement. The IAM, on August 22, 1995, applied to the NMB for its mediatory service in resolving the disputes. The application was docketed as NMB Case No. A-12769.

On or about November 1, 1994, the IBEW served notice on the individual railroads. The NRLC served its notice on the IBEW during this period. Because direct bargaining did not result in an agreement, the IBEW applied to the NMB on August 24, 1995. The application was docketed as NMB Case No. A-12771.

The NRLC served its notice on the SMWIA on or about November 1, 1994. The SMWIA served its notice on the individual railroads on or about November 11, 1994. The SMWIA notified the NRLC, on August 23, 1995, that direct bargaining had failed to produce an agreement. On August 23, 1995, SMWIA applied to the NMB for its mediatory service. The application was docketed as NMB Case No. A-12772.

Mediation concerning the three applications was handled concurrently. The NMB assigned Mediator Richard A. Hanusz to conduct the mediation. Chairwoman Magdalena G. Jacobsen subsequently assumed the mediation role. Mediation was not successful in resolving the disputes.

On April 15, 1996, the NMB in accordance with Section 5, First, of the Railway Labor Act, urged the unions to enter into an agreement to submit their respective disputes to arbitration. On April 17, 1996, each union declined this proffer. Consequently, the NMB served notice that it was terminating its mediatory efforts.

Pursuant to Section 10 of the Railway Labor Act, the NMB then advised the President that, in its judgment the disputes threatened to substantially interrupt interstate commerce to a degree such as to deprive various sections of the country of essential transportation service. The President, in his discretion, thereupon issued Executive Order No. 13004 on May 17, 1996, to create this Presidential Emergency Board (PEB) to investigate and report concerning these disputes.

V. INTRODUCTION

The initial question before this Board concerns the significance of what has been accomplished so far in this round of collective bargaining.

We take note of the May 1996 award by Arbitration Board No. 559 that resolved a dispute between the carriers and the United Transportation Union (UTU) over wages and other conditions of employment. That award covers conductors, brakemen, yardmen, engineers and yardmasters, about 22 percent of the organized work force employed by the carriers. We take note also of the collective bargaining agreements (CBAs) recently negotiated between the carriers and the Brotherhood of Railway Signalmen (BRS) and between the carriers and the Brotherhood of Locomotive Engineers (BLE). The first of such CBAs covers signalmen, some 3.3 percent of the organized work force, and has not yet been ratified by the union membership. The second covers engineers, roughly 12 percent of the work force. This CBA, however, was subject to further negotiations at each rail property and ratification by the engineers at each property. Separate ratifications have occurred at many of the properties.

This award and the CBAs dealt with wages, health benefits, moratoria, skill differentials, rules changes, and so on. Most of these matters are in dispute between the carriers and the shopcraft unions (IAM, IBEW, and SMWIA) in the present case.

The carriers' position is that "a pattern has been firmly established in this round of negotiations by the settlements with three of the national labor organizations, covering both operating and nonoperating employees and consisting of some 45 percent of the carriers' unionized work force." They urge that this pattern should be followed in the present case. They maintain that a pattern can be created through an arbitration award or through CBAs with unions representing less than a majority of the work force and that PEBs have in the past been careful to honor a pattern. They believe that the industry must treat employees of different unions on a "uniform, nondiscriminatory basis" and that a failure to do so would not only disturb employee morale but would also threaten the "stability of . . . labor

relations." In this connection, they stress, any departure from the pattern would have the effect of discouraging unions from making early settlements and encouraging unions to try "leapfrogging", that is, attempting to outdo one another. They contend that such behavior would necessarily destabilize the parity arrangements and historic relationships between the various crafts and their CBAs.

The carriers' view thus is that this Board should grant the shopcraft employees no more than the three other unions have already gained through arbitration or negotiation. They ask that the pattern be recognized and respected.

The shopcraft unions challenge most of the carriers' claims. They insist, for the following reasons, that there is no pattern. First, the UTU agreement imposed by the arbitration award was twice rejected by the employees. Such an agreement has never been relied upon by a PEB to establish a pattern. Second, the BRS agreement has not been ratified but in any event provides significant additional value to signalmen beyond what is provided by the UTU agreement. Moreover, because the BRS is one of the smaller rail unions, its agreement should not be allowed to serve as a pattern for other non-operating crafts. Third, the BLE agreements vary widely from property to property and also provide significant additional value beyond what is provided by the UTU agreement. Fourth, unions representing more than 90 percent of the non-operating employees have rejected the UTU agreement as a basis for settlement. And the vast majority of the UTU, BLE and BRS people are not shopcraft employees.

In other words, the shopcraft unions insist that a pattern cannot be said to have emerged under the circumstances confronting this Board. They contend they are entitled to have their claims judged on their own merits without regard to any alleged pattern. They state that given the "variety of settlements" mentioned above,

there can be no pattern and there would be no destabilization of existing wage and contractual relationships if the Board granted the unions' demands.

We agree with the principles stated in PEB 220, namely, "... it [is] critical to the public interest that labor relations and collective bargaining on the nation's railroads be fair, stable, and reasonably consistent" and "political competition between and among unions for supremacy of benefits, with its ineluctably destabilizing consequences, is damaging to the public interest." PEB 220 hence treated the PEB 219 recommendations, affecting some 95 percent of the industry's employees, as "presumptively applicable" to the IAM-represented employees before PEB 220 and ruled that this "presumption" was a "rebuttable one."

The situation in this case is different in several respects. True, settlements have been negotiated by responsible union officials for the UTU, BRS and BLE. True, those settlements do suggest an emerging pattern with regard to wages (that is, general wage increases and other benefits). However, these agreements together cover less than 40 percent of the unionized work force and do not cover the traditional shopcraft employees.

More important, the BLE agreements appear to generate significant money benefits (for example, a trip payment subject to future wage increases, profit sharing, personal leave days without restriction, and the very real possibility of a certification differential) beyond what is found in the UTU agreement. And the BRS agreement similarly appears to produce significant benefits of value (for example, a large percentage increase in differentials at the end of the agreement and lifetime pay protection for signalmen with ten or more years of service) beyond what is found in the UTU agreement. Indeed, the UTU agreement itself gives the covered employees a substantial money benefit by maintaining the base day at 130 miles and applying wage increases to overmiles. Money benefits similar to those in the above

settlements cannot be found in the wage package offered the shopcraft unions -- IAM, IBEW, and SMWIA.

We believe, given these circumstances, that the pattern upon which the carriers rely is not as clear or compelling as the carriers would have us believe. We find that the wage level and other benefits set forth in the UTU, BLE and BRS agreements ought to be a large influence on our decision but cannot be treated as presumptively correct or controlling.

VI. ISSUES, POSITIONS OF PARTIES AND RECOMMENDATIONS

A. WAGES

The carriers propose that shopcraft employees receive the same wage package as has been awarded through arbitration to the UTU and negotiated with the BLE and BRS. That package consists of the following:

November 30, 1995	nine cent COLA rolled into basic rates
December 1, 1995	3.5 percent general wage increase
Effective date of agreement	1 percent lump sum bonus (less seven cent COLA paid in 1996) or UTU dollar equivalent
July 1, 1996	3.0 percent lump sum
July 1, 1997	3.5 percent general wage increase

July 1, 1998	3.5 percent lump sum
July 1, 1999	3.5 percent general wage increase
December 31, 1999	Guaranteed COLA rolled into base rates; floor, cap and formula same as in UTU/BLE/BRS agreements
July 1, 2000	Post-agreement semi-annual COLA beginning July 1, 2000, similar to post- agreement COLA in last round of negotiations

The shopcraft unions propose the following wage package over a period of three years rather than five:

January 1, 1995	5 percent general wage increase
January 1, 1996	5 percent general wage increase
January 1, 1997	5 percent general wage increase. Each of such increases to be fully retroactive as applicable
July 1, 1995, 1996 and 1997	Annual COLA to be effective on July 1 of each year, calculated on the basis of the present escalator formula

Shopcraft Unions' Position

The unions rely heavily upon the industry's large success in recent years. They stress that since 1990, net profits of the class I carriers have increased 78 percent, CEO compensation adjusted for inflation has risen 50 percent, and common stock value has grown by 99 percent. They argue that notwithstanding these remarkable gains, real wages of shopcraft employees adjusted for inflation have declined more than 12.6 percent during this period even though their productivity has increased more than 200 percent. They allege that between 1985 and 1995, shopcraft employee wage increases totaled 17.2 percent while the consumer price index (CPI-W) rose 40.2 percent. Or, since 1990, their wages rose 10.5 percent while the CPI-W rose over 20 percent. They insist that only through adoption of their wage proposal will this "downward spiral" be reversed.

The unions contend that this inferior wage performance was largely the result of PEB 219's recommendations which were based on incorrect predictions of the industry's prospects. They urge that the industry today is extremely healthy, whether measured from the standpoint of profitability, labor cost, capital structure, liquidity, operating ratio or traffic trends. They assert that employees in other industries (or in other segments of the rail industry) with comparable skills have done much better. They conclude that a fair and equitable agreement requires no less than the wage package they have proposed.

Carriers' Position

The carriers do not raise an "inability to pay" defense. They nevertheless assert that a realistic appraisal of industry economics requires railroads to

"continue to find ways to reduce their costs, not increase them, [in order] to compete in the deregulated transportation marketplace." They stress that freight revenues have grown very slowly and that industry profits are attributable to large improvements in productivity which have in turn stemmed from new technologies, a much smaller work force, and carefully rationalized rail operations. They note that the market share of railroads with respect to freight transportation has fallen, that yields (namely, freight revenue per ton mile) have eroded, that unit prices have therefore fallen, that capital needs remain high, that return on investment while rising still does not compare favorably with most industries, and that a cash shortfall (that is, an inability of rail operations alone to cover taxes and fixed charges) still plagues the industry. They claim, in short, that the condition of the class I railroads is not at all as sanguine as the shopcraft unions would have this Board believe.

Quite apart from railway economics, the carriers insist that shopcraft employees are extremely well paid. They have compared their shopcraft employees with others outside the rail industry who perform electrician, machinist and sheet metal work. They allege that these analyses reveal that rail shopcraft employees receive higher hourly wages, greater fringe benefits, and larger annual compensation than the comparables. They point to the rate of wage increases as well and assert that shopcraft employee wages have risen as rapidly or more rapidly than the rate of increase for others. And they contend too that shopcraft wages have risen faster than the cost-of-living. They conclude that to recommend anything more than the wage package they have offered would not be fair and reasonable.

Recommendations

As we have already explained, the pattern emerging from the UTU award and imposed agreement and the subsequent BLE and BRS agreements should have a "large influence" on this Board but cannot be controlling. It is difficult to quantify the money value of these agreements beyond what is contained in the general wage increases and lump sums. But we believe from our study of the record that the UTU, BLE, and BRS have obtained significant value beyond that which is found in the carriers' offer to the shopcraft unions. We find too that we are unable to recommend comparable value to the shopcraft employees through such means as skill differentials or shift premiums. We note further that shopcraft employees are a unique group whose unique skills and responsibilities are typically developed through a lengthy apprenticeship program. That uniqueness, coupled with our view of the existing agreements in relation to the carriers' present offer, warrants special consideration of the shopcraft employees' situation.

Real wages of shopcraft employees have not kept pace with inflation, that is the consumer price index. That has been particularly true under the past two agreements, 1984-88 and 1988-94. The cause of this slow but steady wage erosion is no doubt attributable to wage restraint in the 1980s resulting from the difficult financial and competitive pressures confronting the rail industry. But those circumstances have dramatically changed for the better and the class I railroads have become extremely profitable in recent years. A case can no longer be made for the wage restraint of the 1980s.

Moreover, wages in recent years have risen slower for shopcraft employees than for comparable employees in other industries. That would be true as well of total compensation. Indeed, although shopcraft employees on class I

railroads have had lower wage rates than shopcraft employees on commuter railroads, the rate of increase for the former has been considerably less than the rate of increase for the latter. This has been particularly true in the years since 1988. None of these observations are meant to suggest that shopcraft employees on class I railroads are not well paid. They are. The point is that their relative position, vis-a-vis others in the rail industry or other industries, has suffered.

The principle reason for this subpar wage performance was the use of lump sum payments in the 1988-94 agreement. Lump sum payments usually appear in collective bargaining relationships when employers are confronted by financial difficulties and concessions seem appropriate. They are a means of moderating wage growth in such an environment. The rail industry problems which justified lump sums in 1988 simply do not exist today. The UTU award nowhere explained why lump sums should still be included in the wage package. Accordingly, we do not believe there is a sound basis for lump sums in the next agreement. We recommend that the lump sums be replaced by a general wage increase.

However, notwithstanding the current prosperity in the industry, there is reason for caution. The economic statistics do not convince us that the industry has solved all of its problems. For instance, the industry as a whole has experienced only slow revenue growth. And the yield figures have been falling for many years. Moreover, it should be emphasized that the carriers have offered a substantial wage package even though, as the shopcraft unions note, the package is "backloaded."

We recommend that the parties accept the general wage increases, the lump sum bonus due on the effective date of the new agreement, and the cost-of-

living arrangements set forth in the carriers' proposal for the full five-year period. We also recommend a 1.75 percent general wage increase on July 1, 1996 (in lieu of a 3.0 percent lump sum) and a 1.75 percent general wage increase on July 1, 1998 (in lieu of a 3.5 percent lump sum). We believe these adjustments will go a long way toward improving the relative position of shopcraft employees during the term of the agreement.

The substitution in our recommendations of general wage increases for the lump sum payments proposed by the carriers requires adjustment in the manner in which employee contributions are to be made toward increases in the cost of health insurance premiums. In place of the reductions in lump sum payments due under the carriers' wage proposal on July 1, 1996 and July 1, 1998, we recommend that the parties substitute reductions in the applicable hourly wage rates for the 12-month period beginning each such July 1st of a number of cents per hour necessary to generate during each such period an amount equal to what would have been the reduction in lump sum payments.

B. ENTRY RATES

IAM & SMWIA Position

Since 1986, newly hired shopcraft employees are paid an entry rate equivalent to 75 percent of the maximum rate for the classification in question. This entry rate increases by 5 percent each year over a five-year period. For the SMWIA, entry rates apply to all classifications. The entry rate does not apply to IAM-represented journeymen.

The IAM and SMWIA wish to eliminate all new-hire progression for all classifications. The IAM and SMWIA contend that the wage progression governing their newly hired members, particularly those in apprenticeship programs, reduces wage levels to intolerably low levels for the very group of employees who can least afford it. Therefore, they request that entry rates be abolished.

Carriers' Position

The carriers are opposed to any change in entry rates currently in effect for shopcraft employees.

Recommendation

Entry rates on the class I railroads have been in effect since the 1981 agreement. The unions asked PEB 219 to eliminate entry rates and their request was denied. The parties have, in other words, lived with entry rates for some fifteen years. Entry rates are simply a recognition of the fact that people who are not fully trained in the craft are of less value to the employer. We decline to recommend any changes in entry rates and its request is denied.

C. SKILL DIFFERENTIALS

Shopcraft Unions' Position

The shopcrafts propose a thirty cents per hour wage premium for all shopcraft members who are required to obtain and maintain a Commercial Driver's License (CDL).

IAM Position

The IAM proposes eliminating Side Letter #16 to the July 31, 1992 agreement which provides that machinists who are entitled to a skill differential must either be qualified for the differential work or become qualified on their own time.

It also proposes that employees who receive a skill differential receive it for all purposes, including holiday pay, personal days and so forth.

