

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



**NEWS CLIPS**

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7/13/2009 Traffic

## **AAR weekly report: North American railroads continue to register traffic declines into July**

One thing's different about the [Association American Railroads'](#) traffic report for the week ending July 4: CN's carload data now incorporates the Elgin, Joliet & Eastern Railway. And one thing's the same: North American railroads continue to register traffic declines.

For the week, U.S railroads originated 241,240 carloads, down 15.6 percent, and 169,290 containers and trailers, down 12.8 percent compared with data from the same week last year.

Canadian railroads reported 56,888 carloads, down 20.5 percent, and 36,280 intermodal loads, down 18.7 percent, while Mexican railroads reported 11,347 carloads, down 40.2 percent, and 4,611 intermodal loads, down 42 percent.

7/14/2009 2Q Financials

## **CSX: Revenue and earnings on downside, but expenses and OR show upside**

Today, [CSX Corp.](#) held a Webcast/teleconference to review second-quarter financial results, which mirrored those of the first quarter. Earnings and revenue fell sharply because of a double-digit traffic decline — which is affecting all freight railroads — while expenses dropped and the operating ratio improved due to lower fuel prices, increased productivity and the Class I's ongoing cost-cutting efforts.

Earnings per share from continuing operations of 72 cents declined 24 percent as traffic volume fell 21 percent compared with second-quarter 2008 figures. Coal, intermodal, merchandise and automotive carloads decreased 21 percent, 14 percent, 22 percent and 41 percent, respectively.

Revenue tumbled 25 percent year over year to \$2.19 billion. Coal revenue fell 20 percent to \$662 million, intermodal revenue dropped 24 percent to \$291 million, merchandise revenue tumbled 26 percent to \$1.1 billion and automotive revenue plunged 45 percent to \$113 million. Analysts had projected revenue of \$2.27 billion and earnings of 62 cents per share, according to Thomson Reuters.

"We saw what our customers saw: more tough times," said CSX Chairman, President and Chief Executive Officer Michael Ward during the teleconference. "While the

economy continues to significantly impact our business, there are some signs that we may be seeing the bottom in many markets.”

The Class I continued to show positive signs in the quarter of reducing operating expenses and lowering the operating ratio. Expenses of \$1.6 billion fell 27 percent compared with second-quarter 2008's total primarily because fuel costs plummeted 66 percent to \$185 million, materials, supplies and other costs dropped 28 percent to \$368 million, and labor/fringe costs fell 11 percent to \$654 million as the railroad's headcount totaled 29,878 at quarter's end vs. 33,082 a year earlier. CSX's operating ratio improved 1.9 points to 73.4.

"Even in this difficult business environment, we are still strengthening our operations, optimizing our resources and making the right investments to prepare our network for the future," said Ward.

## **CSX 2Q beats Street despite 20% earnings drop**

July 15, 2009

CSX's second-quarter earnings decline of 20% nonetheless beat Wall Street consensus estimates, as the company announced earnings of \$308 million, or 78 cents per share, compared with \$385 million, or 93 cents a share, in the second quarter of 2008. Revenue fell 25% to \$2.19 billion. Analysts said CSX has acted aggressively to control costs, but some see continued pressure on pricing. "While the economy continues to significantly impact our business, there are some signs that we may be seeing the bottom in many markets," CSX Chairman, President, and CEO Michael J. Ward said.

7/15/2009 Labor

## **UP/BMWED, CSXT/UTU reach labor agreements of a different sort**

[Union Pacific Railroad](#) and the [Brotherhood of Maintenance of Way Employes Division \(BMWED\)](#) recently launched a pilot safety program agreement that encourages BMWED-represented employees to report "close calls" and personal injuries without fear of discipline from supervisors. The agreement covers BMWED members in the union's Unified System Division, and Pacific and Mountain & Plains federations.

In addition to providing alternatives to discipline, the program will generate a more comprehensive analysis of incidents and injuries, UP and BMWED officials believe. The agreement requires a six-month implementation period and will take effect Dec. 1. If the

two-year program proves successful, the agreement might be extended to other UP properties, according to the union.

"We believe safety is best achieved by employees who are motivated to work safely themselves and who also share responsibility for their co-workers' safety," said UP Vice President of Engineering David Connell in a prepared statement. "Although rule compliance is the foundation of workplace safety, we believe this pilot program will take us beyond rule compliance to more of a team approach to identify and eliminate risk."

Meanwhile, [CSX Transportation](#) and the [United Transportation Union \(UTU\)](#) have reached a furlough retention board agreement that aims to lighten the adverse impact of furloughs.

Under the pact, furloughed CSXT employees placed on each furlough retention board will be guaranteed four days of work each bi-weekly pay period and retain health-care insurance. The pact is similar to a continuous-employment board agreement the UTU negotiated with UP.

The union is attempting to land similar agreements with other Class Is, including BNSF Railway Co. and Norfolk Southern Railway.

