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

NEWS CLIPS

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7/27/2009 Labor Dispute

VIA Rail locomotive engineers end two-day strike

On Friday, 340 locomotive engineers represented by the Teamsters Canada Rail Conference (TCRC) walked off the job at VIA Rail Canada Inc. But the strike ended at mid-day on Sunday after the railroad and union agreed to final and binding arbitration.

A federally appointed arbitrator will propose a new collective agreement to both parties, perhaps as early as mid-August.

"We reached the conclusion that there was no possible agreement in the short term," said TCRC President Daniel Shewchuk in a prepared statement. "The strike may have lasted for weeks or months."

The TCRC members have worked without a contract since Dec. 31, 2006. The workers are seeking improved wages and benefits, schedules that provide two consecutive days off, and increased training. On July 21, the union issued a 72-hour strike notice to VIA Rail officials.

Non-monetary issues are the main sticking points, but wages are an outstanding issue, as well, TCRC officials said.

"After taking all the issues into consideration, we decided that the best course of action for everyone involved would be to address our issues by an arbitrator," said Shewchuk.

Following the two-day strike, VIA Rail announced it will offer customers a 60 percent discount on adult regular fares for all economy class and some business class seats for trips taken between July 26 and Dec. 14 because the strike inconvenienced riders over the weekend. Tickets must be purchased by July 29.

Tuesday, Jul. 28, 2009

Taxing Pricey Insurance: No Health Care Cure

By Kate Pickert

As congressional lawmakers scramble to find ways to pay for health-reform legislation that could cost upwards of $1 trillion over the next decade, there is probably no funding method more unpopular with the American public than taxing health benefits. Employers have been providing tax-free insurance to workers since World War II, when federally mandated wage freezes led to a bonanza in this form of nonsalary compensation.

About two-thirds of nonelderly Americans get health insurance through their employers, and despite the fact that the tax break is regressive — the more expensive your employer's health-insurance plan, the bigger the break you get — very few of them would look kindly on reforming the system. With that in mind, some lawmakers have proposed capping the amount of employer-sponsored health insurance that could be provided tax-free — leaving only workers with pricey, so-called Cadillac health plans worth north of $25,000 a year subject to new taxation. But even this isn't exactly guaranteed to have popular support.

Now, taxing insurance companies? That's a little easier to sell to voters, which helps explain why the powerful Senate Finance Committee has reportedly pivoted from taxing workers to embracing a plan to tax the insurers who offer the most expensive health-insurance plans. Doing so would generate some tax revenue — though far less than the $1 trillion–plus over 10 years that could be generated by eliminating the tax-benefit break entirely — and possibly help "bend the curve" (to borrow the wonky slogan du jour) of rising health-care costs. The theory is that high-end insurance that covers everything at little or no cost to consumers discourages those people from shopping around for less expensive care and encourages wasteful overuse of the health-care system.

The idea for an excise tax on insurers was put forth by Finance Committee member Senator John Kerry and modeled on a similar 1994 proposal from Senator Bill Bradley. President Obama has said as recently as July 22 that he's open to capping the tax benefit on health plans in some form. (Read "The Five Biggest Hurdles to Health-Care Reform.")

It may seem like a neat solution to a thorny political problem, but as with every aspect of health reform, it's not nearly that simple. For starters, most large companies (1,000 employees or more) are self-insured, with a private health-insurance company merely acting as the benefits administrator. In these cases, Kerry's proposal would levy the excise tax directly on employers, whose extra cost burden could be (and many say most certainly would be) passed onto employees in the form of higher contributions to premiums, higher deductibles and higher co-pays. "It is not a tax on insurers," says James Klein, president of the American Benefits Council, which advocates for employer-provided benefits. "It is a tax on employers and, therefore, workers."

Moreover, the term *Cadillac health plan* is a tad misleading. Aside from a small number of corporate executives — like the CEO of Goldman Sachs who reportedly enjoys a health plan costing $40,543 a year — many of the Americans with health-insurance plans substantially above the national average (which is about $13,000 for a family of four) are state employees and union members. It's true that the few Wall Street and other Fortune 500 executives have gold-plated plans that pay for any doctor or specialist, require no out-of-pocket expenses and tack on perks like nutrition counseling. But the vast majority of Cadillac plans are those that typically offer consumers relatively low co-pays for doctor visits and generic and name-brand prescription drugs and preset and relatively affordable out-of-pocket costs for expenses like hospitalizations. Leaner plans, on the other hand, often charge consumers a percentage of total costs, known as "co-insurance," and also have high up-front deductibles. "If people think these Cadillac plans are primarily covering wealthy executives, they are mistaken," says Tom Billet, a senior health-benefits consultant for Watson Wyatt, a corporate consulting firm. In reality, many more of the most expensive employer-based health-insurance plans cover people like the families of New Hampshire state employees who, according to the Boston *Globe*, have policies worth $20,400 per year. (The employee contribution is $60 per month.)