IBEW Position

The IBEW proposes to increase the existing fifty cents per hour differential which electricians currently receive for working on high voltage electric lines and electronic communications equipment to sixty-five cents per hour effective immediately and to eighty cents per hour at the end of the contract. It further proposes that this differential apply to electricians and communications electronic technicians who are assigned to gang-type work. It also requests that this differential apply to signalmen whom it represents on the former Norfolk & Southern portion of the Norfolk Southern rail system.

The IBEW is also seeking a new twenty-five cents per hour differential for electricians who are required to obtain licenses from state and local authorities and for electricians who are required to obtain Environmental Protection Agency (EPA) certification before being allowed to recover ozone-depleting chemicals, such as freon, from air conditioning systems.

Carriers' Position

The carriers are opposed to all but one of these proposed changes. They are willing to increase the differential currently received by electricians working with high voltage lines and communications electronic equipment by twenty cents per hour as of January 1, 2000. But they are not willing to increase this differential from fifty to sixty-five cents at the present time.

Recommendation

This Board is not persuaded that the shopcraft employees are entitled to a wage premium for obtaining and maintaining a CDL. Machinists, electricians and sheetmetal workers are highly skilled crafts. Obtaining a CDL clearly does not add to the knowledge and skills these shopcraft employees must possess to perform their core duties.

The duties and responsibilities required of such employees are distinguishable from those required of maintenance of way employees on Conrail who receive a thirty cents per hour differential for obtaining and maintaining a CDL. The rationale for granting the latter a wage premium is inapplicable to the highly skilled machinist, electrician and sheetmetal crafts before this Board. It is also noteworthy that the BRS sought a similar

differential for the signalmen they represent but were not granted one in their recently negotiated agreement.

We also find no compelling reason to eliminate Side Letter #16 that was appended to the July 31, 1992 IAM agreement. The underlying rationale for Side Letter #16 has not changed in the four years since the IAM agreed to it as a *quid pro quo* for greater skill differential work for its members. We see no reason to alter the compromise reached by the parties during the last round of bargaining.

We recognize that the skill differential accorded machinists is included in their vacation pay. Nevertheless, we are not persuaded that it should also be included in their holiday pay, personal leave and other non-working time for which they receive remuneration. We embrace the principle that journeymen machinists should receive a skill differential for the time they are actually performing the work for which the differential is granted. This would not apply to non-working time such as holidays or personal days when the skilled work is not being performed.

As noted, the carriers are willing to increase the fifty cents per hour differential currently granted electricians who work with high voltage lines and electronic communications equipment by twenty cents per hour effective January 1, 2000. This is the same increase granted signalmen in the recently negotiated agreement with the BRS.

However, the carriers are opposed to increasing the existing fifty cents per hour differential allowed these employees to sixty-five cents per hour as proposed by the IBEW. The carriers stress that the sixty-five cents per hour differential for signalmen was established in November 1992 more than a

year before the IBEW agreed to the fifty cents per hour differential for employees whom it claim perform duties comparable to those performed by signalmen. The carriers maintain that the IBEW knew then that the fifty cents per hour differential for high voltage and communications electronic work was less than the sixty-five cents per hour differential allowed signalmen who may perform similar work. The carriers argue that there is no reason to establish a pay relationship between certain electricians and signalmen that was not of particular concern to the IBEW a mere 18 months ago.

Regardless of the agreement reached with the IBEW in December 1993, we are of the opinion that electricians who have duties and responsibilities comparable to those of signalmen should receive the same differential accorded signalmen for performing this analogous work. Fundamental fairness dictates this result. Accordingly, we conclude that electricians working with high voltage electric lines and electronic communications equipment are entitled to the same sixty-five cents per hour differential granted signalmen who perform comparable duties. This differential shall be increased by twenty cents per hour effective January 1, 2000. This differential shall also apply to signalmen represented by the IBEW on the former Norfolk & Southern portion of the Norfolk Southern rail system.

Based on the record before us, we must reject the proposal submitted by the IBEW that the differential also apply to electricians who perform gang-type work. It is unclear to us whether electricians who perform gang-type work are similar to construction signalmen who, for the first time, receive a differential under the recently negotiated agreement with the BRS. The relationship between these two classifications of skilled employees is too

complex for this Board to address in the limited time available to us. Accordingly, we recommend that the IBEW withdraw this proposal.

We are not persuaded that electricians who are required to be licensed by state and/or local authorities are entitled to a differential for obtaining such licenses. That electricians are required to obtain a license does not affect their skills and training.

However, the foregoing rationale does not apply to electricians who must be certified by the EPA before they are allowed to work on air conditioning units containing ozone-depleting chemicals. This EPA certification adds to the electricians skills and responsibility. We recommend that electricians who must obtain EPA certification before being allowed to remove ozone-depleting chemicals from air conditioning systems should receive the twenty-five cents per hour proposed by the IBEW.

D. PAID LEAVE

Shopcraft Unions' Position

Vacations

The unions propose changes to several of the benefits accorded members they represent. For instance, they propose that employees receive 15 days of vacation after 5 years of service rather than the current 8 years; 20 vacation days after 8 years of service rather than the current 17 years; and 25 days of vacation after 15 years of service rather than the present 25 years. They also propose that employees receive 30 vacation days after 20 years of service.

Shopcraft employees now receive a maximum of 25 days of vacation in a calendar year.

They further propose that the vacation qualifying rules be amended to provide that time spent on an authorized leave of absence involving railroad-related activities, including time spent as a duly authorized representative of a rail labor organization, be considered qualifying time for vacation purposes.

They also request that an employee receive a pro-rata share of vacation time based on the number of days that the employee worked in the qualifying year.

Holidays

The unions propose to add Martin Luther King Day to the eleven holidays received by their members.

Bereavement

Currently, shopcraft employees are entitled to three days of paid leave in the event of the death of their brother, sister, parent, child, spouse or spouse's parent. The unions seek to expand the categories of family members for whom bereavement leave is provided to include a stepchild, stepparent, stepparent-in-law, grandparent and grandchild.

Presently, employees are entitled to three consecutive calendar days of bereavement leave. The unions propose that employees be allowed to take bereavement leave anytime up to seven days after the funeral of the deceased.

Jury Duty

The unions note that employees are currently paid for only a fixed number of days for time spent on jury duty. Employees must apparently call into work to be eligible for jury pay. The unions request that this provision be amended to permit payment for whatever number of days an employee is required to be on jury duty and to free the employee in these circumstance from having to call into work.

Family and Medical Leave Act

The Family and Medical Leave Act of 1993 (FMLA) allows eligible employees up to twelve weeks of unpaid leave each year for specified family and medical reasons. The Act grants parties to a collective bargaining agreement the right to negotiate family or medical leave rights greater than those provided by the Act.

The unions propose improvements to the FMLA. Under the FMLA, employees are eligible for medical or family leave if they work at a location where at least fifty employees are employed within a seventy-five-mile radius. The unions request that this restriction be eliminated. They further propose that the calendar year be the designated twelve-month period in which eligible employees may take unpaid leave. Additionally, the unions propose that each eligible employee be entitled to leave regardless of whether the employee's spouse is also an employee of the same carrier. They also want parents-in-law and grandparents included in the class of family members for whom unpaid leave may be taken. And lastly, the unions request that insurance benefits be continued without any cost to the employee during any period in which an employee is taking FMLA leave.

Carriers' Position

The carriers are opposed to any change in the paid leave currently allowed shopcraft employees. The carriers insist that the present level of paid leave enjoyed by shopcraft employees is consistent with comparable benefits granted by other large and medium sized employers. Moreover, the recently negotiated UTU, BLE and BRS agreements contain no changes in paid leave.

The carriers are also opposed to any modifications to the FMLA. They stress that all class I railroads have fully complied with the Act. Also, the carriers are unaware of any employer who is subject to the Act that has modified the FMLA leave provisions through collective bargaining.

Recommendation

The principal reason advanced by the unions for their proposed change in vacations, holidays and bereavement leave is that these benefits have not changed since 1981, a period of fifteen years. However, the passage of time by itself is not a compelling reason to enhance fringe benefits. The vacation benefits to which shopcraft employees are currently entitled (between 5 and 25 days) are comparable to vacation benefits received by employees in other large and medium sized industries. Moreover, the BLE, UTU and BRS agreements did not include any changes in vacation entitlement.

Similarly, the eleven paid holidays granted shopcraft employees are consistent with the paid holidays granted by other large employers. They are also comparable to the paid holidays received by non-shopcraft employees employed by the class I railroads. Furthermore, the BLE, UTU and BRS

agreements did not increase the eleven paid holidays granted employees represented by those unions.

We recognize that a few railroads have bereavement leave provisions similar to those proposed by the unions. Nevertheless, we recommend during this round of bargaining no change in the bereavement leave. The other settlements reached so far with the UTU, BLE and BRS made no changes to the bereavement leave provisions.

We also recommend that the IAM withdraw the change it proposed to its jury duty rule. Were the IAM's proposal adopted, machinists would receive jury duty benefits greater than similar benefits allowed all other class I railroad employees, including other shopcraft employees. In our opinion, there is no compelling reason to recommend the IAM's proposal.

Nor can we discern any cogent reason to alter the family and medical leave provided by the FMLA. There is no claim by the unions that the unpaid leave provided by the Act fails to meet the needs of their members. To our knowledge, the class I railroads have fully complied with the Act. No other class I railroad employees receive FMLA rights similar to those proposed by the unions. Accordingly, we recommend that the unions withdraw this proposal.

E. SHIFT PREMIUMS

IAM and SMWIA Position

Shopcraft employees on the nation's railroads do not receive any shift differential compensation. The IAM and SMWIA propose a 3 percent

premium for hours worked on second shift and a 5 percent premium for hours worked on third shift.

Carriers' Position

The carriers are opposed to shift premiums.

Recommendation

In most industries, a premium for employees who work second (afternoon) shifts is common and premiums for employees who work a third (midnight) shift are almost universal. These industries recognize that employees who are required to work other than traditional day shifts are entitled to additional compensation for the inconvenience and hardship associated with working less than desirable hours.

The Board lacks sufficient information to make a confident recommendation on this issue. We do not know how many employees would be eligible for the proposed shift premiums. We do not know the attitudes of shopcraft employees to night work. We do not know the history of second and third shift work in the industry. We simply lack the necessary background facts to weight the cost of the proposal to the carriers against the equities involved and the long-standing custom of no shift premiums in the industry.

Therefore, we recommend that the matter be submitted to a study committee to review the many questions presented and to seek a consensus as to the propriety of shift premiums in the future.

F. HEALTH AND WELFARE

Unions' Position

The unions urge that the requirements that employees contribute to the cost of their health benefits through participation in premium payments and co-pays for doctor visits are burdensome and will become more so if the terms of the UTU agreement cumulating such contributions were to be adopted. They argue that premium participation should be terminated, rather than increased, and that co-payments should be reduced from \$15 to \$10. They assert that the cost increases in health insurance have been brought under control and that continued cost stability can better be achieved through labor-management cooperation than through mandated financial participation.

The unions assert that the improvements to the dental care plan and the establishment of the optical plan should take place "now", rather than at the end of the term of the agreement. They point out that there have been no increases in benefit levels for an extended period of time. They also seek increases in life insurance, accidental death and disability benefits and retiree life insurance, as well as improvements in the coordination of benefits and wellness provisions of the existing health plans and reduction in retiree eligibility from present age 61 with 30 years of service to age 60 with 30 years.

The unions argue that the eligibility requirement for health insurance in any month should not be tightened from the present one day of work in the qualifying month to seven days. They assert that the provision in the UTU agreement which tightens eligibility is a response to situations unique to the

operating crafts which are not applicable to the shopcrafts. The unions deny any abuse justifying a change.

The unions also contend that they should be allowed to withdraw from hospital associations on a craft-by-craft basis.

Finally, the unions argue that supplemental sickness benefits should be increased to restore the ratio of such benefits to wages as existed in 1982. They contend that the benefits have not been adjusted for an extended period of time and have fallen behind wages.

Carriers' Position

The carriers argue that the health and welfare benefits established by the pattern should be recommended and that the unions' proposals should be withdrawn. Thus, the carriers propose to improve certain dental benefits and to establish a vision care plan to become effective at the end of the term of the agreement, to continue employee financial contribution toward health insurance premiums at a rate higher than under prior agreements and to cumulate such obligations under a formula. The carriers propose to raise the eligibility requirement for health and welfare benefits from one workday per qualifying month to seven days per qualifying month.

The carriers argue that the failure to maintain the integrity of the pattern in health and welfare benefits would be disruptive and destabilizing to labor relations within the industry. They assert that the unions have failed to present compelling evidence to deviate from the pattern. The carriers argue that, in any event, the unions' proposals to increase benefits should be rejected and its proposals recommended because the industry's health and

welfare benefits are generous relative to those provided in other industries and that the improvements proposed would be unjustifiably costly.

The carriers do not oppose the unions' position providing for withdrawal from hospital associations on a craft-by-craft basis, provided that stated safeguards are met.

Recommendation

Requiring railroad employees to pay a portion of their health insurance premiums and to make co-payments for doctor visits has shifted part of the cost of health care to employees, reducing the carriers' costs to provide those benefits. Employee financial participation in their health and welfare benefits may well have contributed to slowing the rapid increases in the cost of such benefits, as has the shift of railroad employees to managed care. While labor-management cooperation is necessary to continue the moderation of health benefit cost increases, the Board is not persuaded that such cooperation would be sufficient. Neither are we persuaded that the employees' present financial participation is out of line with what is occurring in other industries.

The Board notes that the carriers' proposals track those agreed to between the carriers and other organizations. As has been recognized by other PEBs, significant differences between health and welfare benefits available to participants represented by different unions which are not justified by compelling evidence may be disruptive and destabilizing to the industry. Accordingly, we recommend that the carriers' proposals with respect to percentage increases in and cumulation of employee obligations for premium

increases be adopted and that premium contributions and co-pays remain otherwise unchanged.

The health and welfare benefits available to covered employees are generous. The increases proposed would be costly. Except to the extent reflected in the improved dental benefits and the new optical plan as provided in the carrier-UTU agreement and the unions' proposals for increases in benefit levels to provide for increased immunization and wellness benefits, all of which we recommend, the increases proposed by the unions are not in our view justified either in comparison to other railroad employees or to employees in other industries. For similar reasons, we are not persuaded that the effective dates for the additional benefits should differ from those in the other agreements.

We are not persuaded that benefit eligibility requirements for shopcraft employees should be increased. The evidence is that the carriers' special concerns relate to operating craft scheduling and not to shopcraft scheduling. The carriers' proposals in this regard should be withdrawn.

The parties appear at or close to agreement on the issue of withdrawal from hospital associations. We recommend that such withdrawals be allowed on a craft-by-craft basis, in the manner described in the carriers' post-hearing submission.

G. CONTRACTING OUT

Unions' Position

The unions argue that carrier misuse of contracting out threatens the security of their members. They point out that shopcraft employment has steadily declined, that there are a significant number of such employees on furlough, and that many shopcraft employees are not in fact subject to job protection. They propose that the present restrictions on contracting out be tightened to define the term "substantial" for purposes of ascertaining whether contracting out should be allowed on the basis of cost advantage. They would require a cost advantage of at least 20 percent. They would also require carriers to calculate cost comparisons with outside contractors on the basis of direct labor costs plus materials, excluding indirect and overhead costs.

The unions also argue that the expedited dispute resolution system for contracting out disputes which was imposed on them by PEB 219 has been overloaded by the carriers, that the time frames have proven unworkable, and that the parties-pay system is unnecessarily expensive. The unions urge that the time frames be relaxed and they be given the option to adjudicate such disputes through RLA Section 3 processes.

