



National Freight Railroads Bargaining Update

October 4, 2010

When we posted our initial announcement about the beginning of National Freight Railroad bargaining, we advised you that we would “continue to keep you informed of any *noteworthy* progress.” So here is where we stand today.

As noted in our initial announcement the IBEW served our Section Six Notice on the railroads on November 16, 2009. The first bargaining session between our bargaining coalition and the National Railway Labor Conference was held on January 19, 2010. Since that time three additional bargaining sessions were held. At the initial sessions we discussed our Section Six Notice with the Carriers, which is quite a comprehensive proposal. We also discussed the Railroads’ Section Six notice, which was vague to say the least. Unfortunately about the only issue the railroads wanted to discuss was their “dire” financial situation, something we all expected. And while that may not sound *noteworthy*, what occurred at the fourth negotiating session and shortly thereafter certainly is.

Just prior to that negotiating session the Rail Labor Organizations in our coalition decided that, since no progress was being made and it was quite evident that the Railroads were not intent on negotiating in good faith, we would advise the Railroads that as far as we were concerned we were at an impasse and were going to request that the National Mediation Board invoke their services in this dispute and enter the parties into mediation. As such, on July 15, 2010 I sent a letter to the National Mediation Board (NMB) requesting mediation, and by letter dated the same day the NMB notified the parties that mediation had been invoked. Our coalition had just decided that enough was enough and that it was time to move the process along in an attempt to resolve this dispute in a timely manner for you, our members. This is very noteworthy because, for the first time in decades, we are in mediation, a required step under the Railway Labor Act negotiating process, within just six months from the start of negotiations. If you recall the last round of bargaining it took us almost two years to get into mediation!

Our first mediation sessions were held on September 15th and 16th. We first met with the mediator and told him what our goal was – to either reach (or be very close to) an agreement by the end of December that was satisfactory to the needs of our members, or to get released from mediation by the end of the year and move the process to the next step, filing for self-help. The Mediator advised us that in order for the process to move along he expected to see movement on our side as far as our economic, rules, and Health and Welfare demands were concerned. As such, we reviewed our economic proposals and provided him with a revised economic proposal. The mediator was impressed with the movement we had made and remarked that he realized we were being reasonable and were serious about reaching an agreement in a timely manner. He then passed our changes on to the Railroads for review and consideration.

Also during these first two days of mediation, our economic advisor, Economist Tom Roth, presented to the Railroads our view of just how well the Railroads are doing financially. Suffice it to say that, even during these difficult economic times, the profits of the nation’s freight railroads have outpaced those of most other industries in this country. And now freight traffic is again on the upswing, meaning even increased profits. The report concluded by stating that there is no reason the Railroads should be looking for any concessions from Rail Labor during this round of bargaining!