

**Brotherhood of Maintenance of Way Employees Division  
of the International Brotherhood of Teamsters**



**NEWS CLIPS**

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# Union Takes Rare Front Seat in Deal for Chrysler

By [MICHELINE MAYNARD](#)

DETROIT — Labor unions usually dread bankruptcy, and for good reason. Their pay, benefits and pensions typically suffer significant cuts, as airline and steel workers can attest.

But for the [United Automobile Workers](#) union, [Chrysler's](#) Chapter 11 case, which began in New York on Friday, could turn out to be — if the company survives and thrives — the Cadillac of bankruptcies.

The U.A.W., for example, has received upfront protection from the [Treasury Department](#) for its pension plan and the fund that will take over responsibility for retiree medical benefits.

Moreover, that fund, called the voluntary employee beneficiary association, or VEBA, will control 55 percent of the equity in the new Chrysler once it emerges from bankruptcy, and hold a seat on the Chrysler board.

Of course, those hard-fought gains, and the big ownership stake, could be worthless if Chrysler does not make it. And the company's fortunes continued to sag in April, when sales fell 48 percent compared with the same month in 2008. Chrysler will also have to wait roughly two years or more for new cars designed by its partner, the Italian automaker [Fiat](#), to show up in Chrysler dealerships.

But for now, even though Chrysler workers had to agree to lower pay and less generous benefits as part of the deal, the U.A.W. appears to be enjoying relative safety in helping steer the course of the Chrysler bankruptcy.

"I'm very comfortable," [Ron Gettelfinger](#), the U.A.W.'s president, said Friday on [National Public Radio](#). "It's not like we're going into this bankruptcy fighting with Chrysler and Fiat and the U.S. Treasury. We're going in there in lockstep to put our agreements in place."

Labor and restructuring lawyers said such a comprehensive deal going into bankruptcy was rare.

"This is extraordinary, truly extraordinary," said Mary Jo Dowd, a partner in the financial and bankruptcy restructuring practice at Arent Fox in Washington. "I never would have thought a year ago that this would occur. These are truly unusual times."

Asked if he could recall any other union that fared as well, David L. Gregory, a labor law professor at [St. John's University](#), replied: "Nobody's even close."

But the U.A.W. is also no ordinary union. Even though its membership at the Detroit automakers has shrunk to a quarter of its size in 1990, it still maintains tremendous influence in Washington, partly because of its heavy political contributions.

The government, in assessing what was needed to make Chrysler viable, decided it needed to support workers, as well as suppliers, and guarantee the warranties on Chrysler vehicles.

Because the union agreed to negotiate, it was made a partner, with the government and Fiat, in developing the plan to restructure the company.

In contrast, other companies often use bankruptcy as a way to gain leverage over labor, so that they can lower their costs. Workers at Bethlehem Steel, [United Airlines](#), [Delta Air Lines](#) and [US Airways](#) lost all or most of their traditional pension benefits when those employers sought bankruptcy protection in this decade, though some of the shortfall was covered by the federal government. Retiree health care coverage was also cut.

None of those cases, filed during the Bush administration, had the kind of federal support offered to the U.A.W.

In the case of Chrysler, the Treasury said Chrysler is giving a VEBA a \$4.6 billion note, payable over 13 years at a 9 percent interest rate, helping to fund roughly \$10 billion in liabilities. The rest will be paid in Chrysler stock. Chrysler's pension plans will be preserved, with the help of \$600 million from [Daimler](#), Chrysler's former owner, the Treasury said.

If Chrysler goes under, pensions will be covered in part by the federal pension agency, but workers will receive much less than they are owed. The VEBA would be in dire straits, since it would owe the Treasury and have nothing to pay it back with.

The U.A.W. was ready for the probability of a Chrysler filing as far back as two months ago, people involved in the negotiations said. Its stand was clear: for it to support a bankruptcy case, workers' health care and pensions had to be protected.