Carriers' Position

The carriers argue that the restrictions on contracting out contained in the prior agreement are burdensome and reduce efficiencies. They deny that shopcraft employees are seriously threatened by contracting out. They point out that the percentage of shopcraft work contracted out is only about 10

percent and that shopcraft employment is relatively stable, with only about a 1 percent yearly decline over the term of the prior agreement.

The carriers object to the unions' proposals to define "substantial" savings as being unnecessarily restrictive. They contend that such determinations are best made on a cases-by-case basis. They assert that the unions' proposal to eliminate the carriers' ability to include their total costs in comparing outside proposals does not reflect business realities.

The carriers propose to eliminate all restrictions on contracting out and let the market determine the extent to which work will be contracted out. They contend that any employees displaced as a result of contracting out are adequately protected from adverse consequences by existing job protections.

Recommendation

The contracting out clause in the prior agreements has been a source of frustration and disappointment to these parties. The unions believe the clause has failed to provide the kind of job security and stability they seek. The carriers believe the clause has failed to permit the kind of efficiency and flexibility they need. Similar problems have occurred among the maintenance crafts in major industries and have often been dealt with through so-called "base force" agreements that guarantee full employment for a prescribed number of positions while at the same time permitting management the freedom to contract out. Such arrangements have been embraced at different times and places by unions representing steelworkers, autoworkers, teamsters, and others. We believe a similar initiative in the railroad industry might well help the parties meet their very different

objectives. This appears to be a particularly appropriate moment for such an initiative given the relatively stable maintenance force in recent years and the high predictability of the maintenance workload generated at particular levels of operation.

The carriers should guarantee for the term of the agreement the employment of all shopcraft employees now in active service. The carriers should also retain for the duration of the agreement all existing shopcraft positions and fill them in accordance with contractual procedures. Together, the positions and employees described are termed the base force. Except as otherwise mutually agreed, the number, classification and initial location of positions and the individual employees constituting the base force should be determined as of the date of issuance of this Report. We intend that this recommended base force structure would neither enlarge nor diminish job protections under any other agreement or statute.

In return for guaranteeing the base force for the duration of the agreement, the unions should permit the carriers the unrestricted right to contract out work as they see fit without regard to the requirements of the prior agreement. The carriers should continue to provide the unions with notices of their intent to contract out work together with sufficient information to apprise the unions of the scope and nature of the job.

Determinations necessary to implement a base force agreement should be made on a craft-by-craft basis at the national and local levels as appropriate. Any disagreements should be resolved through binding arbitration.

Failure by the carriers to implement and maintain the base force during the term of the agreement should result in reimposition of the limitations on

contracting out found in the prior agreements. In that event, any contracting out that occurred during the period the base force agreements were in effect should not be relied upon in any way in the resolution of subsequent contracting out disputes.

If the union or the carriers in any of the three collective bargaining relationships rejects the base force concept, we would recommend that the present terms regulating contracting out in that relationship be continued. We find none of the changes proposed by the parties to be sufficiently meritorious.

We believe that the requirements placed on the carriers to maintain the base force will achieve the job security sought by the unions. Those requirements should result in the carriers fully utilizing shopcraft employees consistent with the base force, while at the same time allowing carriers the flexibility to contract out work as necessary.

We believe that the base force structure and the freedom to contract out work without restriction should eliminate disputes between the parties regarding contracting out. In the event that the base force is not adopted, the dispute resolution mechanism provided for in PEB 219 should be continued on the same basis.

H. INCIDENTAL WORK RULE

IAM and SMWIA Position

The unions wish to amend the incidental work rule that became effective for shopcraft employees following the recommendations of PEB 219. The rule permits a railroad to assign work in one craft to employees in another craft if the work is incidental to their main work assignment.

As the rule is currently written, each incidental task is treated separately when determining whether the time normally required to accomplish incidental work exceeds the time normally required to accomplish the main work assignment. The IAM and SMWIA propose to amend the rule to provide that in making this determination, all incidental work, including simple tasks, be considered in the aggregate.

The IAM further proposes that when "simple tasks" are to be assigned to employees outside the craft which performs a main work assignment they may be performed only by an employee who is qualified to perform the main work assignment. Currently, "simple tasks" may be performed by any shopcraft employee capable of performing them up to a maximum of two hours per shift. The SMWIA proposes that this two hour limitation be reduced to one hour. Alternatively, the IAM suggests that if the incidental work rule cannot be clarified in accordance with its proposals, it should be eliminated altogether.

Carriers' Position

The carriers are opposed to the changes in the incidental work rule suggested. In their view, these changes would eviscerate the incidental work rule and render it useless.

The carriers propose amending the "simple task" component of the rule by removing the current maximum of two hours per shift that shopcraft employees are allowed to perform simple tasks. To the carriers, this is an artificial and unwarranted restriction. They contend that many simple tasks in the rail industry take more than two hours to complete. The carriers assert that many railroads are reluctant to use the "simple task" exception in the incidental work rule if there is any possibility at all that the work will take longer than two hours to complete. They also propose that simple tasks be assigned to any craft employee capable of performing them with the understanding that the hours spent performing a simple task will not be considered when determining what constitutes a "preponderant part of the assignment."

Recommendation

This Board recommends no change to the incidental work rule during this round of bargaining. This recommendation is consistent with the agreements reached between the class I railroads and the UTU and BLE to defer any changes to major work rules during this round of bargaining. It is also consistent with the tentative agreement reached with the BRS.

We consider it noteworthy that the incidental work rule was a new rule adopted during the last round of bargaining. Following the

recommendations of PEB 219, the rule became effective for the IBEW and the SMWIA on July 29, 1991, and for the IAM in July of 1992. The rule was intended to strike a balance between the jurisdictional lines separating the shopcrafts and the needs of the railroads to perform shopcraft work efficiently. We suggest that more time is needed to judge whether this balance has been met. In our view, it is premature to fine tune or make adjustments to the relatively nascent incidental work rule at this time. This also includes the two hour limitation on "simple tasks" which are tasks that require no special tools and no special training. Accordingly, we recommend that the unions and the carriers withdraw their respective proposals to amend the incidental work rule.

I. RIGHT OF SELECTION

Carriers' Position

The carriers argue that certain key positions on the shop floor, such as lead persons, require special qualities or characteristics that generally have no relation to seniority. However, shopcraft rules bar railroads from filling such positions without regard to seniority. Accordingly, the carriers propose that they be allowed to select employees for a limited number of key positions. Under their proposal, carriers would be required to articulate clearly the special qualifications required and give the general chairmen advance notice in writing of the positions they wish to fill without consideration to seniority.

Unions' Position

The unions are opposed to the carriers' proposal since it will vitiate the contractual right of their members to select craft positions based on seniority.

Recommendation

Seniority is a valuable right enjoyed by employees which should not be abridged in the absence of compelling reasons. Under the carriers' proposal positions within each of the shopcrafts' bargaining units would be excluded from normal bidding and assignment in accordance with seniority. The carriers have not offered persuasive evidence of the need for this deviation from normal seniority applications. Therefore, we recommend that the Carriers withdraw the proposal.

J. SENIORITY RETENTION

SMWIA Position

The SMWIA proposes that sheetmetal workers who are promoted to supervisory positions be required to tender a reciprocal consideration in exchange for their retention of seniority as sheetmetal workers.

Carriers' Position

The carriers are not opposed to this proposal provided that all other issues are satisfactorily resolved.

Recommendation

Following the recommendations of PEB 211 in 1986, several unions, including the IBEW, negotiated agreements providing that members who were promoted to supervisory positions be required to pay a fee in order to retain and accumulate their seniority. The SMWIA did not participate in PEB 211 and therefore did not negotiate a seniority retention provision similar to that negotiated by other labor organizations.

The SMWIA proposal is fair and should be adopted provided that it apply prospectively from a date mutually agreed to with the carriers.

K. CONRAIL ISSUES

Unions' Position, Employee Protection

The unions propose that Article I of the September 25, 1964 Agreement apply to the Consolidated Rail Corporation (Conrail) as it does to all other class I railroads. They believe that the reasons for excluding Conrail from this agreement are no longer applicable. They maintain that when Conrail was exempted from the employee protective provisions of the agreement, it was a fledgling operation that required federal assistance. Now, however, it is a thriving, profitable rail freight carrier not unlike other class I railroads. There is no longer any reason to exclude Conrail employees from the protection afforded other shopcraft employees involved in this proceeding.

Carriers' Position, Employee Protection

The carriers are opposed to the unions' proposal for several reasons. Initially, they note that Congress specifically exempted Conrail from the agreement in the Northeast Rail Service Act of 1981 because the excessive cost of existing labor protection threatened Conrail's ability to become a viable and profitable entity. Moreover, Conrail has developed a comprehensive and generous labor protection package which, unlike the 1964 agreement, provides employees with essential resources which will assist them to return to the work force. Additionally, the carriers contend that due to the geographic area in which Conrail primarily operates, it is more vulnerable to competition from the trucking industry.

In the light of these unique circumstances, the carriers claim that Conrail simply cannot afford the cost of the unions' proposal. And in any event, the carriers maintain that shopcraft employment has actually increased at Conrail thereby eliminating any need for the protective benefits of the 1964 agreement.

Carriers' Position, Intracraft Assignment Rule

Conrail proposes to change Rules 2-A-4(b) in the IAM and IBEW agreements governing the assignment of work within the machinist and electrician crafts. Under these rules, when Conrail advertises a vacancy it may identify only a single major duty for the position. As a result, the carriers maintain that Conrail may not assign the employee filling the position to any other task within his or her craft for more than thirty minutes without incurring up to three hours of penalty pay. According to the carriers, this prevents these employees from performing work they are

qualified to perform and imposes a penalty payment for assigning machinists and electricians work that may be different from their initial assignments but are nevertheless still within their respective classifications of work.

Unions' Position, Intracraft Assignment Rule

The IAM and IBEW are opposed to any change in their respective intracraft assignment rules on Conrail. They assert that these rules have only one purpose, namely to protect the seniority rights of an employee when Conrail is filling vacancies. They contend that if Conrail merely follows the seven-step procedure required by Rule 2-A-4(a) when filling day-to-day vacancies, in most cases it will be able to fill these vacancies without incurring a penalty payment.

Recommendation

This Board is not persuaded that Conrail should continue to be exempt from Article I of the September 25, 1964 Agreement. It is noteworthy that Conrail is the only class I railroad exempt from this agreement. The agreement applies to approximately 87 percent of class I railroad shopcraft employees.

The reasons why Congress exempted Conrail from the labor protective provisions of the agreement in 1981 are no longer applicable. Conrail is now a viable, growing and profitable rail freight carrier. Although it faces significant competition from the trucking industry so do other class I railroads. If shopcraft opportunities have grown on Conrail since 1991 as Conrail claims then any apprehension it has over the labor protection provided by the agreement seems groundless.

There is no question that the protective program which Conrail introduced for its employees is generous and innovative. However, only employees hired on Conrail prior to March 31, 1976, are eligible for these benefits. Thus, approximately one-third of the shopcraft employees on Conrail have no protective benefits in the event of a layoff other than the statutory benefits provided by the Railroad Unemployment Insurance Act.

For all the foregoing reasons, we recommend that Article I of the agreement apply to shopcraft employees on Conrail. Naturally, Conrail has the right to exclude shopcraft employees from the protective program it introduced for its employees if the agreement is adopted. Shopcraft employees may not pyramid protective benefits provided by Conrail on the protection afforded by the agreement.

Conrail and the unions have sharp differences regarding the application of the intracraft assignment rules governing machinists and electricians. We believe this is a matter that the parties themselves are best capable of resolving. We recommend that they negotiate with respect to this matter, and should they fail to reach an agreement, this matter should be submitted to binding arbitration.

L. SHORT LINE SALES PROTECTION

Unions' Position

The IBEW and SMWIA propose that the class I railroads provide their shopcraft employees with protection in the event of any short line sales. They ask that the carriers agree to: (1) give six months advance notice of any short

line transaction; (2) negotiate a fair and equitable protective agreement prior to consuming a short line transaction; and (3) insure that successor carriers grant priority in hiring to displaced employees and recognize and bargain with the shopcraft unions.

Carriers' Position

The carriers claim that the unions' proposal is not a proper subject for bargaining since, among other things, it would give the unions veto power over short line sales transactions contrary to the Supreme Court's decision in Pittsburgh & L.E.R. Co. v. Railway Executives, 491 U.S. 490 (1989).

Moreover, the unions' demand that the selling property require the short line purchaser to recognize and bargain with the seller's shopcraft employees violates the rights of the buyer's employees under Section 2, Fourth, of the Railway Labor Act. Nevertheless, the carriers are willing to provide shopcraft employees the same protection and benefits that were afforded engine and train service employees in their recent agreements.

Recommendation

This Board is of the opinion that employees are entitled to adequate advance notice of any intent by a railroad to sell a portion of its lines. This is a proper subject of bargaining under the Railway Labor Act. The remainder of the unions' proposal raises a myriad of legal, statutory and factual issues much too difficult for this Board to examine thoroughly in the time available to us. Accordingly, we recommend this portion of the proposal be withdrawn and that the matter of short line sales be addressed in another forum that can adequately and carefully consider the complex questions raised by the unions' proposal.

M. LABOR MANAGEMENT COMMITTEES

Unions' Position

The unions wish to eliminate all existing labor-management committees except those formally agreed to by the unions and the carriers. They also propose that joint steering committees be established on each property to oversee all committees. The unions and the carriers would have equal representation on such committees and each party would have veto power over committee initiatives. The unions further propose that participation in these committees be voluntary and that carriers pay for all time lost by their members. The unions contend that on most carriers, management presently selects the employees for joint committees.

The unions further urge that productivity gains and profits emanating from committee initiatives be shared among all craft employees and that committees not be permitted to develop any program that will eliminate jobs or in any way adversely affect employees. And lastly, the unions want assurances that labor-management committees not become involved with collective bargaining issues.

Carriers' Position

The carriers maintain that for a considerable period of time joint committees have been established to address issues of mutual concern to management and employees, such as safety, health and quality improvement. According to the carriers, employee participation in these joint committees has always been voluntary. The carriers are concerned that union veto power over

committee initiatives and union control over employee participation in joint committees will impede the free and open exchange of ideas between shopcraft employees and their supervisors. The carriers ask that the unions' proposal be rejected for these reasons and also because it is inconsistent with the national pattern that has been established in this round of bargaining.

Recommendation

Joint labor-management committees, such as safety committees, have been in effect on most of the nation's railroads for a considerable period of time. No doubt, many of these committees have proven beneficial to both management and employees. The carriers contend that employee participation in these committees is entirely voluntary. In our view, the unions' far-reaching proposal would eliminate many committees that have proven beneficial in the past.

Apparently, the unions have taken issue with the manner in which joint committees have functioned on some properties, notably CSXT. In our opinion, problems associated with these committees should be addressed locally rather than being submitted to this Board. It would be counterproductive to modify or eliminate employee-management committees on those class I railroads where no significant problems exist.

N. BRIAN FREEMAN ENTERPRISES

Unions' Position

The unions propose that the carriers compensate Brian Freeman Enterprises (BFE) for fees and expenses charged by BFE to the unions in 1987 and in 1988 in connection with BFE's work on the restructuring of the Burlington Northern, CSXT and Santa Fe and the purchase by third parties of large interests in those railroads. Alternatively, they suggest that the matter be submitted to binding arbitration.

Carriers' Position

The carriers maintain that the unions' proposal is improperly before the Board since it is not a subject of mandatory bargaining. And in any event, the carriers contend that a Federal Court has already ruled that CSXT was not responsible for BFE's fees and expenses.

Recommendation

It is clear that the carriers never entered into a contract to pay BFE for services it rendered on behalf of the unions. Indeed, this was the conclusion of the United States District Court in Brian Freeman Enterprises v. CSX Transportation. There is no ambiguity in that decision. The carriers are simply not liable for the fees and expenses incurred by BFE. There is no need to address the question of whether this proposal by the unions is an impermissible subject of mandatory bargaining as the carriers claim.