The Senate Finance Committee has not yet introduced draft legislation, so it's still unclear what level of Cadillac health benefits would be taxed under the Kerry proposal. But those familiar with the committee's discussions say the tax threshold could be based on either what federal-employee benefits cost or the average cost of insurance nationwide. Nearly 20% of Americans covered by employer-sponsored health insurance have policies costing more than 120% of the national average, according to the Kaiser Family Foundation.

Still, setting a national threshold may not make sense. Health-insurance costs, after all, vary widely depending on where you live. In regions where there is less competition among insurers or where health-care costs are relatively high (like much of the Northeast), insurance costs more. It's also more expensive to insure workers employed in high-risk fields like manufacturing.

Municipal unions, which in recent years have had more success winning premium health benefits than wage increases, are incensed at the notion that their members could get hit by a new health-insurance tax, even an indirect one. "In our judgment, we think it's inequitable to tax individuals because of who they work for, what they do or where they work," says Chuck Loveless, legislative director of the American Federation of State, County and Municipal Employees. Of the Kerry excise tax proposal, Loveless says, "We're looking at it very closely and we're trying to calculate the cost of excise tax on our plans, but I do know it's going to hit some union plans."

Despite whatever opposition new benefits-tax proposals might face, it's unlikely health-reform legislation will emerge without them. The Senate Finance Committee — one of five in Congress that oversee health care and the only one that has not yet unveiled at least draft legislation — must include in its draft a plan to pay for reform. The three Democrats (led by Finance chairman Max Baucus of Montana) and three Republicans (led by Chuck Grassley of Iowa) trying to hammer out a bipartisan agreement behind closed doors have made some progress on reaching a consensus. In addition to scrapping a requirement that employers provide workers with insurance, the senators are in favor of the excise tax and are reportedly targeting benefit packages that are worth more than $25,000 a year. As Len Nichols, director of the Health Policy Program at the nonpartisan New America Foundation, says, taxing employees "has been taken off the table in the Finance Committee, but it's still in the room because they haven't closed the [budget] gap yet."

U.K. Academics Join Long List of Voices for Employee Free Choice

Posted By Seth Michaels On July 28, 2009 @ 2:41 pm In Legislation & Politics

> Dozens of top scholars from the United Kingdom concur with academics in the United States and around the world: The [1] Employee Free Choice Act is the right thing for America's workers.

Some 74 professors and academics from institutions around the United Kingdom issued a [2] statement endorsing the Employee Free Choice Act as a protection of the basic freedom of workers to form a union and bargain.

In the [2] statement, these scholars explain that the Employee Free Choice Act is necessary not just for America's workers, but for a healthy, fair global economy:

The Employee Free Choice Act will restore the right of workers to join together and to act through their unions for better health care, job security and benefits. We firmly believe the Employee Free Choice Act is good for workers and good for American society.

It is also good for workers in other parts of the world. U.S.-based anti-union consultants have attempted to open up a market for their services in the U.K.—and we believe the passing of EFCA will help curtail this damaging activity.

The current crisis in the world's financial markets shows what happens when corporate greed is allowed to go unchecked. The Employee Free Choice Act will help level the playing field for America's workers by giving them a fair and direct path to form unions.

Here in the United States, strong scholarly support for Employee Free Choice includes hundreds of [3] leading economists—including Nobel Prize winners, as well as hundreds of [4] historians, [5] business professors and more than 1,000 [6] professors and experts across a wide variety of disciplines and institutions.

Norfolk Southern 2Q earnings beat Street expectations

July 29, 2009

Add Norfolk Southern to those Class I railroads exceeding Wall Street expectations in the second quarter. NS late Tuesday reported second-quarter net income of $247 million, or 66 cents per diluted share, compared with $453 million, or $1.18 per diluted share, for the second quarter of 2008. That exceeded by two cents per share Wall Street analyst EPS estimates of 64 cents.

