Brotherhood of Maintenance of Way Employes Division
of the International Brotherhood of Teamsters

NEWS CLIPS

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5/22/2009 Employment

U.S. Class I workforce shrinks some more in April

The U.S. Class I workforce got a tad smaller in April. As of April 15, the workforce stood at 154,263, representing a 0.5 percent decrease from mid-March's level and 6.3 percent drop from April 2008's count, according to the Surface Transportation Board's most recent employment data.

Transportation (train and engine) ranks declined 1.8 percent from mid-March's level to 58,806. The workforce segment also shrank a whopping 14.2 percent from April 2008's count.

The transportation (other than T&E) workforce as of mid-April totaled 6,992, down 1.6 percent compared with mid-March's level, but up 5.6 percent vs. April 2008's total. Maintenance of way and structures ranks totaling 35,377 posted the only month-over-month and year-over-year gains at 2 percent and 0.2 percent, respectively.

For more breakdowns of the STB's employment data, follow this link to download a pdf file of April figures.

FAA, mediation board chiefs confirmed

2 new senior transportation officials former airline union heads

By Julie Johnsson

Tribune reporter

12:55 PM CDT, May 22, 2009

President Barack Obama finally has clearance to add two senior transportation officials to his administration, both of whom formerly headed airline unions.

The U.S. Senate Thursday confirmed former pilots union chief J. Randolph Babbitt as head of the Federal Aviation Administration, filling a post that has been empty for more than two years.

Senators also confirmed Linda Puchala, a former leader of the largest flight attendants union, as a member of the National Mediation Board, an obscure post with significant influence over the airline industry.

Airline unions, vocal supporters of Obama during his candidacy, had been counting on the president to tilt labor policy in their favor as they hammer out new contracts with five of the six largest carriers.

Puchala, who has spent the last decade as a senior mediator at the board, has garnered praise for her conflict-resolution skills from airline executives and union leaders.

She could prove influential as talks heat up at United and American Airlines, which are negotiating with all of their major unions. Under the Railway Labor Act, which governs the airline industry, workers are prohibited from striking until talks run through a process that can take years.

The three-member NMB plays a critical role as a referee when airline contract talks turn ugly. Under federal law, there is no timetable for the two sides to reach agreement on a contract until the board declares them to be at an impasse.

This triggers a 30-day "cooling off" period before workers can walk off the job, which is when strike plans heat up. The president can intervene after this point to avert a strike or to urge the two sides to settle.

Many in labor felt that during the Bush Administration the board was reluctant to declare an impasse because doing so would have given unions greater clout in forcing management to reach new terms.

MAY 22, 2009

House Clears Bill Easing Unionization of FedEx

By ALEX ROTH

The U.S. House of Representatives approved a bill that would make it easier to unionize FedEx Corp. workers, prompting the company to renew its threat to hold off buying billions of dollars of new planes if the bill becomes law.

Supporters of the bill, including the Teamsters and FedEx's biggest rival, United Parcel Service Inc., applauded Thursday's vote. But the measure faces a difficult climb in the Senate. A similar bill passed the House in 2007 but died in the Senate.

The vote represents the latest chapter in a battle over whether some 100,000 FedEx Express drivers and other employees should remain governed by the federal Railway Labor Act, written decades ago to limit strikes at railroads and airline companies. The Railway Labor Act requires companywide employee votes on labor representation.

The House bill would remove the drivers from the jurisdiction of the Railway Labor Act and place them under the jurisdiction of the National Labor Relations Act, which allows unions to organize companies on a location-by-location bases.

Unlike FedEx Express, UPS, which is unionized, is governed by the National Labor Relations Act. The reason is a quirk of history; FedEx was initially formed as an airline and UPS was initially formed as a trucking company. Today, both companies operate their own airlines and fleet of trucks.

UPS argues that the current law places it at a competitive disadvantage. FedEx spokesman Maury Lane on Thursday called the bill a "legislative bailout" for "profit-laden UPS."

The House passed the bill 277 to 136, with all but four of 244 Democrats in favor and 132 of 169 Republicans opposed.