O. REPRINT OF AGREEMENTS

Unions' Position

The unions propose that the carriers assume the cost of reprinting the collective bargaining agreements and furnishing them to shopcraft employees.

Carriers' Position

The carriers have not expressed a position on this proposal.

Recommendation

The unions contend that carriers have historically assumed the cost of reprinting collective bargaining agreements and distributing them to covered employees. This Board recommends that the parties continue whatever the practice has been regarding the printing and distribution.

P. SAVINGS CLAUSE

Carriers' Position

The carriers argue that a savings clause should be included in the agreements to allow a particular carrier, upon notice, to protect local rules more favorable to that carrier than corresponding national rules. They point out that there has been an established practice to include such provisions. They

contend that failure to include such a provision creates possible complications.

Unions' Position

The unions did not speak to the issue.

Recommendation

We recommend a standard savings clause be included to preserve both carrier and union rights.

Q. MORATORIUM

Unions' Position

The unions propose that a limited moratorium be imposed, excluding subjects which have been, or could have been, proposed in local bargaining. Their moratorium would expire at the end of December 1997. They protest that a broader moratorium would preclude negotiations on local issues not previously raised, a prohibition broader than that historically imposed. The unions complain that PEB 219 and other Boards in that round of bargaining deviated from that reasonable historical practice.

Carriers' Position

The carriers propose a blanket moratorium which would prohibit all interim bargaining, including bargaining on issues denominated as "local"

during the term of the agreement. They argue that the prohibition is necessary to insure stability through the term of the agreement and that such prohibition is both consistent with the terms of other agreements in this round of bargaining as well as the terms of the moratorium imposed by PEB 219. The carriers point out that numerous voluntary local agreements were reached during the terms of the prior agreements, notwithstanding the moratorium, and that, to its knowledge, no actual local negotiations would be extinguished by imposition of the moratorium.

Recommendation

It is a purpose of the Railway Labor Act's statutory dispute resolution process to avoid interruptions in commerce. The stability and finality to which the parties and public are entitled from the process cannot be achieved if unresolved local issues threaten to result in strikes or lockouts affecting the entire, integrated rail industry. Accordingly, we recommend that the carriers' proposal for the same blanket moratorium recommended by PEB 219 be adopted and that the unions' proposal for a more limited moratorium be withdrawn.

The Board recognizes that many issues between the parties are property-specific and may be better resolved on a local basis. Nothing in our recommendations limit the parties from discussing and resolving such issues on the basis of mutual advantage. Indeed, such resolutions have been reached during the term of the prior agreements. The broad moratorium does not preclude such procedures during the term of the new agreements. It simply precludes invocation of impasse procedures and self-help with respect to such issues as now exist or as may arise during the term of the agreements. Moreover, the parties have brought to national handling a number of issues

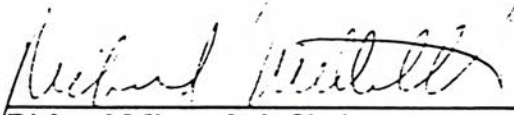
which affect only a single property; and the record indicates that resolutions have been reached in the only two local shopcraft negotiations identified as ongoing during the national negotiations. The Board concludes that the broad moratorium imposes necessary, and not unreasonable, burdens on the parties.

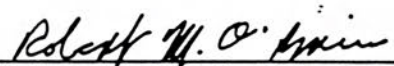
VII. CONCLUSION

These recommendations represent our best judgment on the merits and equities of this dispute. We cannot improve on the final words of the Board in PEB 220 and will therefore repeat them:

"We think it would be unrealistic and a costly exercise in futility for all concerned if our total recommendations did not take into consideration, as a critical ingredient, their acceptability by the parties. Nevertheless, we think it impracticable to ask that the parties adopt these recommendations unconditionally and without modification. As the Railway Labor Act does not make them binding, we expect that the parties will make adjustments as needed, or if necessary, subject them to major revision. In any case, we hope that we have provided a well-marked road map for good faith use by the parties in completing their contracts through the process of free collective bargaining. We express to the parties our profound thanks for the intelligent, comprehensive, and professional presentation of their cases and for their patience and cooperation with our procedures. . ."

We also wish to acknowledge with gratitude the help we have received from Roland Watkins, the Special Counsel to the Board.


Richard Mittenthal, Chairman


Robert M. O'Brien, Member


M. David Vaughn, Member

EXECUTIVE ORDER

- 13004 -

ESTABLISHING AN EMERGENCY BOARD TO INVESTIGATE DISPUTES
BETWEEN CERTAIN RAILROADS REPRESENTED BY THE NATIONAL
RAILWAY LABOR CONFERENCE AND THEIR EMPLOYEES
REPRESENTED BY CERTAIN LABOR ORGANIZATIONS

Disputes exist between certain railroads represented by the National Railway Labor Conference and their employees represented by certain labor organizations. The railroads and labor organizations involved in these disputes are designated on the attached lists, which are made a part of this order.

These disputes have not heretofore been adjusted under the provisions of the Railway Labor Act, as amended (45 U.S.C. 151 et seq.) (the "Act").

In the judgment of the National Mediation Board, these disputes threaten substantially to interrupt interstate commerce to a degree that would deprive a section of the country of essential transportation service.

NOW, THEREFORE, by the authority vested in me as President by the Constitution and the laws of the United States, including section 10 of the Act (45 U.S.C. 160), it is hereby ordered as follows:

Section 1. Establishment of Emergency Board ("Board").

There is established effective May 17, 1996, a Board of three members to be appointed by the President to investigate the disputes. No member shall be pecuniarily or otherwise interested in any organization of railroad employees or any railroad carrier. The Board shall perform its functions subject to the availability of funds.

Sec. 2. Report. The Board shall report to the President with respect to the dispute within 30 days of its creation.

Sec. 3. Maintaining Conditions. As provided by section 10 of the Act, from the date of the creation of the Board and for 30 days after the Board has made its report to the President, no change, except by agreement of the parties, shall be made by the

railroads or the employees in the conditions out of which the disputes arose.

Sec. 4. Records Maintenance. The records and files of the Board are records of the Office of the President and upon the Board's termination shall be maintained in the physical custody of the National Mediation Board.

Sec. 5. Expiration. The Board shall terminate upon the submission of the report provided for in sections 2 and 3 of this order.

William D. Clinton

THE WHITE HOUSE,

May 17, 1996.

RAILROADS

Alameda Belt Line Railway
 Alton & Southern Railroad
 American Refrigerator Transit Company
 Arkansas Memphis Bridge Company
 Atchison, Topeka and Santa Fe Railway Company
 Bangor and Aroostook Railroad Company
 Belt Railway Company of Chicago
 Brownsville & Matamoros Bridge Company
 Burlington Northern Railroad Company
 Allouez Taconite Facility
 Brainerd Timber Treating Plant
 Western Fruit Express Company
 Camas Prairie Railroad Company
 Canadian National North America
 Central California Traction Company
 Chicago Heights Terminal Railroad
 Chicago Heights Terminal Transfer Railroad
 Chicago and North Western Railway Company
 Chicago South Shore and South Bend Railroad
 Consolidated Rail Corporation
 CSX Transportation, Inc.
 The Baltimore and Ohio Railroad Company (former)
 The Chesapeake and Ohio Railway Company (former)
 Louisville and Nashville Railroad Company (former)
 Seaboard Coast Line Railroad Company (former)
 Houston Belt and Terminal Railway
 Joint Railroad Agency - National Stock Yards
 The Kansas City Southern Railway Company
 CP-Kansas City Southern Joint Agency
 Kansas City Terminal Railway Company
 Lake Superior & Ishpeming Railroad Company
 Los Angeles Junction Railroad Company
 Missouri Pacific Railroad
 New Orleans Public Belt Railroad
 Norfolk and Portsmouth Belt Line Railroad Company
 Norfolk Southern Corporation
 Norfolk Southern Railway Company
 The Alabama Great Southern Railroad Company
 Atlantic & East Carolina Railway Company
 Central of Georgia Railroad Company
 The Cincinnati, New Orleans and Texas Pacific
 Railway Company
 Georgia Southern and Florida Railway Company
 Norfolk & Western Railway Company
 Tennessee, Alabama and Georgia Railway Company
 Northern Indiana Commuter Transportation District
 Peoria and Pekin Union Railway Company
 The Pittsburgh, Chartiers & Youghiogheny Railway Company
 Port Terminal Railroad Association
 Portland Terminal Railroad Company
 Spokane International Railroad
 Terminal Railroad Association of St. Louis
 Texarkana Union Station Trust Company
 Union Pacific Fruit Express
 Union Pacific Railroad
 Galveston, Houston and Henderson Railroad
 Missouri-Kansas-Texas Railroad
 Oklahoma, Kansas & Texas Railroad
 Western Pacific Railroad
 Wichita Terminal Association

LABOR ORGANIZATIONS

Brotherhood of Railroad Signalmen
International Association of Machinists & Aerospace Workers,
AFL-CIO
International Brotherhood of Electrical Workers
Sheet Metal Workers International Association

THE WHITE HOUSE
WASHINGTON

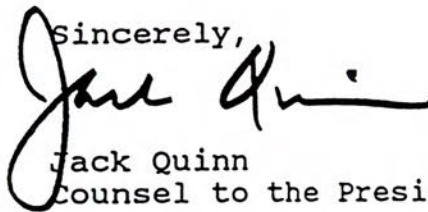
June 13, 1996

Richard Mitterthal
Chairman
Presidential Emergency Board No. 230
c/o National Mediation Board
Washington, D.C. 20572

Dear Mr. Mitterthal:

On behalf of the President, I am granting an extension for the reporting requirements for Emergency Board No. 230 until June 23, 1996, as requested. I would like to take this opportunity to express our gratitude to you and the other members of the Board for the work that you are doing. We greatly appreciate your assistance in this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Quinn", written over the typed name.

Jack Quinn
Counsel to the President

cc: Magdalena Jacobsen, Chair
National Mediation Board

Roland Watkins
Special Counsel to PEB No. 230

PHOTOCOPY
PRESERVATION



OFFICE OF POLITICAL AFFAIRS

PHONE: (202) 456-6257

FAX: (202) 456-7929

From:

Doug Sosnik Karen Hancox

Amanda Crumley

Donald Dunn

Eric Eve

Cookab Hashemi

Wendy Heistad

Gordon Li

Ray Martinez

Linda Moore

Marsha Scott

Craig Smith

Wendy Smith

Joe Trahern

OTHER: Jennifer O'Connor

TO: Janno Lieber

DATE: 10/12 **# OF PAGES** 3 (including cover)

FAX NUMBER: _____

OFFICE NUMBER: _____

MESSAGE: _____

THE WHITE HOUSE

WASHINGTON

17 October 1995

MEMORANDUM FOR JANNO LIEBER

FROM: JENNIFER O'CONNOR *gro*

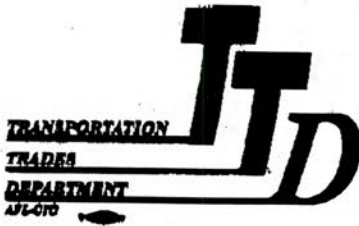
RE: RAIL LABOR

Where are we vis a vis rail labor on these issues?

SENT BY:TRANS. TRADES AFLCIO ; 3-27-95 ;10:07AM ;

2028289262→

CHIEF OF STAFF:# 1



March 27, 1995

TO: Harold Ickes

FR: Ed Wytkind

As promised, below please find a brief list of issues we would like to discuss at our 1:00 meeting.

- Transit 13(c)
- ① one - Amtrak funding/labor protections/contracting out
- ICC rail labor protections and truck oversight functions
- Pony Express/Borg Warner and the Federal Reserve
- Diamond Walnut replacement workers
- NAFTA TAA (Trade Adjustment Assistance) lack of coverage for transportation workers

If you have any questions call me at 202/628-9262. We look forward to meeting with you.

3667127

TRANSPORTATION
TRADES
DEPARTMENT
AFL-CIO



1 PM - 3/27

JA / Janine -
should we do
him?
JP

March 9, 1995

VIA FACSIMILE

The Honorable Leon Panetta
Chief of Staff
The White House
Washington, D.C. 20500

Dear Leon:

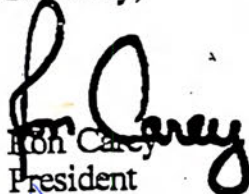
Your office was contacted several weeks ago by Ed Wytkind, Executive Director of our Department, concerning transportation labor's desire to bring a small delegation of union presidents to meet with you on a host of critical issues. To date we have not heard back from you on our request.

Many of our issues -- from Amtrak reauthorization and the Interstate Commerce Commission to the National Highway System -- are moving quickly through the key committees, particularly on the House side. Most of these bills and others will fuel contentious debate over employee protection rights. The White House must be engaged on these issues at the highest level as it has on other labor and wage standards issues.

I hope you will find an early opportunity to fit us in to what I know is a busy schedule. For coordination purposes, please have your office contact Ed Wytkind at 202/628-9262.

I look forward to hearing from you and having a chance to visit with you in the near future.

Sincerely,


Ron Carey
President

Rosenthal
219-2453

3/27 - Janine called (Jennifer)
she will also attend 1 PM
meeting. If you want to
talk to him his at - 366-4450

SENT BY:TRANS. TRADES AFLCIO ; 3-27-95 ;10:07AM ;

2026289262→

CHIEF OF STAFF;# 1



March 27, 1995

TO: Harold Ickes

FR: Ed Wytkind

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- ICC rail labor protections and truck oversight functions
- Pony Express/Borg Warner and the Federal Reserve
- Diamond Walnut replacement workers
- NAFTA TAA (Trade Adjustment Assistance) lack of coverage for transportation workers

If you have any questions call me at 202/628-9262. We look forward to meeting with you.

(1) 13(C) - protected from rail evictions

Labour dept oversees

Fed & into rail project; Labour dept can demand

~~that~~ there is labour protection

(2) ONB -

(3) ICC - ~~DOT~~ DOT

3/27/95 - T. L. L. L.

Teamster
- working

Transportation Trades Dept meeting

① Ron Curry

② Ed Wither

R

- Ron Curry - up in 96 / new bullet /

- Jimmy Hoffer - union

③ Deann Walnut - Calif

② Pongy Egan - 31/32 into

- 203,000 bus pay

- Way & Horn and is required after Pong Egan
into

- Plane E - called

③ 13CC - DOL and work w/ DOT

① Fear is that Congress will repeal 17(c) & will probably
want to take the power to veto ~~repeal~~ repeal 17(c)

② DOL will try to buy ~~at~~ ^{advantage} 17(c)
advantage to take union out of the
ranks of Congress

④ IFCC -

① Deann Walnut 

② Gave ~~has~~ ^{has} a report on my meeting w/
Riley

② Antioch -

- stamper

- labor protection isn't the problem; it is with
money -

* < - can be ~~used~~ ^{used} raise the profile of Antioch
in speech

- Contracting out is very big deal
- labor protection is statutory

③ was it out at the table // before it gets to

4/18/95
Steve
Pond
Hoffer
doubt to
them

congress

- continuity out - then want the power to have labor

198

© 1980s labor protest almost died / labor gave high wage concerns

→ If U gets across that protest will be raised, they will negotiate over labor protected

ICC

① - labor protected for nurses; etc

- railroads want to "see to" labor protected that each protest ends up with apply it to freight

- no case for getting labor protected because freight RR making \$ & no need to claim

→ [Need WH to bring in CEOs of freight & tell them to stop screwing around] ←

② Truck overnight rule -

- depletion of water due to low wage limits etc
- depletion of water due to change in location to new rivers

- NATTA - TAN -

* 1995 Dec - Truck bus will be exposed

* NATTA - TAN was an overnight

© Can it be dealt w/ at regulatory or statutory -

© Union lawyers will meet w/

J.O.C

Done
4/15

J.O.C

4/15/95
Steve
Pamela
Wendy
Jury

* 13(c) -

① Overhauls protection

② Get w/ DOL on Friday -

③ Never politically attacked historically

④ Try to modify ~~not~~ DOL grants

⑤ DOL has approved amendments to get a change

• Grant delays have raised this as a problem -

• If this can be resolved, it might

[Approve grants on basis on proposed
existing labor protection]

⑥ Problem is that grants are held up while labor
protection is negotiated

→ - Trust quality a quality grant

Use One per

Penny Express :-

- DOL has been long trying to get F&W revenue
to threshold \$

- Keep F&W revenue out of the debate

① Violated a Senior Contract Act -

② 250,000 wages have not been paid by Wage & Hours
Division

③ Wage & Hours program has called for
about this problem -

→ { ④ Can't get them to the table

⑤ DOL is filing w/ DCS to force to force
Penny Express to pay the 200,000

⑥

① For every ahead to let Doc ~~two~~ primary

28/28/

28/28/

28/28/

2. The County of Los Angeles, California, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears from the records of the County of Los Angeles, California.