But the administration, advised by Ron Bloom, the veteran restructuring expert, also insisted that the union make sacrifices. On Wednesday, Chrysler workers approved concessions, including work rule changes, that would result in lower pay and less generous benefits than in the 2007 contract.

Significantly, the VEBA can begin adjusting workers' health care benefits in 2010, two years sooner than the previous contract allowed.

Chrysler workers' concessions, similar to those granted earlier this year at [Ford Motor](#), form the basis of a prenegotiated labor agreement with the new Chrysler, people involved in the negotiations said.

Chrysler's pension liability will shift from the defunct company to the new one, these people said, and workers will continue to have a lucrative contract.

Despite the concessions, Chrysler's most senior workers, like those at [Ford](#), still have healthy wages and benefits; bountiful health care coverage, at least until it is adjusted; and subsidies to help bolster unemployment benefits they receive while plants are closed, as they will be at Chrysler for weeks until the sale is final.

That carryover is unusual, Ms. Dowd said, since the buyers of assets in bankruptcy cases normally try to purchase them free and clear of their existing liabilities.

It also means the union will not have to come to terms with Fiat once it takes over the company, or risk having its contracts abrogated.

None of this sat well with some Chrysler's debtholders, who questioned the fairness of the 55 percent stake granted to the VEBA. They did not raise objections in bankruptcy court on Friday, however.

Professor Gregory said the U.A.W.'s position still carried risk.

"Chrysler may be worth nothing, and 55 percent of nothing may be worth nothing," he said. But a comeback by Chrysler after it emerges from bankruptcy could ensure the security of the retiree health care fund, which will begin selling its Chrysler shares as soon as possible, Mr. Gettelfinger said Friday.

His legacy, and that of the union, could also could benefit, Professor Gregory said — if Chrysler and [G.M.](#) are able to successfully restructure.

"It's walking a very tight rope without a safety net, and a very high wire," he said. "But if this can get some traction, they could be the envy of not just organized labor, but a lot of folks."

## **Two federal appeals courts issue conflicting opinions on NLRB**

A court in Washington rules that a decision by the labor board last year was invalid because it came from only two members while three seats remain vacant. A Chicago court says the opposite.  
Associated Press

May 2, 2009

Washington — Decisions made during the last year by the leading federal agency that referees labor-management disputes fell under a legal cloud Friday with conflicting federal appeals court rulings.

In rulings rendered virtually simultaneously, the U.S. Court of Appeals in Washington held that a decision handed down last year by the National Labor Relations Board is invalid because it was made by just two members, while a federal appellate court in Chicago took the opposite position. It held within the same hour that a vote by the two members was appropriate and binding.

The NLRB has a relatively innocuous name. But in truth, the agency has historically gotten caught in the middle of the inevitable tug of war that accompanies change in the Washington power curve; Republican administrations typically favor appointing people with a pro-business bent, and Democrats have been inclined to name pro-labor individuals.

When at full strength, the NLRB has five members. But it has operated with only two members and three vacancies for more than a year because Democrats who retook control of Congress in 2006 objected to President Bush's labor policies and refused to confirm his nominees.

With the appeals court decisions at odds, the U.S. Supreme Court is more likely to weigh in on appeal. The result could have wide repercussions, because the two members have decided hundreds of cases.

NLRB Chairwoman Wilma Liebman, a Democrat, said she and fellow board member Peter Schaumber, a Republican, worked to keep the board running even as it was short-staffed. She said they issued about 400 decisions in the last 16 months.

"Member Peter Schaumber and I have been dedicated to resolving cases and to avoiding a decisional backlog," Liebman said.

Liebman noted that President Obama has announced his intention to nominate two labor lawyers to the NLRB and she hoped that would soon bring the board "out from under the current legal cloud." She said she and Schaumber would consider what options they have in the meantime to deal with cases pending before them.