Obama delays Panama trade plan after unions object

BLOOMBERG NEWS SERVICE

U.S. officials said they will delay seeking congressional approval for a pending free-trade deal with Panama until President Barack Obama offers a new “framework” for trade.

The administration, which in March said it would move quickly to pass the trade agreement with Panama, wants to outline how trade fits with other priorities such as assistance for unemployed workers and health care, Assistant U.S. Trade Representative Everett Eissenstat said today.

“It’s clear that trade agreements in the last few years have been much too divisive,” Eissenstat told the Senate Finance Committee. “We want to make sure that Panama doesn’t contribute to that divisiveness.”

Panama is the first of the three pending free-trade agreements the Obama administration has said it wants Congress to consider. Trade between the U.S. and Panama was $5.5 billion in 2008, and the U.S. is Panama’s largest trading partner. A delay for Panama may also postpone accords with Colombia and South Korea.

Eissenstat’s comments follow remarks by John Sweeney, the head of the AFL-CIO labor federation, that unions would oppose a rush to ratify the deal. The Panama accord was signed in 2007 and was viewed as the least controversial of three trade agreements reached by President George W. Bush and pending congressional approval.

Senate Finance Committee Chairman Max Baucus said that while President Martin Torrijos has agreed to change labor laws and regulations and consider sharing tax information, his administration leaves office July 1.

Baucus said it's not clear those pledges will hold up with the next administration.

"I'm concerned that we are going to lose this agreement if we delay," Baucus told reporters after the hearing. "The Panamanians may back out."

Department of Labor Seeking More Funding For Workplace Safety Enforcement

The first Department of Labor budget of the Obama administration places an emphasis on workplace safety enforcement and other worker protections.

In a detailed proposal announced May 7, the agency asks Congress for $1.7 billion in funding for programs designed to ensure that employees are kept safe on the job and are paid all the wages and benefits they are due. The request represents a 10 percent increase over the previous fiscal year.

The Occupational Safety and Health Administration would receive a $51 million increase in funding and hire 160 new officers. The Wage and Hour Division would get a $35 million budget increase and add 200 investigators.

In a Web video accompanying the release of the budget, Labor Secretary Hilda Solis said that cracking down on workplace violations "is a very important part of my vision."

Overall, 670 people will be added to the enforcement staff, which Solis said will bring it to a level it has not reached since 2001.

"This is an unprecedented achievement and carries out the president's commitment to workers for their safety, health and protection on the job," Solis said.

Congress, which is dominated by Democrats, is likely to approve the budget largely along the lines of the Obama request.

Democrats on Capitol Hill also are enthusiastic about strengthening OSHA.

Rep. Lynn Woolsey, D-California and chair of the workforce protections subcommittee of the House Education and Labor Committee, introduced a bill in April that would allow workers and families to be more involved in OSHA investigations.

The Protecting America's Workers Act would extend OSHA coverage to more workers, increase civil penalties for safety violations and index them to inflation.

In addition, the measure would allow felony prosecution of employers and their corporate officers who commit willful violations that result in worker death or serious injury.

House Republicans said they favor improving workplace safety but that increasing penalties was the wrong answer because current regulations are complex and confusing.

In emotional testimony before the House workforce protections subcommittee, Rebecca Foster testified that an Arkansas sawmill was fined $2,250 after it failed to put the proper safeguards on equipment that caught her stepson Jeremy's shirt and strangled him to death.

"Did they place a value of our only son's life at this amount [$2,250]?" she said. "It was as if OSHA had patted Deltic Timber on the back and said, 'Good job, guys. You only killed one person.' "

An AFL-CIO study indicates that the average penalty for a serious OSHA infraction is less than $1,000; for a violation involving a worker's death, it's $11,300. In 2007, 5,657 workers died and more than 4 million were injured on the job.

The ranking Republican on the House labor committee, Rep. Howard "Buck" McKeon of California, cited positive statistics. OSHA figures show that since 2001, deaths have declined 14 percent and injuries and illness rates have fallen 21 percent.

"The mentality should be to fix things, make things better rather than trying to punish," McKeon said.