10/1/12

True Liken
346-7127



AFL-CIO, CLC

TRANSPORTATION • COMMUNICATIONS

INTERNATIONAL UNION

12/8
copy to
Jen O'C**ROBERT A. SCARDELLETTI**
International President**TELECOMMUNICATION INFORMATION PAGE****PLEASE DELIVER THE FOLLOWING PAGES TO:****NAME:** Harold Ickes, Deputy Chief of Staff**LOCATION:** The White House**TELECOPIER NUMBER:** 202/456-2464**FROM:** R. A. Scardelletti**DATE:** 12/8/95**MESSAGE:** _____

_____**TOTAL NUMBER OF PAGES:** 6
(including information page)

For copies not received or unacceptable copies, please call
(301) 948-4910 and ask for Ginny.



AFL-CIO, CLC

TRANSPORTATION • COMMUNICATIONS

INTERNATIONAL UNION

ROBERT A. SCARDELLETTI
International President

December 8, 1995

Mr. Harold Ickes
Deputy Chief of Staff to the President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. Ickes:

Attached is a copy of a letter I have sent to Secretary of Transportation Federico Peña regarding his help on issues I discussed with you at our meeting held on October 6, 1995. I want to express our union's appreciation for all the help the White House has given us on these particular issues.

At our October 6 meeting I also discussed with you another major concern of mine, the National Mediation Board and our union's request to be released from mediation. In this regard I want to again express my extreme dissatisfaction with the National Mediation Board in failing to honor TCU's request to be released from mediation which was made on August 8, 1995. I am likewise disappointed in the White House's failure to effectuate this.

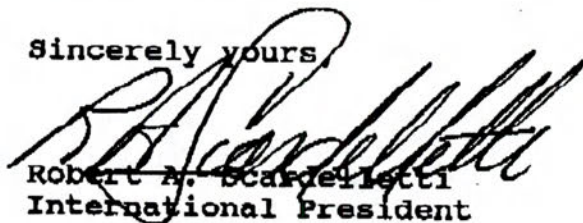
As a rail union in national negotiations, this is the single most important issue our members face. The White House has received several thousand letters from members of our union expressing their displeasure with the National Mediation Board, requesting that our union be released. Attached is a totally unsatisfactory response to one of our members, which I presume is going to be the reply from the Mediation Board on behalf of President Clinton.

I must again reiterate my position. We have reached an impasse with the nation's railroads. We are requesting that the National Mediation Board now release us from mediation by issuing the "proffer of arbitration" as prescribed under the provisions of

2

the Railway Labor Act. I am again requesting the help of the White House to accomplish this.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'R. Scardelletti', written over the typed name.

Robert A. Scardelletti
International President

Attachments



AFL-CIO, CLC

TRANSPORTATION • COMMUNICATIONS

INTERNATIONAL UNION

ROBERT A. SCARDELLETTI
International President

File: 279-0-3

Subject: Interstate Commerce Commission

Date: December 8, 1995

The Honorable Federico F. Peña
Secretary of Transportation
400 7th Street, N.W.
Washington, DC 20590

Dear Mr. Secretary:

I am writing to express my appreciation for the strong position you took on the Interstate Commerce Commission in your December 6, 1995 letter to Congressman Bud Shuster, especially your view on labor protection and that rail mergers should be subject to antitrust laws and reviewed by the Department of Justice.

I also thank you for taking the time out of your busy schedule to meet with me, and for your follow-up with the Burlington Northern on the labor protection issues. As your staff is aware, our clerical negotiators were successful in reaching an implementing agreement with Burlington Northern Santa Fe, which is now out for ratification. I sincerely believe your intervention was helpful toward reaching that goal.

Also subsequent to our meeting, I was very pleased that Amtrak management changed its position in the Senate and supported the labor provisions of the House bill.

Although we were successful in mitigating the adverse impact of the BN-Santa Fe merger on our members, the fact remains that 2,000 jobs in the Northwest and Midwest will be lost. The mega-merger of Union Pacific and Southern Pacific, if approved, will be even more devastating, especially in the critical state of California. Thanks for your leadership on the ICC bill. Should the Conference committee fail to take your advice on rail mergers or labor protection, I hope you will recommend to the President that he veto the bill.

- 2 -

In closing, I am very grateful that railroad workers have a friend in the Secretary of Transportation.

Sincerely yours,



Robert A. Scardelletti
International President

cc: Jolene Molitoris, Administrator-FRA
John F. Murphy, FRA



NATIONAL MEDIATION BOARD
WASHINGTON, D.C. 20572

December 1, 1995

Mr. Richard F. Sklenar
837 Jeanette Avenue
Steubenville, OH 43952

Dear Mr. Sklenar:

This is in response to your recent letter to President Clinton concerning negotiations that are involved in national handling among various carriers represented by the National Carriers' Conference Committee and the Transportation Communications International Union.

As you can well understand, the confidentiality of the mediation process prohibits me from commenting on the specifics of the negotiations.

The National Mediation Board understands your concern regarding the ongoing labor dispute. In mediation matters, the Board serves as a confidential advisor, neither taking sides nor forcing decisions. Our role is to facilitate agreements by bringing objectivity to disputes and hopefully opening new roads to problem solving and decision making. As a representative of the public interest, we are required to maintain strict objectivity.

We will continue to use our best efforts to achieve a peaceful resolution in this matter.

Sincerely,

Stephen E. Crable
Chief of Staff

cc:
The White House

**TRANSPORTATION • COMMUNICATIONS
INTERNATIONAL UNION**
AFL-CIO, CLC

ROBERT A. SCARDELLETTI
International President
3 Research Place
Rockville, MD 20850



FIRST CLASS MAIL

The President
The White House
Washington, DC 20500



X-RAYED
BY
USSS-NEOB



95 OCT 5
P12: 04

TCU
release

TRANSPORTATION • COMMUNICATIONS
INTERNATIONAL UNION



AFL-CIO, CLC

September 29, 1995

ROBERT A. SCARDELLETTI
International President

The President
 The White House
 Washington, DC 20500

Dear Mr. President:

I am writing to bring you up-to-date on our union's national negotiations with the Class 1 railroads. The negotiations involve 37,200 clerical members and 18,000 carmen members.

Negotiations began November 1, 1994. It quickly became apparent that the railroad industry, despite record profits, had no intention of bargaining in good faith.

We therefore invoked mediation in the spring of 1994, and had several more bargaining sessions in the presence of a National Mediation Board (NMB) mediator. Again, the railroads refused to bargain. We therefore, on August 8, 1995, requested the NMB to proffer arbitration. That was two months ago, and the NMB has yet to act. President Clinton, our union was one of the first in the labor movement to endorse you. We believed in your message that America's middle class had been left behind. Our members had been decimated during the 1980's -- their standard of living dramatically declined, their jobs were contracted out.

Our last contract was a disaster, largely because the Bush-appointed NMB acceded to the railroads' strategy of protracting negotiations. Because of the NMB's misuse of the process, it took almost four years to get our contracts. And, just as the railroads had calculated, those contracts had no retroactive wage increases.

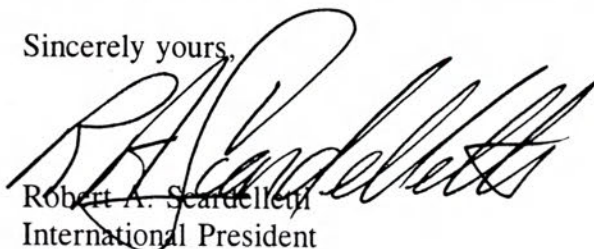
When you were elected I traveled all over the country and told our membership that things would be different this time because now we had a friend in the White House. We were pleased with your appointments to the NMB. Our members were confident that this time the NMB would not be a willing accomplice to a stall strategy by the railroads.

That is why I am so disappointed and alarmed at the NMB's failure to act on our request to be released. Eleven months in negotiations is too long. Every day that goes by is an outrage to our members. We work without wage increases while the railroads enjoy record profits, millions and millions, and railroad executives continue to receive millions in raises, bonuses and golden parachutes. Our members can no longer blame the railroads for their lack of good faith negotiations. Their frustration in this delay is now being focused on the members of the National Mediation Board, your appointees.

And they are correct. The choice here is clear. Does your administration stand with the hard-working men and women who struggle just to stay afloat, or with the railroad executives who are gloating about how the NMB is abetting their refusal to bargain with us.

I beg you, please stand with the people who voted for you and who now need you. All we are asking is that the bargaining process to be allowed to move forward. I have already met with the NMB repeatedly on our request, to no avail. I would be more than glad to meet with whomever you think appropriate from your administration to hear our case. Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. Scardelletti", written over the typed name.

Robert A. Scardelletti
International President

**TRANSPORTATION • COMMUNICATIONS
INTERNATIONAL UNION
AFL-CIO, CLC**

ROBERT A. SCARDELLETTI
International President
3 Research Place
Rockville, MD 20850



PRESIDENT

**X-RAYED
BY
USSS-NEOB**

The President
The White House
Washington, DC 20500



95 SEP 29 P 3:29



THE WHITE HOUSE

WASHINGTON

DATE: 10-26-95

MEMORANDUM FOR Harold Sikes

FROM: JIM DORSKIND
DIRECTOR OF CORRESPONDENCE
AND PRESIDENTIAL MESSAGES

SUBJECT: Petitions from Various Constituents

I attach an example of 617 petitions that we received in which you might be interested.

If you have any questions, I can be reached at 65460.

TCU
Negotiations
w/ Natl Council &
Natl Mediation

send to
Jennifer O'

ent b
for
11/13

417

426 Blackhawk Rd,
Beaver Falls, Pa 15010
October 15, 1995

President William Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

I am a railroad worker and a member of the Transportation Communications Union (TCU). I am writing to you today regarding current negotiations our craft is undergoing with the National Carriers Conference, and the National Mediation Board.

I have been working without a contract since January 1, 1995. I have not received a wage increase since July, 1994. At the same time, I have been working for one of the most profitable railroads in the country. Yet, through the National Carriers Conference, my employer has done nothing but stonewall negotiations for these last 11 months, refusing to bargain in good faith, and seems content in prolonging these negotiations as long as possible.

Because of the carrier's refusal to bargain, my union asked the National Mediation Board to release us from mediation on August 8, 1995. Our leaders have met with the NMB on several occasions concerning our release. Yet, to date the NMB has refused our request, and I do not understand why. It has been two long months now, and the situation has not changed, yet we are still held in negotiations that are obviously going nowhere.

It is very frustrating to me that, not only must we fight the railroads for fair contracts, but also face another hostile National Mediation Board, which seems intent to once again side with the railroads, protract these worthless negotiations, and undermine our chances to receive a fair and equitable agreement.

As president, it was you who appointed the members of this mediation board. Your administration has always worked for the hard- working men and women in this country. I ask you to please use your influence to have the National Mediation Board release my union from mediation.

Sincerely,

Robert F Wertz
Robert F Wertz

200

October 11, 1995

The President
The White House
Washington, DC 20500

Dear Mr. President:

I have been working without a contract since January 1, 1995, and my last wage increase was in July, 1994. I work for one of the most profitable railroads (Santa Fe) in America. Yet the national railroads are stonewalling meaningful negotiations with my union, the Transportation Communications International Union (TCU).

Because of the carrier's refusal to bargain, my union asked the National Mediation Board on August 8, 1995, to release us from mediation. The NMB has refused.

The NMB is actively siding with the railroads by allowing them to stall negotiations. The NMB is made up entirely of your appointees. They are acting no differently than when the NMB was appointed by Republican administrations.

Every day that goes by without a contract is a hardship for my family, and the families of my co-workers. I ask you to please have the NMB release my union from mediation.

Sincerely,

(Signature) Max M. Provost

(Print Name) MAX M. PROVOST

(Address) 324 N. KANSAS

BURLINGAME, KANSAS
66413

cc: Robert A. Scardelletti, International President

THE WHITE HOUSE

WASHINGTON

DATE: 12-7-95

TCU
release

MEMORANDUM FOR Harold Sikes

FROM: JIM DORSKIND
DIRECTOR OF CORRESPONDENCE
AND PRESIDENTIAL MESSAGES

SUBJECT: Petitions from Various constituents

I attach an example of 195 petitions that we received in which you might be interested.

If you have any questions, I can be reached at 65460.

Natl Mediation Board

TCU

195

P.O. Box 16,
Imperial, PA 15126
October 20, 1995

President William Clinton
The White House
Washington, DC 20500

Dear Mr. President:

I am writing to you to request your help with the National Mediation Board, and their refusal to release my Union from mediation.

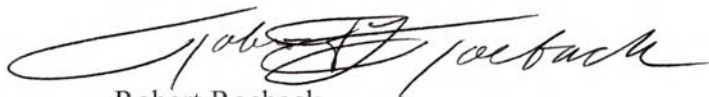
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The NMB is actively siding with the railroads by allowing them to continue stalling negotiations. The NMB is made up entirely of your appointees, yet they are acting no differently than when the NMB was appointed by Republican administrations.

Every day that goes by without a contract is a hardship for my family, and the families of my co-workers. I ask you to please have the NMB release my union from mediation.

Sincerely,



Robert Roebach

11/27 10
Jan 0'96UP-SP
merge**TRANSPORTATION TRADES DEPARTMENT****AFL-CIO****400 North Capitol St., NW, Ste. 861
Washington, D. C. 20001****Fax Transmission****To:** HAROLD ICKES**Date:** 11/21**From:** Edward Wytkind

You should receive 4 page(s) including this one.
If you do not receive all pages, please call 202-628-9262 FAX # 202-628-0391

Message:

Also sent to House Committee on Transportation and Infrastructure



November 20, 1995

The Honorable Larry Pressler, Chairman
Committee on Commerce, Science and Transportation
United States Senate
254 Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Pressler:

On behalf of the affiliated unions of the Transportation Trades Department, AFL-CIO (TTD), I write to urge you to hold oversight hearings on the proposed mega-merger of the Union Pacific and Southern Pacific rail systems. Attached please find a list of TTD affiliates.

As communicated to the Interstate Commerce Commission and the Congress by myriad interests, the procedural schedule approved by the Commission is woefully inadequate to fully address the concerns of consumers, shippers and businesses, rail and motor carrier employees, and local and state governments regarding this multi-billion dollar merger. It is patently unfair to deny any party with a stake in this massive transaction an airing of its views and concerns.