Gary Chaison, an industrial relations professor at Clark University in Worcester, Mass., called the situation "a terrible mess."

While he said he couldn't think of a major precedent-setting ruling within the last year, Chaison said hundreds of small procedural changes and individual remedies will now be brought into question.

"It's like an attempt to unravel history," Chaison said. "Unions can claim that organizing contests they've lost can be reversed. Workers who have been reinstated with back pay during organizing drives now might have to argue those cases all over again."

The NLRB is an independent federal agency created by Congress in 1935 to administer the National Labor Relations Act, the primary law governing relations between unions and employers. The five members are nominated to five-year terms by the president and must be confirmed by the Senate.

From 2004 to 2007, union leaders and labor advocates denounced the Bush-dominated board, which reversed several pro-labor precedents from the Clinton era and issued a number of decisions favoring employers.

The issue of whether just two members can make decisions is being litigated in several other appeals around the country, with one previous opinion out of the Court of Appeals in Boston siding with the NLRB.

Former NLRB Chairman Robert Battista, a Bush appointee who now is an attorney in private practice, said the Washington court's decision suggests that once the board has enough members, it could go back and ratify or otherwise reinstate those opinions decided by only two members. "The new member is obviously going to have to go through those cases and see if he agrees," he said. "I think that's what the court's inviting."

## SunRail service plan imperiled by Florida Senate vote

May 4, 2009

(Bold added)

Plans for regional passenger rail service in central Florida are in jeopardy following a Florida state Senate vote Thursday rejecting the \$1.2 billion project by a 23-17 vote. In a last-ditch vote Friday evening, the Senate again spurned the measure, this time by a 23-16 margin.

Supporters of SunRail service, planned for five central Florida counties in the Orlando metropolitan area, appeared resigned to the outcome. "It'll take some maneuvering to get it done. I think the forces of evil have won," said Orlando Mayor Buddy Dyer.

The state Senate Friday afternoon was to consider one last attempt at passage, with language added to the measure approving a \$200 million insurance policy necessary to operate train service. Supporters were successful in obtaining a two-hour extension of the 6:00 p.m. close of the current legislative session, in order to bring the issue up for one last vote.

The project has been supported by Gov. Charlie Crist, a Republican, but 15 Republican senators voted against the proposal Thursday. One, Sen. Paula Dockery, was cautiously optimistic, noting, "We still have one day [Friday] to go. There's always a few tricks in the book."

SunRail, a proposed 61.5-mile route roughly paralleling Interstate 4, ran into trouble when state legislators objected to provisions protecting CSX Corp. from liability in the case of an accident. CSX would remain as a tenant on the right-of-way following its sale by CSX to the Florida Department of Transportation for \$600 million.

## Train accidents decline along with traffic

May 4, 2009

Along with a sharp drop in railroad traffic came a corresponding decline in accidents and incidents in this year's first two months.

Preliminary statistics posted Friday by the Federal Railroad Administration's Office of Safety Analysis show a 22.1% decline in total accidents and incidents in January-February 2009 compared with the corresponding period in 2008. Fatalities of all types declined 8.0% to 92.

Train accidents were down 27.8% to 307, with collisions down 34.1% to 270 and derailments down 30.5% to 216. Yard accidents declined 34.1% to 155.

Track causes were cited in 87 train accidents, down 40.8% from the 2008 period; equipment causes in 51, down 13.6%; and human factors in 109, down 28.3%.

Fatalities at highway/rail crossings were down 18.6% to 31, and trespasser fatalities declined 1.8% to 54.

There were seven employee fatalities in January-February 2009, four more than in the 2008 period. Employee injuries declined 21.1% to 643.

## **N.Y. Times Backs Off Closure of Boston Globe**

By Howard Kurtz  
Washington Post Staff Writer  
Tuesday, May 5, 2009

The Boston Globe dodged a corporate bullet yesterday as the New York Times Co., after all-night bargaining with union leaders, backed off a threat to notify federal authorities that it plans to close the paper within 60 days.