**JULY 15, 2009, 11:00 AM**

## **Senate Committee Approves Health Care Bill**

**By [David M. Herszenhorn](#)**

Voting on strict party lines, the Senate Health, Education, Labor and Pensions Committee [approved a bill on Wednesday](#) to revamp the nation's health care system, as Democrats said that the legislation held the promise of more universal health coverage and more effective and affordable medical care while Republicans argued that the measure was unaffordable and would lead not to better care but to the denial of it.

The committee vote was 13 to 10.

The acting committee chairman, Senator [Christopher J. Dodd](#), Democrat of Connecticut, had made clear from the start that his panel would bend little when it came to the top priorities of Senate Democrats and the Obama administration, including on a provision to create a government-run health insurance plan to compete with private insurers that Republicans insisted was a deal-breaker.

In the end however, Republicans held their ranks. In his closing statement, Senator [Michael B. Enzi](#) of

Wyoming said that Republicans had been forced to offer more than 100 amendments to the bill because Democrats had largely shut them out of the drafting process. And he said that the \$1 trillion, 10-year cost of the measure would simply drive the nation further into debt, while denying many Americans the choices for health care providers that they now enjoy.

Mr. Enzi, with a hint of sarcasm, noted that the bill's title was the "Affordable Health Choices Act."

"With its trillion-dollar price tag," Mr. Enzi said, "this bill is anything but affordable."

Committee Chairman [Edward M. Kennedy](#), Democrat of Massachusetts, thanked Mr. Dodd and other committee members in a quickly issued statement that commended the bill's passage and urged for bipartisanship going forward.

"It is a cause that can and should unite us all as Americans," he said in a statement issued from Hyannis Port, Mass., where he is battling brain cancer. "As we move from our committee room to the Senate floor, we must continue the search for solutions that unite us, so that the great promise of quality affordable health care for all can be fulfilled."

Both Republicans and Democrats acknowledged that the health committee bill was just part of what will eventually be a single Senate measure once the Finance Committee completes work on its version of the legislation.

The Finance Committee chairman, Senator [Max Baucus](#), Democrat of Montana, has been making the one real effort to develop a bipartisan bill, and though negotiations with Republicans seem to have stumbled in recent days, committee members say they remain optimistic of a deal.

After a meeting of Finance Committee Democrats on Wednesday morning, the senators emerged to say that, despite pressure from the White House, they would not be bound by deadlines, including the president's insistence that bills be completed before the summer break.

Senator [Charles E. Schumer](#) of New York, the No. 3 Democrat in the majority leadership, said the efforts to broker a bipartisan deal with Republicans remained on track and Democrats had no intention at this point of pushing health care legislation on their own.

At a news conference after the health committee vote, Mr. Enzi, who is also a member of the Finance Committee, said he remained "hopeful" of a deal in the Finance Committee but that he was worried about how the health and finance committee bills would be joined.

Senator Kent Conrad, Democrat of North Dakota, said that negotiators continued to discuss some of the most controversial issues including a compromise on the government-run insurance plan that would instead use nonprofit health cooperatives to provide the desired competition with for-profit insurers.

Mr. Conrad said negotiators had made some progress on the contentious question of how to pay for the bill, but had no choice but to continue a time-consuming "iterative" process, waiting for various proposals

to be evaluated by the Congressional Budget Office for cost estimates.

In addition to widespread Republican resistance to the government insurance plan, Democrats are also contending with apprehension within their own ranks. Centrist lawmakers including Ben Nelson of Nebraska, Mark Pryor and Blanche Lincoln of Arkansas, Mary Landrieu of Louisiana and Joseph I. Lieberman, the Connecticut Independent, have all expressed reservations about the idea.

To avoid the hard-nosed budgetary tactic known as reconciliation—in which Democrats could pass a health measure with a simple majority vote—the Democrats would need 60 Senate votes to advance the health care bill. To get that, they must either ensure unanimity in their own party or win over Republicans to make up any gap. And so far, even the most centrist Republicans, Olympia J. Snowe and Susan Collins of Maine, have shown no inclination to break with their Republican colleagues on the health care measure.

The health committee bill, like the [House version of the health care legislation](#) unveiled on Tuesday, requires Americans to obtain health insurance and would provide subsidies to the poor to help them to do so. And it similarly requires most employers to provide health coverage to their employees or to pay a fee to the government instead.

It would establish stringent federal rules for health insurance, now regulated mainly by the states. Insurers could not deny coverage to people because of their medical history or health status, nor could they charge higher premiums because of a person's claims experience or sex. Additionally, insurers could not establish lifetime or annual limits on the dollar value of benefits for any person. And they could not charge more than minimal co-payments for preventive services.

The bill, again like the one introduced by House Democrats, would establish a new government insurance plan, which would compete with private insurers. The secretary of health and human services would set premiums to cover costs of the new public plan, and she would pay for services at rates to be negotiated with doctors, hospitals and other health care providers.