NS said second-quarter operating revenue was $1.9 billion, down 33% from the comparable 2008 period, mostly due to a 26% reduction in traffic volume and also lower fuel-related revenue.

"Second-quarter results obviously reflect the impact of the recession," said Norfolk Southern CEO Wick Moorman. "However, the measures we are taking to control expenses while maintaining our industry-leading service levels have enabled us to post solid second-quarter results, while at the same time we continue to invest in projects that position us for the eventual economic recovery."

Railway operating expenses for the quarter were $1.4 billion, down 29% from the same period a year ago. Norfolk Southern's operating ratio was 74.8%, up from 71.1% during the second-quarter of 2008.

After NS released its figures, New York investment bank Dahlman Rose & Co., in a statement, noted that "when removing a $21 million favorable adjustment to Materials and Other operating expenses related to settlement of a multi-year state tax dispute, EPS from continuing operations came in at $0.63, in line with consensus" and not exceeding it. Dahlman Rose also said NS "continues to implement cost control measures as evident in the sharp declines in operating expenses and the reduction of employee count."

Morgan Stanley analysts commented that Norfok Southern's "core operations fell short of consensus estimates," but added, "That said, cost control was strong and NS performed remarkably well in the face of unprecedented weakness in some of its highest margin segments."

UP ordered to pay $100 million to utility customer

July 29, 2009

In a closely watched captive-shipper rate case, the Surface Transportation Board has granted an estimated $100 million in reparations and rate reductions over the next 10 years from the Union Pacific to Oklahoma Gas & Electric Co. (OG&E).

"UP has hauled roughly six million tons of coal per year from Wyoming's southern Powder River Basin to OG&E's Muskogee Station power plant in Fort Gibson, Okla. under contracts between the parties," said the STB in announcing its decision. "But after the latest contract expired on Dec. 31, 2008, UP and OG&E could not agree on a new contractual rate. So OG&E asked UP for common carrier rates, which the utility began paying in January 2009. OG&E then challenged the new rates in a complaint to the STB.

"Both OG&E and UP agreed that the Muskogee Station is captive to UP, meaning that there is no effective transportation alternative available to OG&E other than using UP. And both parties agreed that the January 2009 common carrier rates should not exceed 180% of the variable costs of providing that transportation. The central question put to the STB in this case centered on how to calculate the 185% revenue-to-variable cost ratio.

"The STB found that the amount of relief owed to OG&E for the first two quarters of 2009 ranged from $1.66 to $1.91 per ton in shipper-supplied rail cars, depending on the particular mine origin. The decision also ordered UP to set common carrier rates for the next 10 years at the 180% of variable-costs levels. Assuming historical volumes of 6 million tons a year, the relief to OG&E will likely exceed $10 million a year for the next 10 years."

Some unions not on board with Florida SunRail

July 29, 2009

One by one, SunRail commuter-train supporters are quieting the critics, the *Orlando Sentinel* reports. They've won Lakeland's endorsement and gotten trial lawyers to back off. By seeking millions of extra federal dollars and altering liability provisions, they hope to quell even more adversaries. But one foe might be intractable: the unions.

Organized-labor officials complain the state is using SunRail to bust the unions that dominate much of the railroad industry — and they can't allow that to happen.

"The goal, of course, is to go nonunion. We just get eliminated," said John Gaige, a 62-year-old union signalman who works in South Florida.

State officials deny the charge. They contend they are neither pro- nor anti-union, but promoting a right-to-work place where employers can hire whomever they choose.

"We want a fair, open, competitive procurement process. To us, the more competitive, the better. We're not precluding anyone," said Dick Kane, a spokesman for the state Department of Transportation, which would own the tracks SunRail intends to use.

SunRail would run for 61.5 miles through Central Florida, with 17 stops, from DeLand in Volusia County through downtown Orlando to Poinciana in Osceola County. Four counties and the city of Orlando would be responsible for operating the $1.2-billion venture, though they would hire private companies to do the work.

That's where the unions come into play. They handle most of the track and operations work for CSX and want to hold onto it, regardless of who owns the rails. Union officials say they won't budge because SunRail is being promoted as the template for all future commuter trains in the state. In other words, if the union is excluded from SunRail, workers could lose out on hundreds of new jobs if planned projects in Jacksonville and Tampa are realized. And Gaige and at least seven other signalmen could lose their union jobs, too, if SunRail ever passes the Legislature.