The company has reached agreement with six of the Globe's seven unions over its demands for \$20 million in concessions, but not with the Boston Newspaper Guild, which has accused Times executives of "bullying" tactics. A guild spokesman said negotiations would resume soon.

"It's posturing by both sides," said State House bureau chief Frank Phillips. "The New York Times doesn't want to embarrass itself by shutting down one of the great institutions, not only of Boston but of America, really."

The Times Co. ratcheted up the pressure minutes before a midnight deadline Sunday by announcing that it would file the required shutdown notice under the Worker Adjustment and Retraining Notification law.

The hardball approach has sparked considerable resentment in Boston toward the New York owners, who bought New England's largest newspaper in 1993, and roiled a newsroom that has won 20 Pulitzer Prizes.

"It's just been terrible," said columnist Alex Beam. "I think people feel this isn't going to end well for us as a group in the next six, nine, 12 months. There's a feeling that everyone's expendable."

Globe Editor Martin Baron, who declined to comment yesterday, told Emily Rooney of WGBH-TV that "you don't want to confront the possibility that your own newspaper will get shut down." That "disturbing" specter, he said, has caused "an enormous amount of anxiety and tension."

The Globe, which is on track to lose \$85 million this year, has repeatedly trimmed its staff and closed its foreign bureaus. Advertising revenue at the paper and its Web site declined more than 30 percent in the first quarter of the year. But Dan Kennedy, who teaches journalism at Northeastern University, said its estimated \$300 million in annual revenue should enable a slimmed-down paper to survive.

Kennedy faulted Times Co. Chairman Arthur Sulzberger Jr. for a strategy based on little public communication. "Arthur Sulzberger has yet to talk to Boston, and we feel like he owes us an explanation -- it's our newspaper," he said.

Rooney, who hosts the program "Beat the Press," said: "The Times has really handled this about as badly as you could. . . . The Boston Globe is the newspaper of record here. It would be like The Washington Post disappearing.

That's what the Globe is to this community. They still break news. They're the only ones who really have the resources."

Guild spokesman Andy Paven said the union had offered \$10 million in requested savings through a 3.5 percent pay cut, unpaid furlough and reduction in retirement benefits. The sticking point remains lifetime job guarantees for 170 of the guild's 660 journalists, advertising and business office employees, previously negotiated in return for other concessions.

**The Teamsters union, representing 245 mailers, said it reached a tentative agreement early yesterday for \$5 million in concessions and changes in lifetime job guarantees. Another union, representing 210 drivers, said it reached a tentative deal on \$2.5 million in concessions. Such agreements must be approved by the rank and file.**

"We expect to achieve both the workplace flexibility and the financial savings that we sought from these unions," the Globe quoted management spokesman Robert Powers as saying.

Matt Storin, who edited the Globe from 1993 to 2001, said the foreign, national and science reporting that the paper once tailored to a Boston audience is now ubiquitous online. "Now the Globe goes from this full-service model to having to be almost a niche publication, the niche being local, where it can still play a critical watchdog role," he said. "I'm not a cockeyed optimist, but I do have some hope."

Storin, who teaches journalism at the University of Notre Dame, said he found Sulzberger generally supportive. But, he said, "The cultural differences -- the fact that, inevitably, we were going to be the stepchild -- you can't totally discount that."

Phillips, who has been a Globe reporter for 22 years, said there is "a little bitterness" among staffers who passed up an early retirement offer last month without being warned of the Times' shutdown threat that quickly followed. "I think we're going to make it this time," he said. "It's the long-term future that scares everyone."

Alex Jones, director of Harvard's Shorenstein media center, said the proposed shutdown was "calculated to get the deal made" and could prove useful to union leaders who have to sell their members a painful package by demonstrating "that they're up against a wall."