5/26/2009 Crosstie Market

RTA report: Tie purchases rise, production falls in April

In April, crosstie purchases climbed 13 percent to 2.4 million units while production declined 4 percent to 2.3 million units compared with March levels, according to the Railway Tie Association's (RTA) monthly tie market report.

During 2009's first four months, tie production soared 42 percent to 9 million units and purchases increased 12 percent to 8.2 million units compared with totals from the same 2008 period.

Meanwhile, 12-month rolling data shows tie production rose 13 percent to 22.9 million units while purchases increased 4.4 percent to 21.8 million units, RTA said. Inventories swelled by 7 percent to 16.9 million units.

"The inventory-to-sales ratio had increased for the prior nine months until this month's drop [to 0.78]," said RTA officials in the report, adding that the ratio remains in line with the five-year average.

5/27/2009 The Freight Transportation Sector

The short term's 'bleaker' but the medium to longer term's better than investors might think, Stifel Nicolaus analysts say

The short term for freight transportation fundamentals is "bleaker" than many investors believe, and the medium- to long-term outlook may be more robust than investors expect.

That's the conclusion that Stifel Nicolaus Co. Inc. analysts John Larkin and David Ross drew after attending an Americas Commercial Transportation Research Co. L.L.C. seminar held May 20 and 21 in Indianapolis.

Freight transportation fundamentals face several headwinds in the short term, the pair wrote in a research note issued on Tuesday, including excess capacity; lenient lenders, lessors and finance arms of equipment manufacturers; "intensive" pricing competition; and slightly rising fuel prices.

"Over the medium to long term, we believe supply and demand may tighten dramatically, even if we do not recover all of the freight lost since the freight decline began in mid-2006," the analysts wrote. Factors affecting supply include tighter federal regulations for truck safety and security, more highway congestion and "deteriorating" driver demographics.

Given that view, the pair said the companies they like "are those that are insulated from intensive pricing competitions and/or serve key core carrier roles with customers that have already sufficiently de-stocked inventories, or those that tend to serve the non-cyclical end-user demand markets." The companies that fit that bill, and which also have attractive stock valuations, include Kirby Corp., CSX Corp., and Norfolk Southern Corp., they wrote.

— *By Desiree J. Hanford. A Chicago-based free-lance writer, Hanford covered the equities market, including transportation, for Dow Jones & Co. for 10 years.*

5/28/2009 MOW

UP to upgrade lines in Kansas, Colorado

Union Pacific Railroad will spend $9 million to upgrade lines in Kansas and Colorado.

The Class I is budgeting $5 million to improve track on a Herington-to-Canton, Kan., line. To be completed by June's end, the project calls for installing more than 33,000 ties, spreading 20,500 tons of ballast, upgrading nearly a mile of rail in various curves and renewing road surfaces at 29 grade crossings. Last year, UP spent more than $94 million on capital projects in Kansas.

The railroad also is budgeting about $4 million to improve track on a Colorado Springs-to-Pueblo, Colo., line.

Also to be completed by June's end, the project calls for installing 31,000 ties, spreading 12,000 tons of ballast and renewing road surfaces at 17 crossings. Last year, UP spent more than $42 million on capital projects in Colorado.

Kennedy's Health-Care Measure To Require Employers to Chip In

By Ceci Connolly
Washington Post Staff Writer
Friday, May 29, 2009

Sen. Edward M. Kennedy (D-Mass.) is circulating the outlines of sweeping health-care legislation that would require every American to have insurance and would mandate that employers contribute to workers' coverage.

The plan in the summary document, provided by two Democrats who do not work for Kennedy, closely resembles extensive changes enacted in the senator's home state three years ago.

In many respects it adopts the most liberal approaches to health reform being discussed in Washington. Kennedy, for example, embraces a proposal to create a government-sponsored insurance program to compete directly with existing private insurance plans, according to one senior adviser who was not authorized to talk to reporters.

The draft summary also calls for opening Medicaid to those whose incomes are 500 percent of the federal poverty level, or $110,250 a year for a family of four.

President Obama, meanwhile, is urging his most loyal supporters to reactivate the grass-roots machine that helped elect him and direct it toward health-care reform.