As America witnesses yet another round of corporate merger and takeover mania, it is extremely troubling that the major railroads, a small handful of which control almost the entire freight rail industry, seek to consolidate to a point where in the very near future America may be served by only three or four mega-carriers with virtual monopoly powers and continuing anti-trust immunity. As is to be expected when two major railroads consolidate their operations, thousands of employees will see their jobs and collective bargaining agreement rights destroyed and hundreds of communities will witness yet another massive round of service abandonments, leaving shippers at the mercy of a few powerful carriers able to dictate rates and service choices.

While UP and SP claim that, of the 36,000 miles of rail line involved, only 782 miles will be abandoned, those familiar with past railroad mergers recognize any such claims are totally removed from the reality of rail mergers of this magnitude. And, abandonments are only part of the larger problem; the lines deemed less profitable will likely be sold to short line operators who typically are poorly capitalized, employ skeleton forces at substandard wages, are ill equipped to withstand downturns in the economy, and are often captive to the railroad from which they have purchased their lines.

400 N. Capitol Street, NW, Suite 861
Washington, DC 20001
phone 202.628.9262 . fax 202.628.0391

Ron Carey, President
Sonny Hall, Secretary-Treasurer
Edward Wytkind, Executive Director

The Honorable Larry Pressler
Oversight Hearings/UP-SP Merger
Page 2

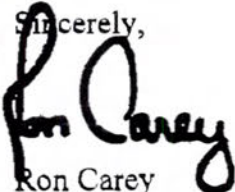
Because the review of this merger by the ICC or its successor agency will be inadequate to ensure the proper consideration of many public, business and employee interest concerns, we appeal to you to hold oversight hearings this winter. As such, Congress can be sure that the anti-trust, employment security and shipper concerns already being expressed throughout the country are given full disclosure. Congress must not allow a merger of this size to be approved on an almost rubber-stamp basis without first asserting its role on behalf of American businesses and working families who have a great deal at stake in this proposed transaction.

In addition to the many rail-related concerns, a good example of the urgent need for congressional oversight is the fact that the Commission has already granted UP and SP a waiver that will allow them to entirely disregard their motor carrier subsidiaries and their workers in the application process. The ICC has taken this action despite the fact that reviewing the effects of rail mergers on motor carriers is required by statute and by the Commission's own regulations. This is just one of many critical issues deserving of congressional scrutiny and oversight.

We stand ready to work with you to ensure that a thorough, fair and prompt exploration of these matters is undertaken. Please contact TTD Executive Director Edward Wytkind at 202/628-9262 if you need any additional information.

Thank you for your consideration of our views.

Sincerely,



Ron Carey
President

Attachment

cc: The Honorable Ernest Hollings, Ranking Democratic Member
The Honorable Federico Peña
The Honorable Janet Reno
The Honorable Robert Reich
The Honorable Leon Panetta
Members, Committee on Commerce, Science and Transportation

TTD AFFILIATES

The following labor organizations are members of and represented by the TTD:

*Air Line Pilots Association
Amalgamated Transit Union
American Federation of State, County and Municipal Employees
American Federation of Teachers
Association of Flight Attendants
American Train Dispatchers Association
Brotherhood of Locomotive Engineers
Brotherhood of Maintenance of Way Employes
Brotherhood of Railroad Signalmen
Communications Workers of America
Hotel Employees and Restaurant Employees Union
International Association of Fire Fighters
International Association of Machinists and Aerospace Workers
International Brotherhood of Boilermakers, Blacksmiths, Forgers and Helpers
International Brotherhood of Electrical Workers
International Brotherhood of Teamsters
International Longshoremen's and Warehousemen's Union
International Union of Operating Engineers
Marine Engineers Beneficial Association
Retail, Wholesale and Department Store Union
Service Employees International Union
Sheet Metal Workers International Association
Transportation • Communications International Union
Transport Workers Union of America
United Brotherhood of Carpenters and Joiners of America
United Mine Workers of America
United Steelworkers of America
United Transportation Union*

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

20-Dec-1995 10:41am

TO: FAX (94932005,Janno Lieber)

FROM: Jennifer M. O'Connor
 Office of The Chief of Staff

SUBJECT: Union Pacific- Southern Pacific merger

12/20/95

Janno --

Could you give me a call when you have a minute to let me know what you know about the status of the Union Pacific-Southern Pacific merger. I understand Ed Wytkind and his constituents have asked Chairman Pressler to hold hearings. What's the status and what if anything can or should we do to be helpful?

Thanks

-- Jen

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

Brotherhood of Maintenance of Way Employees

Affiliated with the A.F.L.-C.I.O. and C.L.C.

November 29, 1995

(sent via facsimile)

Mr. Harold Ickes
Assistant to President and Deputy
Chief of Staff or Policy and Political
White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. Ickes:

I am writing to inform you of a problem the Brotherhood of Maintenance of Way Employees (BMWE) is having with a government agency -- the National Mediation Board (NMB). I know you have personally met with another rail union president -- Robert Scardelletti of the Transportation Communications Union about a similar problem that the TCU is also having with the NMB. The BMWE has been in direct contact with your assistant, Ms. Jennifer O'Connor, who has a full understanding of our issues.

On Monday, November 20, 1995, our Conrail Bargaining Committee, with the full support of the BMWE's International, as well as the A.F.L.-C.I.O. and its affiliates, conducted a sit-in at the offices of the NMB. The NMB responded by having 33 of our members arrested who were sitting in. Our demand is simple. The BMWE wants the NMB, after nearly one year of working without a contract -- a year in which Conrail and the nation's railroads have refused to bargain locally with the BMWE -- to release the BMWE from mediation and allow the bargaining process to go to the next level -- either serious bargaining by Conrail leading to a settlement or to self-help by the BMWE against Conrail or by Conrail against the BMWE.

The same committee sat in at the offices of the NMB in early 1992, when George Bush was president. Our members were not arrested at that time, although then NMB Chairman Pat Cleary did attempt to raise a political firestorm over the issue, something the current NMB is not doing. Two weeks after the 1992 sit-in, the NMB released the Conrail Bargaining Committee, along with other unions, creating a national rail emergency which led to Congress imposing what the BMWE considers to be an onerous collective bargaining agreement on Conrail. As onerous as the agreement imposed on the Conrail BMWE membership in 1992 was, it was far better than the agreement Congress imposed on the national membership of the BMWE in July 1991, after a national dispute between the railroads and most of the rail unions led to a strike on April 17, 1991, which Congress immediately ended.

President's Dept.
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Telephone 810-948-1010

Secretary-Treasurer's Dept.
FAX 810-948-0140

Mac A. Fleming
President



William F. LaRina
Secretary-Treasurer

Brotherhood of Maintenance of Way Employees

Affiliated with the A.F.L.-C.I.O. and C.I.C.

November 29, 1995
(sent via facsimile)

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Deputy Chief of Staff
White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

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Secretary-Treasurer's Dept.
FAX 810-948-9140

Mr. Harold Ickes

- 2 -

November 29, 1995

We understand the immense and complex issues the Clinton Administration is working on at this moment. We realize that a collective bargaining problem between private parties within the rail industry may appear to be less weighty -- and is less weighty -- than most of the issues before President Clinton. However, it is the complicity of the issue and the refusal of a government agency to allow the process to move forward, that is so infuriating to labor. All we are talking about here is resolving collective bargaining between private parties -- something which occurs expeditiously everywhere else. Somehow, the bargaining process in the rail industry has been blown into a complicated, multi-phased problem whose resolutions require more diplomacy and time than bringing peace to Bosnia and Haiti. This overly complex *kabuki* dance is manipulated by the railroads to be as protracted as possible, inevitably injuring the membership of rail labor. This is silly. We are only talking about resolving contracts.

When the *Railway Labor Act* was passed in 1926, more than 80% of intercity freight moved by rail. Rail was by far the dominant mode of transportation in the U. S. In 1980, the rails were deregulated by the *Staggers Act*. This was in recognition of the fact that the rails were no longer the dominant mode transportation in the United States -- that it was a competitive transport mode, moving only about 35% of the intercity freight in the U. S. When this deregulation occurred it did not include labor-management relations in the rail industry or the anti-trust aspects of mergers. The rail industry was still able to protract collective bargaining and merge and create mega rail carriers without the same scrutiny that mergers receive outside the rail industry.

Nevertheless, in recognition of the last round of bargaining and also of the railroads' written strategy for bargaining -- to manipulate the NMB in scheduling collective bargaining sessions to protract bargaining in order to achieve better economic settlements -- the BMWE embarked on what we call local bargaining -- so that the specter of a national railroad dispute will not occur during this '95 round of bargaining. The BMWE realizes that a national rail dispute will most probably involve Congress, whereas a rail dispute between one rail union and one railroad may well avoid Congressional intervention. This localized bargaining had the possibility of resolving long-term local problems between the BMWE and the railroads which employ its members and also preserve the right for the parties to use self-help, in the event negotiations do not bring about agreements.

The piousness of the nation's railroads regarding rail shutdowns is amusing. In 1992, the nation's railroads locked out every railroad worker represented by their national bargaining arm, the NCCC, in order to end a strike against the CSX by one rail union, the Machinists. They had the right under the *Railway Labor Act* to lock out the Machinists nationally, but not other railroad workers, because although the Machinists struck only the CSX, their dispute was national and the parties were free to employ tactics of self-help against each other nationally or locally. It was at this time that the BMWE decided to bargain locally with the railroads.

Mr. Harold Ickes

- 3 -

November 29, 1995

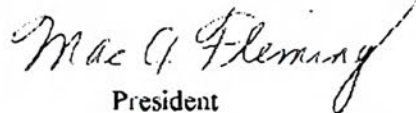
In order for the downward slope of rail wages to be reversed, it is essential that organized labor remain strong and to grow. Since deregulation, the railroad industry has prospered while the real wages of BMWF members have declined. Rail labor memberships on the railroads and throughout organized labor are watching this round of bargaining with immense interest. We are not asking the NMB to function in a pro-labor manner, we are simply asking to be provided with a level playing field. The NMB's refusal to release BMWF's Conrail Bargaining Committee, after nearly one year of the railroads protracting the process needlessly, assists the railroads. The railroads have no impetus to bargain, as long as the release date keeps expanding.

We are obviously supportive of President Clinton's re-election. We supported him in 1992, as did our membership. Issues such as this one, however, are watched closely by our membership. If it appears to them that President Clinton's policy is to mouth the rhetoric of a level playing field while assisting rail management -- or any management -- to obtain ever-increasing profits and obscene levels of executive compensation at labor's expense, they will be aware of it, despite our endorsement of the President.

This is a simple issue. It needs simple, fair handed treatment. The longer the matter simmers, the more likely it will become an issue next year. We urge you to do the right thing -- the only fair thing. Please release the BMWF Conrail Bargaining Committee **NOW, TODAY**. And please do not bundle our release with problems that other rail unions are having. The BMWF does not want another national dispute.

Since I am a member of a group from rail labor who is scheduled to meet with you and Ms. O'Connor regarding another matter tomorrow, Thursday, November 30 at 10:00 a.m., I am requesting that we take up this issue following same. I will contact your office later today to see if this is possible.

Yours truly,



Mac G. Fleming

President

cc: Mr. John J. Sweeney

Brotherhood of Maintenance of Way Employees*Affiliated with the A.F.L.-C.I.O and C.L.C.*Mac A. Fleming
PresidentWilliam E. LaRue
Secretary-Treasurer**FACSIMILE**
TELECOPIER COVER PAGE

DATE: Nov. 29, 1995

TO: HAROLD ICKES / JENNIFER O'CONNOR

FROM: MAC FLEMING

MESSAGE: _____

TOTAL NUMBER OF PAGES
INCLUDING THIS PAGE: 4

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FAX 810 948-9140

Mac A. Fleming
President



William E. LaRue
Secretary-Treasurer

12/8
to Jim O'C
for response

Brotherhood of Maintenance of Way Employees
Affiliated with the A.F.L.-C.I.O. and C.I.O.

November 29, 1995
(sent via facsimile)

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Assistant to President and Deputy
Chief of Staff or Policy and Political
White House
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Washington, D. C. 20500

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Mr. Harold Ickes

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November 29, 1995

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Yours truly,

Mac G. Fleming
President

cc: Mr. John J. Sweeney

523
520

FAX MESSAGE



FROM
NATIONAL MEDIATION BOARD
WASHINGTON, DC

DATE: 12/1/95

TO: Jennifer O'Connor

OF: Harold Icke's office

TELEPHONE NUMBER: 202/456-6350

FAX NUMBER: 202/456-1121

FROM: Magdalena G. Jacobsen, Chairwoman, National Mediation Board

TELEPHONE NUMBER: 202/523-5428

FAX NUMBER: 202/523-1031

NUMBER OF PAGES, INCLUDING COVER SHEET: 3

SPECIAL INSTRUCTIONS:

Jennifer:

Here is the press release on the UTU settlement.

FOR IMMEDIATE RELEASE

Contacts:

National Railway Labor Conference:

Joanna Moorhead (202) 862-7257

United Transportation Union:

Eric Eakin or John Horvath

(216) 228-9400

Railroads and United Transportation Union Reach Contract Accord

WASHINGTON (December 1, 1995) -- The nation's major freight railroads and the United Transportation Union, the country's largest rail union, announced today they had reached a tentative agreement on a new 5-year collective bargaining agreement. Announcement of the accord was made by Charles Little, the UTU's international president, and Robert Allen, chairman of the National Carriers' Conference Committee (NCCC), the bargaining agent for the railroads.

The agreement covers trainmen, conductors, engine service personnel, and yardmasters. It is the first to be reached by the carriers with any of the 13 standard rail unions during the current round of bargaining, which began in November 1994.

The agreement resolves outstanding issues between the parties, including wages, health and welfare benefits and work rules. Contract details were not released pending a ratification vote by UTU members.

UTU President Little said: "We are pleased to have reached a tentative agreement through bargaining that both sides can voluntarily embrace. I'm confident our General Chairpersons will react positively when they see the details negotiated, and that our membership will realize we have the makings of a good business arrangement that allows all parties to leave the table as winners. We look forward to working as partners with the railroads over the next five years to assure a healthy industry that benefits everyone involved. I would like to thank Assistant President Byron Boyd and the other members of our negotiating committee who, through their hard work and long hours, made this agreement possible."

"This shows that it is possible for the carriers and the rail unions to reach voluntary settlements through multi-employer bargaining when both sides sit down and bargain in good faith," NCCC Chairman Allen said. "Everyone wins when we reach agreements voluntarily and without strife. What's more, this agreement represents a new spirit of cooperation where both sides tried to resolve mutual concerns with a real focus on customer service. We both recognized that any new agreement had to take the customer into account if we wanted to foster opportunities for growth and improved working conditions."

National Mediation Board Chairwoman Magdalena Jacobsen worked extensively with the parties over the last several weeks and played an integral role in helping them reach the agreement.

The NCCC represents 35 freight railroads in the bargaining with the major rail unions. The railroads include seven of the nation's major carriers and represent 85 percent of the rail freight industry in the United States. The United Transportation Union, headquartered in Cleveland, Ohio, represents more than 80,000 transportation industry workers.