The Times Co., which bought the Globe for \$1.1 billion -- the highest price ever paid for an American newspaper -- has had its own financial difficulties. The company reported a first-quarter loss of \$74.5 million, laid off 100 Times newsroom staffers and imposed a 5 percent pay cut on those who remain. The Times has also mortgaged its new Manhattan headquarters and borrowed \$250 million from Mexican mogul Carlos Slim Helú at an extraordinary 14 percent interest rate.

The Globe, which caters to Boston's passion for politics as well as the Red Sox, Patriots and Celtics, has a weekday circulation of 303,000 -- a 14 percent drop in the latest six-month period. Its scrappy tabloid rival, the Boston Herald, has long been struggling, and its circulation declined 17 percent, to 151,000.

The Globe's plight drew little sympathy from Herald columnist Howie Carr, who wrote that the Globe would linger on life support like "a Terri Schiavo of journalism. . . . The bean counters are going to swagger into 135 Morrissey Blvd. and take a chainsaw to that petrified forest of deadwood."

Sen. John Kerry (D) and every other member of the Massachusetts delegation but one wrote to Sulzberger last week, urging him to "treat the Globe fairly" and requesting a meeting. The holdout, Rep. Stephen Lynch (D), said such a letter, from politicians covered by the Globe, was a conflict of interest.

At the White House yesterday, press secretary Robert Gibbs said that "there's a certain concern and a certain



sadness when you see cities losing their newspapers or regions of the country losing their newspapers," but added, "I don't know what, in all honesty, government can do about it."

Several media analysts expressed disappointment that the Times has devoted scant attention to the Globe's fight for survival. Jones, a former Times media reporter, said "the Times doesn't cover its own labor negotiations very readily. I regret that. That's a bad decision."

Times spokeswoman Catherine Mathis responded by e-mail that the paper has covered the Globe situation "as news developments warrant," including a 393-word report yesterday and a 1,200-word feature last month.

"We have told our readers no less and no more about the situation at the Globe than we have about the San Francisco Chronicle, the Chicago Tribune, the Los Angeles Times, or The Washington Post, or ourselves," Mathis said. "We have done Page 1 stories on newspaper companies when there was a major development such as bankruptcy."

**May 4, 2009**

**OP-ED COLUMNIST**

## **Falling Wage Syndrome**

By [PAUL KRUGMAN](#)

Wages are falling all across America.

Some of the wage cuts, like the givebacks by Chrysler workers, are the price of federal aid. Others, like the tentative agreement on a salary cut here at The Times, are the result of discussions between employers and their union employees. Still others reflect the brute fact of a weak labor market: workers don't dare protest when their wages are cut, because they don't think they can find other jobs.

Whatever the specifics, however, falling wages are a symptom of a sick economy. And they're a symptom that can make the economy even sicker.

First things first: anecdotes about falling wages are proliferating, but how broad is the phenomenon? The answer is, very.

It's true that many workers are still getting pay increases. But there are enough pay cuts out there that, according to the Bureau of Labor Statistics, the average cost of employing workers in the private sector rose only two-tenths of a percent in the first quarter of this year — the lowest increase on record. Since the job market is still getting worse, it wouldn't be at all surprising if overall wages started falling later this year.

But why is that a bad thing? After all, many workers are accepting pay cuts in order to save

jobs. What's wrong with that?

The answer lies in one of those paradoxes that plague our economy right now. We're suffering from the paradox of thrift: saving is a virtue, but when everyone tries to sharply increase saving at the same time, the effect is a depressed economy. We're suffering from the paradox of deleveraging: reducing debt and cleaning up balance sheets is good, but when everyone tries to sell off assets and pay down debt at the same time, the result is a financial crisis.

And soon we may be facing the paradox of wages: workers at any one company can help save their jobs by accepting lower wages, but when employers across the economy cut wages at the same time, the result is higher unemployment.