"If we don't get it done this year, we're not going to get it done," he said yesterday in a call to members of Organizing for America, the political group formed to advance his agenda. "And to do that we're going to need all of you to mobilize."

A top administration official said the White House expects Kennedy to unveil his bill Monday. A timetable released by Kennedy's office calls for Democrats on the Senate health committee to meet Tuesday, with a bipartisan session scheduled for Friday. Committee markups could begin June 16.

If the ailing lawmaker keeps to that ambitious schedule, it would put him ahead of several other Democratic leaders crafting health bills.

Kennedy spokesman Anthony Coley declined to discuss the summary document, saying, "We are still actively negotiating with members" of the committee, which Kennedy chairs. "There is no final policy."

The way to save card check

A new version of the bill should work to eliminate union and company pressure.

By Michael J. Goldberg

After last fall's election, unions had high hopes for labor-law reform. But even with the eventual addition of Minnesota's Al Franken to the Democratic ranks in the Senate, there won't be a filibuster-proof majority in support of the Employee Free Choice Act.

Already, a half-dozen or so Democratic senators, including Delaware's Tom Carper and the newly converted Arlen Specter of Pennsylvania, have indicated they won't support the current bill. So if reform is to become a reality, there will have to be compromises on both sides.

The legislation's most controversial provision, known as "card check," would make it easier for unions to obtain official recognition without a secret-ballot vote. Under card check, workers would voice their preferences by signing, or declining to sign, union authorization cards. If a majority of eligible employees sign, the union would be in.

Opponents have successfully attacked the bill as eliminating the secret ballot and opening the door to bullying by union officials soliciting signatures. The scare tactics used in some anti-union ads are undoubtedly over the top and often based on unfair, outdated stereotypes. One such ad cast the actor who played Tony Soprano's mobster nemesis as a union boss.

But if supporters of card check hope to make it acceptable to moderates like Carper and Specter, then "Version 2.0" must assure that card-check results legitimately reflect the views of a majority of relevant employees.

For example, the bill could require the National Labor Relations Board to mandate secret ballots whenever there's evidence of unlawful union pressure. It could also require a "supermajority" of 60 percent or 67 percent for certification by card check, and reiterate that a secret ballot would be available when requested by at least a third of workers.

Although the legislation's opponents exaggerate the threat of union intimidation, the bill's supporters should not pretend unions are without their flaws. Version 2.0 should reassure those worried about union abuses by strengthening internal union democracy.

For example, the bill could guarantee union members the right to ratify contracts, protect against improper takeovers of local unions by their parent organizations, and mandate that officers of intermediate union bodies be chosen by direct elections, which are currently required only at the local level.

Card-check proposals are a response to serious problems with the way the National Labor Relations Board conducts secret-ballot elections. It's not secret-ballot elections that trouble supporters of the Employee Free Choice Act; it's the threats and intimidation that too many employers engage in during the weeks or months that lapse between the scheduling of an election and the actual balloting.

With or without card check, the next version of the legislation should require something more like Canada's "instant" union elections, which are held five to 10 days after they are scheduled. With that approach, which has been endorsed by former NLRB chairman William Gould, legal disputes related to elections get sorted out afterward, rather than dragging on for months before elections are held.

Even when employers refrain from threatening or firing union supporters in violation of the law (which studies indicate they do in 25 percent of organizing drives), the playing field in the months before the voting tilts dramatically in the employers' favor under current law. Employers have unfettered access to the voters - their workforce - for 40 or more hours a week until an election takes place. They can hold countless "captive audience" meetings and one-on-one "counseling" sessions, subjecting their employees to an anti-union barrage instead of a two-sided debate.

Union organizers, in contrast, are not even allowed to circulate literature in a company parking lot, and they have no access to employees' contact information until late in the process.

Version 2.0 should therefore incorporate some of the ideas Rep. Joseph Sestak has proposed. Sestak (D., Pa.) would mandate equal time and equal access for union representatives when employers saturate their workplaces with anti-union propaganda.

If the opponents of card check are sincere in their dedication to equitable union elections, they should recognize that when only one side has any meaningful opportunity to campaign, even a secret ballot is not necessarily a fair one.