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FAX MESSAGE

FROM

NATIONAL MEDIATION BOARD

WASHINGTON, DC

DATE: 11-20-95TO: JenniferOF: Harold J. Ke's OfficeTELEPHONE NUMBER: 456-6350FAX NUMBER: 456-7929

FROM: Magdalena G. Jacobsen, Chairwoman, National Mediation Board

TELEPHONE NUMBER: 202/523-5428

FAX NUMBER: 202/523-1031

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

SPECIAL INSTRUCTIONS:

11/20 '95 10:12

ID:

FAX:

PAGE 2

Proof of story 8726; Requested by WATSON on 11/20/95 at 8:59:13

/FROM PR NEWswire PHILADELPHIA 215-568-6300/
TO NATIONAL AND LABOR EDITORS:

BMW PROTESTS 'NATIONAL MEDIATION BOARD'S PANDERING TO CONRAIL'

WASHINGTON, Nov. 20 /PRNewswire/ - The following statement was issued by the Brotherhood of Maintenance of Way Employees:

Members of the Brotherhood of Maintenance of Way Employees will be protesting the National Mediation Board's complicity with Conrail in stalling negotiations with the BMW at 2:00 p.m. this afternoon (Monday, November 20) in front of the NMB's offices at 1301 "K" Street, NW, Washington, D.C.

Rich Trunka, Secretary Treasurer of the AFL-CIO, will address the rally at 2:00 p.m. He will call upon the NMB to release the Conrail BMW workers from mediation and stop supporting Conrail management's refusal to bargain. He will call upon the U.S. government to quit trampling upon the collective bargaining rights of Conrail BMW workers.

The BMW served notice on November 1, 1994, for contract changes to become effective January 1, 1995. After more than a year, Conrail has not made one proposal to settle the contract. Despite Conrail's obvious stalling tactics, the NMB refuses to initiate the next step under the procedures of the Railway Labor Act, which would be to release the BMW from mediation and give Conrail employees the right to initiate withdrawal of services.

"The union needs the leverage of the right to strike in order to get Conrail to bargain in good faith," said BMW Chairman Perry Geller. The Railway Labor Act provides a thirty-day cooling off period from the date of release from mediation by the NMB to resolve the disputes. The BMW strongly believes that with the proper incentive, a fair settlement can be reached.

Conrail made over \$411,000,000 in 1994, a 16 percent increase over the previous year and a 55 percent increase over the previous five years. "The NMB appointed by President Clinton is acting no different than the ones appointed by Bush and Reagan. They are siding with the rich and powerful railroad management against the employees," said BMW General Chairman Jed Dodd,

-0-

11/20/95

/CONTACT: Paul Swanson (on-site) or Sue Cresswell of BMW,
202-638-2135/

(CRR)

CO: Brotherhood of Maintenance of Way Employees; Conrail

ST: District of Columbia

IN: TRN

SU: LBR

CE-MK PHM001

3083 11/20/95 03:00 EST

SINSV; Line PRNEWS From Story '8726'. Job 165.

11/20/95
FU INFO
1) M. A. J. 4) STAN C.
2) BERNIE 5) RONE
3) KEN H. 6) GEXI J.
Tenn

FAX to JENNIFER
4567929

October 4, 1995

MEMORANDUM FOR HAROLD ICKES

FROM: JENNIFER O'CONNOR

SUBJECT: RAIL LABOR

CC: BRUCE LINDSEY
MARVIN KRISLOV

This memorandum is for your information.

I met today with Greg Lawlor and representatives of the Transportation Communications Union and the Brotherhood of Maintenance Way Employees. They raised a number of issues about which they feel very strongly. I am going to follow up with White House and Department of Transportation staff to see what can or can't be done. The purpose of this memorandum is to make you aware of their concerns.

1. Collective Bargaining

Apparently, all rail unions are currently in negotiations with a consortium that represents all carriers. The negotiations are being supervised by the National Mediation Board. According to these labor representatives, the negotiations under the NMB have dragged on for close to a year and have gotten nowhere. They claim that the management consortium is not bargaining in good faith, because they are not making any offers to move at all towards the union demands. They say that under these circumstances, the NMB should release them from the NMB supervised negotiations, enabling them to strike, because there is no incentive for the management team to move forward and talks are at a standstill.

The two unions want slightly different actions on our part. TCU wants to be released by the NMB. It has requested this and our NMB reps. have said they will only release all unions together, not single unions one at a time. TCU claims that if all unions are released together, their individual union concerns, particularly their local concerns, will get lost in the shuffle.

BMWE is pursuing a different strategy than TCU. BMWE is negotiating locally, as opposed to nationally, with the management consortium. They fear there will be an impasse with at least some of the locals and some of the railroads, particularly Conrail, which covers the northeast. If there is an impasse, they want to be released, and they want to strike, but only

against a single carrier -- Conrail being the likely suspect. They claim that because Conrail is only a regional railroad and because there is at least one other carrier in that region, that this will not be a national emergency that would cause the President to ask for a Presidential Emergency Board. They emphatically do not want a Presidential Emergency Board because they think it will weaken their bargaining position and lead to Congress stepping in and legislating a bad deal for them.

In addition, BMWG expects that if they strike a railroad, that railroad will lockout all employees nationwide. BMWG claims this is illegal and unwarranted and would want a US Attorney to go to court to enjoin the railroad from such action.

2. ICC

Both unions complained bitterly about their perception that the ICC is controlled by management and that even the Clinton appointees take purely management positions. They are very bent out of shape about this. There are two issues before the ICC that they care deeply about. First, they think the proposed Union-Pacific-Southern Pacific merger is a bad idea and needs time to be sorted out, yet the ICC has put it on a "fast track" procedure that will result in approval in six months. They want the ICC to put it back on a standard track for approval -- which would take eighteen months.

Second, they are concerned about a merger that has already been approved for Burlington Northern and Santa Fe Railroads. They say that as part of the deal, all worker protection will be eliminated. The employees at Burlington Northern have contractual lifetime protection. But 1500 will lose their jobs as a result of the merger because of the elimination of the job protection in their contracts with Burlington Northern. Though the merger has been approved, the ICC has left this particular issue to an arbitrator. The unions are convinced that unless the ICC votes to override the arbitrator (who has not yet issued an opinion), these jobs will be lost. They say the jobs are in Minnesota and the Northwest.

Given that the ICC is independent, I asked them what they thought we legally could do, and I made it clear that I would need to check with our counsel about doing anything on this issue. They think the President could issue a strong statement against the Union Pacific-Southern Pacific merger, which they say Secretary Pena has already done. And they think we should recess appoint three good union-side appointees to the ICC. They say there is one vacancy already, there will be a second in December when Commissioner Owens retires, and there will be a third if we would recess appoint Gail McDonald out of the ICC and onto the St. Lawrence Seaway Corporation. Three good members on a board of five would, they think, help solve both problems.

3. Amtrak

They thanked me for our support of their position in the Amtrak legislative battles and they requested we continue to support them in achieving the House version of the bill. They also complained about Tom Downs' position on this legislation.

5235920

Don-

Please get
me phone #
for Nat'l
Mediation
Board

November 22, 1995

MEMORANDUM FOR HAROLD ICKES

KITTY HIGGINS
BRUCE LINDSEY
MARVIN KRISLOV

FROM: JENNIFER O'CONNOR 
SUBJECT: NATIONAL MEDIATION BOARD/ FREIGHT RAIL
NEGOTIATIONS

On Monday, November 20, Maggie Jacobson updated me on the freight rail negotiations. She says she is very close to an agreement between UTU (United Transportation Union) and management; agreement could come as soon as next Tuesday. Based on this, UTU wants to continue talking and see what happens next week.

Maggie shared this information with the Shopcraft coalition to see if it would alter their request to be released by the Board. They responded that if UTU does reach agreement next week, it would like to remain in negotiations. (They had requested release already.) They think they could find an acceptable deal in a few days after a UTU agreement. The BLE (Locomotive Engineers) would probably follow suit with an agreement soon thereafter.

If things work out as Maggie expects, then, at the end of next week, we would have a situation in which only TCU (Transportation Communications Workers) and MBWE (Maintenance of Way) unions want releases from negotiations. MBWE is adamant that it does not want to be released with any other union. So, Maggie would then release TCU, by itself, in the middle of December. This would start the 90 day clock of cooling off and Presidential Emergency Board and cooling off again, culminating in either an acceptance of a PEB decision by early March, or a strike or lock-out in early March. She would release MBWE at some point after the TCU release -- probably mid February -- culminating in a second PEB in mid March and another agreement or strike in mid May.

The AFL-CIO has quietly indicated it would rather Maggie release the unions that want release now, so that any strikes occur early in the year. In addition, pressure is increasing from the unions left in negotiations against their will. We have received hundreds of letters from TCU employees to the President. Last week AFL-CIO Secretary Treasurer Richard Trumka led a rally at the NMB offices to call for the MBWE to be released. This rally led to a sit-in in Maggie's office.

Maggie's other alternative is to leave TCU and MWBE in negotiations indefinitely, an option likely to lead to AFL-CIO pressure on us at some point.

THE WHITE HOUSE
WASHINGTON

April 4, 1996

MEMORANDUM FOR LEON PANETTA
HAROLD ICKES

FROM: JENNIFER O'CONNOR *mo*
SUBJECT: RAIL FREIGHT NEGOTIATIONS

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Tomorrow, the National Mediation Board (NMB) will proffer arbitration to the Transportation Communication Workers (TCU) and the major railroads. This proffer of arbitration begins a process of releasing the TCU and the railroads from the NMB supervised mediation process. Ultimately, this process may lead to either a lockout or a strike in approximately 90 days.

Background

TCU, as well as other rail freight unions have been in negotiations with the major railroads for many months. The railroads have been bargaining together as a team with each separate union. Each separate negotiation has reached a different stage.

- The United Transportation Union (UTU) reached agreement with the railroads and currently ballots are out on a vote to ratify the agreement. We received word today that the union membership will probably vote down the agreement. In that event, the parties have agreed to go to arbitration.
- The Brotherhood of Locomotive Engineers (BLE) is also in the process of voting on an agreement. Ballots are due back sometime after April 20th.
- A coalition of unions known informally as the "shopcraft unions" has been negotiation and has requested a release from the process.
- The UTU has also asked for release from the process.
- The Brotherhood of Maintenance of Way (BMWE) has also asked for release from the process.

Generally, the NMB process works as follows: The team of railroads initially bargains

privately with a union until one of the parties requests mediation supervised by the NMB. The NMB then mediates between the parties, trying to forge agreement. If the mediation is not producing any agreement, one or more of the parties may ask the NMB to proffer arbitration. The NMB has sole discretion to take this action. If the NMB chooses not to proffer arbitration, the parties must remain in mediation indefinitely.

If the NMB agrees to proffer arbitration, it begins a 90 day process that could lead to a strike or lockout. This process works as follows: First, the NMB proffers arbitration. If the parties accept it, then they go to arbitration to work out a deal. If one party rejects arbitration, a 30 day cooling off period begins after which the parties may strike or lock out employees.

At the end of the 30 day period, if the NMB believes there may be a national rail emergency, it will recommend to the President that he appoint a Presidential Emergency Board (PEB). If the President agrees, this PEB has 30 days to come up with a recommended deal.

After the PEB makes its recommendations, there is a second 30 day cooling off period. After this period, if the parties have not agreed to accept the PEB recommendations, they are again free to strike or lock out employees. At this point, only Congressional intervention can stop the strike or lockout. Thus, by proffering arbitration to TCU and the railroads tomorrow, the NMB has taken action which could result in a strike or lockout in mid July -- approximately 90 days from now.

Prior to the NMB decision to proffer arbitration, Harold met with John Sweeney to discuss some worst case scenarios. As a result of those conversations, TCU and the railroads have agreed that they will not initiate strikes or lockouts while Congress is not in session. This makes it possible for Congress to end any disruption quickly. As to what would happen if the Hill passed a bill with unacceptable riders, Sweeney maintains that if the riders were really problematic, the President should veto the bill. Mort Downed believes this is an unlikely scenario, because the railroads would pressure the Hill to end the strike quickly, meaning to pass a clean bill. In every prior instance of Congress ending a rail strike, the Congress has passed a clean bill.

Press Inquiries

If there are press inquiries about this issue tomorrow, they should be referred to the Department of Transportation and/or the National Mediation Board. The White House shouldn't comment at this point.

*Full
Rail
Freight*



U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY

OFFICE OF THE ASSISTANT SECRETARY FOR TRANSPORTATION POLICY

Number of Pages including this Page: 12

Date: 2/6/96

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FROM:

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FAX MESSAGE:

*To: Harold
From: Jen
For 4 pm mtg
today*

PHOTOCOPY
PRESERVATION

RAIL STRIKE ANALYSIS - BRIEFING MATERIALS

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2. **Collective Bargaining Process under the Railway Labor Act**
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5. **Strike Scenarios**
6. **Economic Analysis of Potential Rail Strike Impacts**

Attachments

Impact of National Strike
Impact of Conrail Strike
Impact of Amtrak Strike

1. STATUTORY PROCESS GOVERNING FREIGHT RAILROAD LABOR CONTRACTS NEGOTIATIONS

Labor relations in the railroad industry are governed by the Railway Labor Act ("RLA"), 45 U.S.C. § 151 et seq. A freight railroad's contracts with its employees remain in full force and effect until changed in accordance with the following process:

- o Notice of proposed contract changes and negotiations.** Written notice is served, by either employees or carrier, seeking either local or national negotiations. Negotiations are held, under arrangements decided by both parties, with no time limits.
- o Mediation by National Mediation Board (NMB).** If agreement is not reached, a strike, lockout or promulgation of new work rules may occur, 10 days after negotiations end, unless the services of the NMB are requested by either party or the NMB proffers its services. The NMB can hold the parties in mediation indefinitely so long as it feels there is a reasonable prospect for settlement. The NMB usually consults with the Administration and the Congress before releasing the parties, thereby minimizing the possibility that Congress will not be in session to enact emergency legislation to end a strike.
- o NMB proffers voluntary, binding arbitration if mediation is unsuccessful.** If either of the parties refuses the proffer, the NMB officially withdraws from the case. For the next 30 days, the parties must maintain the status quo.
- o NMB recommends establishment of Presidential Emergency Board ("PEB").** Should the NMB decide that a strike or lockout in the dispute threaten substantially to interrupt interstate commerce to a degree such as to deprive any section the country of essential transportation services, it shall notify the President. The NMB typically relies upon FRA's economic analysis of potential strike impacts in making its assessment.
- o PEB.** Upon receiving the notification of the NMB, the President may appoint a PEB to study the dispute and recommend settlement terms; the report is not binding on the parties. The parties cannot utilize self-help measures for the 30 days the PEB is given to study the dispute (starting with the date of its creation), and for an additional 30 days following the issuance of the PEB's report. The parties can, and typically do, voluntarily agree to enlarge the study period.
- o Strikes, lockouts, and other self-help measures.** If, after the final 30-day status quo period has expired, a settlement has not been reached, the parties are free to resort to self-help and cannot be enjoined from doing so. The options available to the President at this point are: (1) requesting the parties to voluntarily agree to waive their self-help rights while the parties continue to negotiate with the help of the NMB or others; (2) seeking special legislation from Congress extending the status quo for an additional limited period, requiring compulsory arbitration, or mandating a settlement, usually on the terms recommended by the PEB; or (3) letting a work stoppage occur.

3. UPDATE ON NATIONAL RAIL LABOR NEGOTIATIONS

STATUS: The United Transportation Union (UTU) and the major railroads reached a tentative agreement on a new contract in early December. First, UTU officials from each carrier must review and approve the contract. Then, the contract is mailed to employees for ratification. The employee ratification process could be completed in late March.