Here's how the paradox works. Suppose that workers at the XYZ Corporation accept a pay cut. That lets XYZ management cut prices, making its products more competitive. Sales rise, and more workers can keep their jobs. So you might think that wage cuts raise employment — which they do at the level of the individual employer.

But if everyone takes a pay cut, nobody gains a competitive advantage. So there's no benefit to the economy from lower wages. Meanwhile, the fall in wages can worsen the economy's problems on other fronts.

In particular, falling wages, and hence falling incomes, worsen the problem of excessive debt: your monthly mortgage payments don't go down with your paycheck. America came into this crisis with household debt as a percentage of income at its highest level since the 1930s.

Families are trying to work that debt down by saving more than they have in a decade — but as wages fall, they're chasing a moving target. And the rising burden of debt will put downward pressure on consumer spending, keeping the economy depressed.

Things get even worse if businesses and consumers expect wages to fall further in the future.

John Maynard Keynes put it clearly, more than 70 years ago: "The effect of an expectation that wages are going to sag by, say, 2 percent in the coming year will be roughly equivalent to the effect of a rise of 2 percent in the amount of interest payable for the same period." And a rise in the effective interest rate is the last thing this economy needs.

Concern about falling wages isn't just theory. Japan — where private-sector wages fell an average of more than 1 percent a year from 1997 to 2003 — is an object lesson in how wage deflation can contribute to economic stagnation.

So what should we conclude from the growing evidence of sagging wages in America? Mainly that stabilizing the economy isn't enough: we need a real recovery.

There has been a lot of talk lately about green shoots and all that, and there are indeed indications that the economic plunge that began last fall may be leveling off. The National Bureau of Economic Research might even declare the recession over later this year.

But the unemployment rate is almost certainly still rising. And all signs point to a terrible job market for many months if not years to come — which is a recipe for continuing wage cuts, which will in turn keep the economy weak.

To break that vicious circle, we basically need more: more stimulus, more decisive action on the banks, more job creation.

Credit where credit is due: President Obama and his economic advisers seem to have steered the economy away from the abyss. But the risk that America will turn into Japan — that we'll face years of deflation and stagnation — seems, if anything, to be rising.

5/4/2009    Legislation

### **Sen. Durbin to champion capital funding bill for nation's seven largest transit systems**

Last week, Sen. Dick Durbin (D-Ill.) announced he's drafting legislation to be considered in the next surface transportation bill that aims to help the country's largest transit agencies bring their systems to a state of good repair.

The announcement followed results from a survey released last week by the Federal Transit Administration (FTA) that showed one-third of the facilities, stations and vehicles used in the seven largest transit-rail systems — located in Chicago, Boston, New York City, New Jersey, San Francisco, Philadelphia and Washington, D.C. — are "less than adequate."

The federal government is under-funding the rail systems by \$5.9 billion annually, Durbin said in a statement, adding that the Chicago Transit Authority and Metra alone have nearly \$6 billion in state-of-good repair needs.

During the past 15 years, the seven largest transit systems went from receiving 90 percent of federal rail modernization funds to 70 percent. To correct the disparity and help address the \$50 billion needed to bring the agencies' systems back to a state of good repair, FTA recommended creating a new temporary funding program to eliminate the existing backlog of projects, and reconfiguring the existing rail modernization formula to more evenly match funding allocations and capital reinvestment needs.

## **UNIONS WINNING MORE ELECTIONS**

By SAM HANANEL – May 5, 2009

WASHINGTON (AP) — New data showing labor unions won nearly two-thirds of private ballot organizing elections last year is prompting some business groups to question the need for Congress to pass a bill that would make it even easier to form unions.

Union officials say the latest figures from the National Labor Relations Board are misleading because anti-union intimidation prevents many elections from happening at all.

Unions won 63 percent of representation elections conducted by the NLRB in fiscal 2008, a 4 percent increase from the previous year and the highest level since the mid-1950s, according to figures released last week.

