

## National Freight Railroads Bargaining Update

June 16, 2011

### UTU Reaches Agreement with Railroads. IBEW Coalition and RLBC Consider Agreement Inadequate and Continue to Press for Release From Mediation

Early last month the United Transportation Union (UTU) reached agreement with the nation's freight railroads on wages and benefits. They shared that agreement with the other Rail Labor organizations on June 3, 2011. The UTU represents approximately 25% of the unionized workforce on these railroads. The agreement provides for 17% in wage increases over 6 years (2.83% per year) and some concessions in health and welfare benefits arrived at by cost shifting from the employers to the employees.

After a thorough review and analysis of this agreement, we, along with all of the other Rail Labor organizations representing the remaining 75% of the unionized workforce, are of the opinion that this agreement would not be fair to our members, especially in light of the *record* profits the railroads are making month after month.

“After 6 months of negotiations with the railroads and almost a year in mediation, it is quite obvious to us that we will not be able to reach an agreement with the railroads. Since their agreement with the UTU, the railroads are now insisting that the UTU agreement is a “pattern” agreement and that all of the other organizations should follow the pattern,” stated Railroad Department Director Bill Bohné. “They are insisting on everyone taking the 17% wage increases over 6 years and also making the same concessions on health and welfare. It is time that we shared in the record profits the railroads are making. Now is not the time to make even one penny in concessions. Our members deserve better treatment than that, and we will fight to the end in an attempt to get what we consider our fair share.”

As noted in earlier updates, President Hill has twice requested that the National Mediation Board (NMB) release us from mediation, once in November 2010, which request was denied, and again in February 2011, which request is still pending. The delay in action by the NMB seems to have been caused by the UTU and the railroads being on the brink of reaching an agreement for the last couple of months. Now that an agreement has been reached, the NMB has called us back into mediation on June 28<sup>th</sup> and 29<sup>th</sup>, with the likelihood that they will propose the UTU agreement to us as a basis for settlement.

Our bargaining coalition, made up of the American Train Dispatchers (ATDA), the Brotherhood of Railway Carmen (BRC), the International Association of Machinists (IAM), the IBEW, the Transportation Communications Union (TCU), and the Transport Workers Union (TWU), has been steadfast in its position that, in these times of record profits for the railroads unmatched in any other industry in this country today, we will not agree to any concessions in benefits whatsoever, and will continue to insist on wage increases that reflect the unprecedented prosperity of the rail carriers. Furthermore, in a meeting our coalition had with the Rail Labor Bargaining Coalition (RLBC) made up of the remaining Rail Labor unions last week, the RLBC agreed to join with us and seek release from mediation. They have since written a letter to the NMB requesting release, and we will move forward together with the same goal in mind – to end this dispute as quickly as possible with agreements for our members that reflect the sacrifices they have made over the years that have secured the railroads successes.

If the NMB does decide to proffer arbitration, the coalition organizations have unanimously agreed to reject the proffer. Following our rejection, the NMB would then release us from mediation, starting a thirty day time period before we could resort to self-help. However, it is certain that a Presidential Emergency Board (PEB) would be appointed by President Obama, which would then have an additional thirty days to hold hearings and issue a non-binding report with recommendations for settlement. Following issuance of the report, a thirty day cooling-off period would then begin, during which time the parties would try to negotiate agreements based on the PEB's recommendations. Failing to reach agreements, the unions and carriers would be free to resort to self-help, which on the union side means strike and on the carrier side unilateral imposition of their demands.

In response to learning that the two coalitions have now joined forces, President Hill stated, "Moving forward as one will send a clear message to the NMB that we don't, and won't, consider the UTU agreement a "pattern" agreement for the rest of the overwhelming majority of Rail Labor. We are in this to the end with our Brothers and Sisters in both bargaining coalitions. Our members deserve justice in this process, and only agreements that compensate our members with wages in line with the profits the railroads are making, and without giving concessions in health and welfare benefits, will provide such justice."