People could compare insurance policies and buy coverage through new entities known as insurance exchanges, or gateways, in each state. The government would offer financial assistance, on a sliding scale, to people with incomes up to four times the poverty level (\$88,200 for a family of four) to help them afford the premiums.

## **Unions Help Make Family-Friendly Workplaces**

Posted By [Seth Michaels](#) On July 16, 2009 @ 11:25 am In [Economy](#), [Legislation & Politics](#) | [No Comments](#)

[1] When it comes to protecting workers' ability to care for their families, union membership is a big boost, a [2] [new study](#) confirms. It's yet another reason why in this tough economy we need to restore workers' freedom to form unions and bargain through the [1] [Employee Free Choice Act](#).

"[2] [Family-Friendly Workplaces: Do Unions Make a Difference?](#)" was written by Jenifer MacGillvary of the Labor Center at the University of California-Berkeley and Netsy Firestein of the Labor Project for Working Families. Examining issues of work-life balance, paid leave and health benefits, MacGillvary and Firestein conclude:

Many (perhaps most) American workers find their "work-life" to be out of balance. Yet as has been the case with virtually all other aspects of employment, labor unions are leading the way in setting new standards. Unionized workers receive more generous family-friendly benefits than their nonunionized counterparts.

Here are a few of the report's key findings:

- Unions promote compliance with the Family and Medical Leave Act. Union members are more likely to have heard of the Family and Medical Leave Act, have fewer worries about taking leave and are more likely to receive fully paid and partially paid leaves.
- Comparing hourly workers who take family and medical leave, 46 percent of unionized workers receive full pay while on leave compared to 29 percent of nonunionized workers.
- Unionized workers are 1.3 times as likely as nonunionized workers to be allowed to use their own sick time to care for a sick child, and they are 50 percent more likely than nonunionized workers to have paid personal leave that can be used to care for sick children.
- Companies with 30 percent or more unionized workers are five times as likely as companies with no unionized workers to pay the entire family health insurance premium. Even when unionized employees are required to pay part of their family insurance premium, they pay a much lower share of the premium than do nonunionized workers.

MacGillvary and Firestein also note union members are more likely to have access to resources like child care referrals, education assistance, vacation days and wellness programs.

## **Teamster Rail Conference leaders meet with DOT Secretary LaHood**

CLEVELAND, July 17 — Leaders of the BLET, BMWED and Teamsters met with Secretary of Transportation Ray LaHood on July 15 to discuss changes to the Hours of Service Law, high speed rail, and a host of additional issues.

The delegation included Teamsters Eastern Region Vice President John Murphy, BLET National President Edward Rodzicz and BMWED President Fred Simpson.

Also in attendance was: BLET First Vice President Paul Sorrow; BLET National Secretary-Treasurer William Walpert; BLET Vice President & National Legislative Representative John Tolman; BMWED Director of Government Affairs Leon Fenhaus; BMWED Director of Safety Richard Inclima; BLET Director of Research and Assistant to the President Thomas Pontolillo; and BMWED Counsel Donald Griffin.

During the meeting, President Rodzicz talked about the recent changes to the Hours of Service laws and the impact it would have on BLET members. He also discussed the lack of communication between some carriers and Rail Labor regarding the Hours of Service changes, and asked for the Secretary's assistance in working with the carriers and unions to achieve the best possible results for BLET members.

BMWED President Simpson discussed roadway worker protection with the Secretary, and the impact it has on his members.

Additionally, the labor leaders discussed high speed rail Secretary LaHood, noting that there have already

been 278 proposals for high speed grants made by various entities around the country, which is a sign of the overwhelming demand for high speed rail. The BLET/BMWED/IBT delegation made sure that Secretary LaHood understood the potential impact high speed rail will have on our membership, especially in light of the trends toward contracting out work from the rail labor crafts in commuter rail.

Funding for the Federal Railroad Administration and its on-going safety projects were also discussed, especially in light of the Rail Safety Improvement Act of 2008 and the additional responsibility given to the Administration.

“It was a great feeling to have a Secretary of Transportation who really understands the needs of our workers and the importance of railroads to this country,” BLET President Rodzwick said. “I think the commitment to fund high speed rail by this administration and its vow to protect railroad workers is a refreshing change from the past. I look forward to working with the Secretary and the Federal Railroad Administration in the future.”

## Carloadings up slightly from previous weeks

July 17, 2009

The Association of American Railroads Thursday reported that rail traffic remains down year over year for the week ended July 11, 2009. Carloadings were at their highest level in 14 weeks. U.S. railroads originated 262,210 cars, down 17.9% compared with the same week in 2008.

Intermodal volume of 176,887 trailers or containers was down 23.7% from the same week last year. Total for the week ending July 11 was estimated at 28 billion ton-miles, off 16.9% from last year.

Canadian railroads reported volume of 58,741 cars for the week, down 24.6% from last year, and 39,945 trailers or containers, down 21.4%.

Mexican railroads reported originated volume of 11,430 cars, down 12.5% from last year, and 4,725 trailers or containers, off 23.7%.