"This new data clearly demonstrates that the current system, if anything, is working to the unions' advantage," said Daniel Yager, chief policy officer of the HR Policy Association, a group of 250 Fortune 500 companies.

Labor leaders are urging Congress to pass a bill that would take away an employer's right to demand a secret ballot election when workers want to organize a union. The Employee Free Choice Act — also known as card check — would instead permit a union to be certified if a majority of workers at a plant sign union authorization cards.

Republicans are expected to filibuster the bill if it comes to a vote later this year, and Democrats are working on a compromise version that could garner at least 60 votes in the Senate.

Business groups argue there is no need to effectively eliminate secret ballot elections if unions are winning most NLRB elections.

AFL-CIO spokeswoman Alison Omens claims the numbers don't tell the full story. Under current law, an election is held within 30-60 days if 30 percent of workers sign union authorization cards. Omens said many of those elections never happen because employers threaten workers not to support the union.

"By the time you get to an election, corporations have so poisoned the well that the petition for a union is withdrawn in many cases," Omens said.

Another problem for unions, Omens said, is that even if they win an election, between one-third and one-half of unions never get a first contract. Businesses can use legal delaying tactics that put off a contract for years and often turn the union back altogether, she said.

A key provision of the card check bill would require binding arbitration if unions and management cannot agree on a first contract.

## **Employment down 5.18% in March; train crews hit hard**

May 7, 2009

Among all railroad employees, the crews that operate trains have taken the hardest hit since traffic began to plummet. Statistics released Wednesday by the Surface Transportation Board showed a 12.01% decline in transportation (train and engine) employment in March, to 59,901, compared with March 2008. Total employment was down 5.18% to 154,960 in March 2009.

Maintenance of way and structures employment rose 0.35% in March to 34,675.

Transportation (other than train and engine) was up 7.07% to 7,106. All other categories declined: executives, officials, and staff assistants, 10,013, down 0.81%; professional and administrative, 13,520, down 1.32%; and maintenance of equipment and stores, 29,745, down 1.95%.

**UP plans \$27 million for PRB track improvements** May 8, 2009

Trains will operate more efficiently as a result of more than \$27 million in track improvements made by Union Pacific Railroad to its line between Henry, Neb., and 25 miles east of Lusk, Wyo.

When the project is complete, crews will have removed and installed more than 76,000 concrete ties and 29 miles of rail, spread 98,000 tons of ballast and replaced four switches. The project begins May 7 and is scheduled to be completed by the end of June.

Crews will complete this track improvement project using Union Pacific's modern track renewal train, the TRT 909. The TRT 909 will install rail and concrete ties in one pass, and can install up to 5,000 ties in a twelve-hour day. About 30 cars - each carrying 210 concrete ties - are part of the TRT. Three sets of gantry cranes move the concrete ties forward for the TRT to drop into place and the machine then threads the new rail onto the ties. The old wooden ties are picked up and the discarded rail threaded out as the machine works its way down the track. A conveyor moves the removed ties into position for the gantry cranes to load them onto the cars for movement to a facility for sorting. The TRT 909 can install concrete, composite and wooden ties.

During 2009, Union Pacific plans to invest \$1.7 billion in strengthening the track infrastructure across its more than 32,000-mile system.

Breaking News Alert  
The New York Times  
Friday, May 8, 2009 -- 8:33 AM ET  
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**U.S. Economy Shed 539,000 Jobs in April**

The United States economy lost 539,000 jobs in April, the government reported on Friday, a sign that the relentless pace of job losses was starting to level off slightly.

The Bureau of Labor Statistics reported that the unemployment rate surged to 8.9 percent in April, its highest point in a generation. But some economists saw glimpses of a bottom in the latest grim accounting of job losses. The economy, while still bleeding hundreds of thousands of jobs, is starting to lose them at a slower pace, offering the latest hint that the recession is bottoming out.