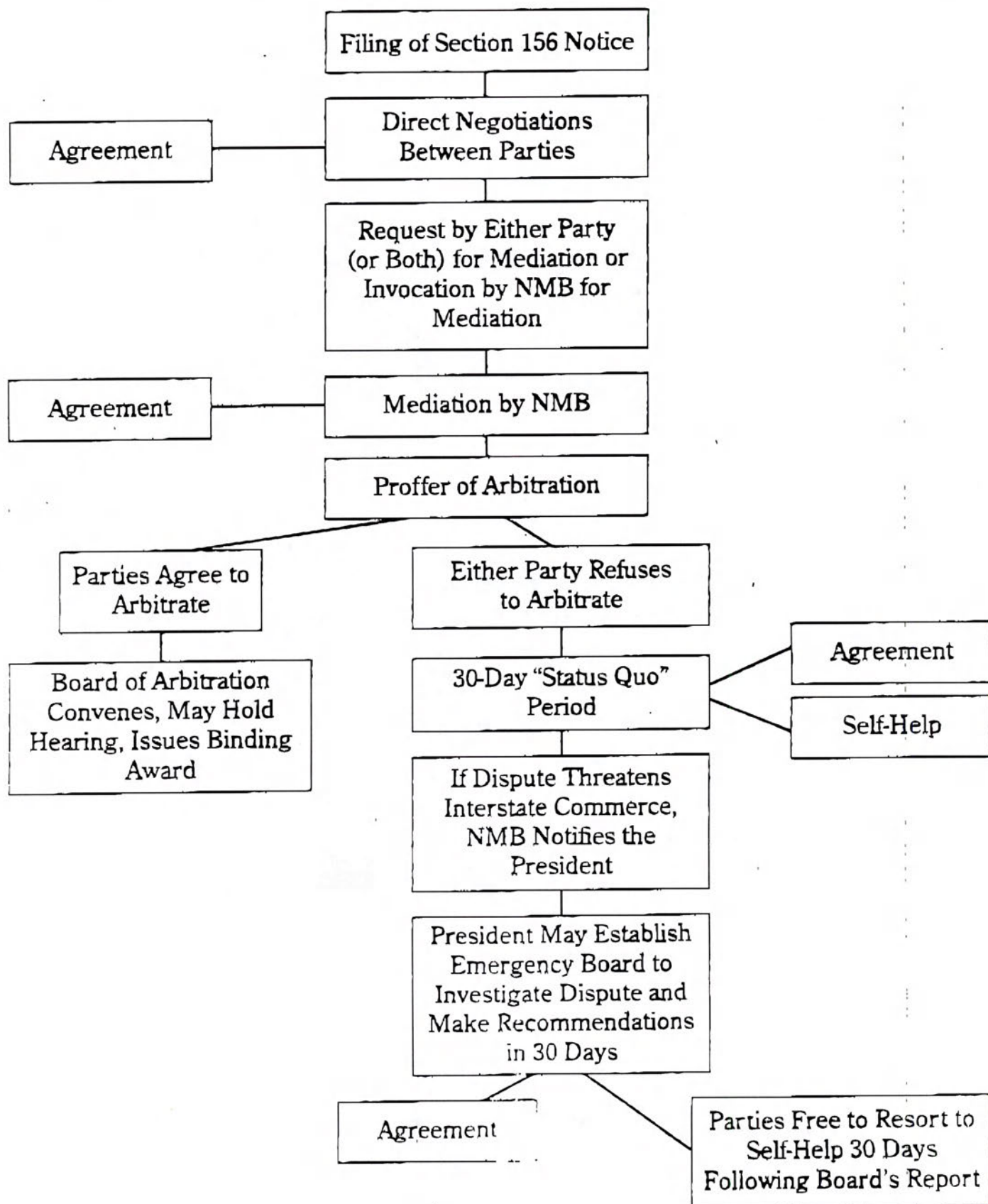
Until the UTU ratification process is complete, it is unlikely that any other significant developments will occur in negotiations with the twelve other rail unions.

ISSUE: A dispute between Conrail and the Conrail UTU General Chairmen has delayed the ratification process. UTU General Chairmen on Conrail maintain that crew consist, i.e. crew size and the payments for operating with "reduced" crews, has been a local issue for thirty years and therefore they should be able to pursue crew consist negotiations with Conrail during the term of the national agreement. Conrail's position is that the moratorium clause in the tentative agreement precludes either party from seeking further contract changes. The "Conrail crew consist" issue is the one remaining impediment to sending the UTU tentative agreement out for employee ratification. As of February 6, 1996, the parties remain in negotiation over the crew consist issue.

PATTERN AGREEMENT: If the UTU tentative agreement is ultimately ratified, the carriers and possibly the UTU will describe it as the pattern agreement for the industry. Efforts will likely become focused on reaching settlement with some of the smaller unions along the lines of the UTU contract. However, other unions, such as the BMWU, maintain with some justification, that they have a different set of issues than the UTU, and therefore the UTU agreement is not applicable to them.

2.

Collective Bargaining Process Under the Railway Labor Act



4. DURATION OF RAIL STRIKES

- Experience has shown that Congress, with the support of the Executive Branch, has moved quickly to end national rail strikes. No national rail strike has been permitted to continue for more than a few days.
- There are a limited number of examples of single carrier strikes that lasted for extended periods; and there are at least as many examples of the government taking prompt action to end single carrier strikes. The distinction appears to be the carrier's ability to operate during the strike and the threat of the strike spreading to other railroads. (Secondary picketing of neutral carriers is not prohibited by the Railway Labor Act.)

RAIL STRIKES ENDED BY LEGISLATION

YEAR	PARTIES	DAYS
1994	UNITED TRANSPORTATION UNION (UTU)/Soo Line	47
1994	UNITED TRANSPORTATION UNION (UTU)/Long Island Rail Road	2
1992	IAM/CSX	2
1991	National - 11 Unions	1
1988	CNW - UNITED TRANSPORTATION UNION (UTU)	1
1987	Long Island Rail Road	11
1986	Maine Central - BMWE	76
1982	National - BLE	4
1978	N&W - Clerks Union	82
1973	Penn Central - UNITED TRANSPORTATION UNION (UTU)	1
1971	National - Signalmen	1

5. STRIKE SCENARIOS

- The Railway Labor Act is designed to prevent interruptions to rail service and the procedures of the Act are deliberately lengthy. At the conclusion of the mandatory status quo periods, when all procedures under the RLA have been exhausted, the role of the National Mediation Board is ends, and the parties are free to resort to self-help.
- The RLA is silent on the range of allowable self-help. Unions may strike a carrier with which it has a primary dispute, engage in intermittent work stoppages (e.g., "selective" or "rolling strikes"), and secondarily picket other neutral carriers. For carriers, self-help includes: implementing their proposed contract changes, locking out striking workers, hiring replacements or operating with management personnel.

Examples of Self-Help

Self-Help Action	Variations	Example
National Strike	Nationwide shutdown	BLE 1982
	No disruption to commuters or Northeast Corridor	1991 National strike
Intermittent Strikes	Selective/rolling strikes	Late 1960s BRT (now UTU)
Lockout	One carrier struck; all other carriers in national bargaining lockout	1992 CSX/IAM (National lockout by NRLC carriers)
Single Carrier Strike	None	Long Island RR 1994
	Replacement workers by management; Secondary picketing by BMW	Maine Central 1986
	Threat of secondary picketing to obtain PEB; and management operation	Soo Line 1994

6. ECONOMIC ANALYSIS OF POTENTIAL RAIL STRIKE IMPACTS

- o Attached are the analyses done for three potential strikes (national, Conrail and Amtrak) in 1992. Although the analysis would have to be redone if a strike threat arose in 1996, the order of magnitude would not change significantly.
- o The development of an impact statement represents a major commitment of staff resources. In addition, contacting major shippers and shipper associations for data and information on contingency plans can cause unnecessary concern if done too far in advance of a realistic strike threat.
- o For most industries, impacts are measured in terms of employee layoffs and value of lost production. Layoffs for each of the 13 industry groups are estimated for two-week and four-week long strikes; value of lost production is estimated for the groups as a whole. Additionally, maximum and minimum layoffs have been estimated for some strikes -- the maximum level assumes very low diversion to truck or other forms of transportation, while the minimum assumes continued production and all feasible diversion.
- o Layoff estimates are based on rail share of key inputs and outputs for each industry, inventory levels on hand at the time of the strike, value of shipments and industry employment.
- o Timing of the strike is a critical factor. Inventory and employment data are updated for each analysis. A strike when many automobile plants are closed for a model change will have very little effect on employment or shipment levels. A stoppage in late fall, when coal-burning utilities are stockpiling inventory for the winter, will have a much greater effect than one in mid spring.

ATTACHMENTS

6/22/92

ECONOMIC IMPACTS OF A NATIONAL RAILROAD STRIKE: SUMMARY

The railroad industry moves more than one third of U.S. intercity freight traffic--over 115 million tons per month. A strike against the nation's major freight railroads in June could result in layoffs in rail-served industries of 570,000 workers after two weeks and 1,005,000 workers after four weeks, halting the flow of more than \$1 billion worth of freight shipments per day, and eliminating passenger services used by between 125,000 and 170,000 commuters and more than 30,000 Amtrak riders (on non-Northeast Corridor routes) daily.

The production and employment of the motor vehicles, paper, lumber, steel, coal mining, glass production, and chemical industries would be hit hardest by a strike at this time.

Based on the customary high level of stockpiles at electric generating plants, 12 weeks, power generation and electricity supply would not be directly affected by a rail strike for several months. However, 17 rail-served power plants (13 urban and four rural) representing over 65 million kilowatt-hours (KWH) of annual generation (out of a national total of 2.8 trillion KWH), have less than four weeks of coal stocks on hand. Electricity service to over 5 million people could be affected if the plants were forced to shut down and these users were unable to secure replacement power through the regional grid transmission systems.

STRIKE-INDUCED LAYOFFS

	<u>After 2 weeks</u>	<u>After 4 weeks</u>
Motor vehicles and parts	185,000	230,000
Paper and allied products	50,000	185,000
Coal mining	60,000	70,000
Lumber and wood products	60,000	120,000
Steel and other primary metal products	25,000	90,000
Chemicals manufacturing		
Plastics	45,000	85,000
Industrial chemicals	30,000	50,000
Agricultural chemicals	25,000	40,000
Glass manufacturing	50,000	50,000
Food and kindred products		
Beverages	20,000	30,000
Grain mill products	--	20,000
Metallic ore mining	10,000	20,000
Non-metallic minerals mining	<u>10,000</u>	<u>15,000</u>
TOTALS	570,000	1,005,000

June 23, 1992

ECONOMIC IMPACTS OF A STRIKE AGAINST CONRAIL: SUMMARY

A strike against Conrail, beginning on June 24, 1992, could result in the layoff of as many as 124,000 workers in Conrail-served industries after two weeks. If the strike were to last four weeks, unemployment could climb to more than 220,000. Conrail's workforce of 27,000 would also be affected by the strike. In addition, 17,500 commuters would be affected in northern New Jersey, Philadelphia, Boston and Chicago.

Conrail is the 5th largest U.S. freight railroad in terms of operating revenues and employment, and the 6th largest in terms of revenue ton-miles and miles operated. The carrier is the largest railroad system in the Northeast-Midwest quadrant of the United States, operating over a network of approximately 13,400 route miles serving the areas east of the Mississippi River and north of a line running from Washington, D.C. to St. Louis, Missouri. In 1990, the railroad handled 84.1 billion revenue ton-miles generating operating revenues of \$3.3 billion. Conrail carries around 3.6 million carloads, about one-eighth of the national total.

STRIKE-INDUCED LAYOFFS

	After 2 Weeks	After 4 Weeks
Motor Vehicles & Parts	1,600	2,000
Paper & Allied Products	1,900	7,100
Coal Mining	5,600	6,600
Lumber & Wood Products	1,600	3,100
Steel & Other Primary Metal	9,200	33,200
Plastics	8,400	15,900
Industrial Chemicals	6,000	10,000
Agricultural Chemicals	8,000	12,800
Glass Manufacturing	5,200	5,200
Beverages	3,800	5,700
Metallic Ore Mining	700	1,400
Other Industries	0	900
Total	<u>52,100</u>	<u>103,900</u>

June 18, 1992

Summary

IMPACT OF AN AMTRAK STRIKE

An Amtrak strike could affect as many as 500,000 daily intercity and commuter rail passengers if there is widespread secondary picketing. Absent extensive secondary picketing, there still would be at least 415,000 passengers stranded. Although a strike in June might affect more vacation travelers, fewer commuters would be affected because of the traditional decrease in commuters during the summer months.

Intercity Passenger Service

There are 60,500 daily passengers on Amtrak's nationwide route system; approximately half are passengers on the North East Corridor (NEC), which runs between Washington and Boston. Outside the NEC, Amtrak provides short distance passenger service to nearly 14,000 daily passengers in ten corridors nationwide, four of which serve more than 1,000 passengers daily. In the largest of these, Amtrak serves 4,700 passengers traveling between Los Angeles and San Diego. All of these passengers would be without intercity rail service during a strike against Amtrak.

Amtrak provides passenger service to 500 communities in 45 states. Of these 500 communities, 130 have no intercity air service, 113 have no bus service, and 40 have neither bus nor air service. Those 40 communities would be without any form of public intercity transportation in the event of an Amtrak strike.

Commuter Service

A strike against Amtrak could disrupt commuter service to as many as 440,000 commuter passengers nationwide if picket lines are honored by certain commuter railroads' employees. Even if commuter railroad employees do not honor the picket lines of other rail workers, at least 355,000 commuter passengers could be left without rail service. Although some commuter railroads have indicated they have contingency plans for a certain percentage of their normal ridership, most commuter rail passengers would be left without alternative public transportation options and would elect to drive or to stay home.

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EP&S Research Report #9

**ECONOMIC IMPACT
FROM A NATION-WIDE
RAILROAD STRIKE**



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September 1995

U.S. DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY*file
rail
freight*

OFFICE OF THE ASSISTANT SECRETARY FOR TRANSPORTATION POLICY

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on

Ships Trucks Air Rail

Journal of Commerce 4/16

Railroads, union OK arbitration, averting strike

The National Mediation Board had released the two sides from continued mediation and offered to arbitrate the dispute.

BY STEPHANIE NALL
JOURNAL OF COMMERCE STAFF

WASHINGTON — The nation's largest railroads and biggest rail union, the United Transportation Union, have agreed to binding arbitration on the pending nationwide rail contract — averting a possible strike by rail conductors and yardmasters.

The National Mediation Board Monday released the two sides from mediation and offered to arbitrate the dispute.

"We're glad this bargaining round could be concluded without service disruptions," said Joanna Moorehead, of the National Railway Labor Conference. The management group represents about 30 carriers and includes all large U.S. railroads except the Southern Pacific, the Illinois Central and the Soo Line.

The union and carriers had reached a tentative agreement earlier, but the deal was rejected last week by a majority of the 50,000 rank-and-file members covered by the contract.

The union said it agreed to the binding arbitration because after the rejection of the tentative deal, carriers said they would return to their original bargaining position.

"We were disappointed with (management's) action after

the tentative agreement failed ratification because UTU was prepared to return to the table. In these circumstances, use of the Act's provisions for arbitration was the best of a bad lot of choices for UTU," said Charles L. Little, UTU International president.

Last week the NMB also released the Transportation Communications Union and the carriers from further talks. However, in that case, the TCU refused binding arbitration. A 30-day cooling off period began, during which time the union cannot strike. On May 5, the union could walk off the job unless the Clinton administration intervenes.

The rank-and-file membership of the Brotherhood of Locomotive Engineers is voting on a tentative agreement it reached earlier this year with the carriers.

The NMB, UTU and carriers will now decide on a panel of three to six arbitrators who will hear arguments presented to it by both sides. The arbitrators are free to fashion the final contract from either final proposal, take parts of both, or set compromise arrangements between the two positions.

Taken together, the BLE and UTU represent an estimated 41% of union members participating in the talks.

Both sides are trying to avoid a repeat of the 1991 nationwide lockout. That impasse ended with the imposition of contract terms by Congress.