Rich Edelman, an attorney who represents the Brotherhood of Railroad Signalmen, said a memo written by DOT officials in 2005 proves the state is out to break the union. The document says, in part, "Ideally, the FDOT proposal would provide the freedom to undertake the operations and maintenance of the corridor using non-union contract labor, which would be the most effective and efficient approach."

Kane said that record does not represent the department's policy and was little more than a compilation of discussion points. Whether a union is hired, he said, would be up to the firm that wins the bid to provide signalmen and other workers.

But Edelman said the union has never been consulted by the state about what might or might not happen: "They've never even made us an offer that is too bad to turn down."

CSX spokesman Gary Sease said any union workers who lose out to SunRail "are guaranteed jobs elsewhere in Florida. In addition, we have offered six years of wage protection should they be adversely affected, which is not expected. There are few guarantees out there as generous as these in today's economic environment."

Union opposition to SunRail is important because it has plenty of pull with the 14 Democrats who reside in the 40-member Senate. Only three Democrats voted for SunRail during the last session; the venture went down by a 16-23 count (one senator was absent).

Sen. Al Lawson, the Democratic caucus chairman from Tallahassee, said it would be difficult for his members to go en masse against the unions. "Obviously, you don't want to abandon your big supporters," he said. But, he said, he is intrigued by the efforts of Orlando Mayor Buddy Dyer, a Democrat, to make SunRail more acceptable to opponents.

"I'll look at it and see if it makes sense," Lawson said.

Would Tax on Benefits Rein In Spending?

By Alec MacGillis
Washington Post Staff Writer
Thursday, July 30, 2009

The heath-care bill that has been wending its way through the Senate Finance Committee is likely to contain a provision that President Obama opposed during his campaign: a tax on at least some employer-provided insurance plans.

The case for that step is twofold -- it would raise revenue to pay for universal coverage, and it would restrain soaring health-care spending. Proponents say any Econ 101 student knows that because premiums on the plans are now excluded from taxes, people are more likely to sign up for expensive policies and consume more health care. The Congressional Budget Office director has made it clear that taxing insurance plans would be one of the few ways to get his endorsement that reform will truly "bend the curve" of health-care spending.

But is this assumption correct? Do Americans spend so much on health care because the benefits they receive through work are not taxed?

A vocal minority of participants in the debate warn that the effect of taxing health-care benefits is being overstated. They concede there is a case for limiting the tax exemption -- to raise money for universal coverage, as well as to equalize the status between employer benefits and individual coverage bought with after-tax money -- but say the strategy is no golden key for reining in costs.

"The waste in our system is enormous, but it's not the consumer driving that waste. To the extent that consumers ask for care, it's because they've been told they need it by providers," said Donald Berwick, a professor of health policy at Harvard University.

Obama, after opposing a tax on benefits during the campaign, has signaled he might be open to the more limited version now being discussed, a tax on only the most costly of plans. As it now stands, workers pay no taxes on the insurance plans their employers provide, and they pay their own share of premiums on a pretax basis.

One option would be to tax as regular income the value of plans that fall above a certain threshold. The Finance Committee may instead opt for legislation that would tax the insurers or employers that provide expensive plans, a cost that would presumably be passed to employees as higher premiums -- unless employers stopped offering the expensive plans altogether. A tax on costly benefits would fall most heavily on upper-income professionals, union members, people living in areas where health-care costs are high and employees in small businesses with a high share of workers who are older or sicker.

To skeptics, the dispute is a classic clash between economic abstractions and real-world practice. While not taxing health insurance should in theory encourage employees to sign up for costly plans and spend more freely, they say the reality of how people consume health care does not conform with pure economic dictates.

The vast majority of health-care spending, they note, is on behalf of people who genuinely need care, not just those heading to the doctor because their insurance covers it. And the vast majority of treatments occur because doctors recommend them, regardless of patients' coverage. The key to restraining spending, they say, is getting providers to deliver care in more cost-effective ways.

Maggie Mahar, a Century Foundation fellow, says the assumption that tax-free benefits are a cost driver overlooks the fact that health care is not something most people enjoy paying for. "That guy with good coverage is not going to have bypass surgery unless someone tells him he absolutely has to. He does not want to crack his chest open," she said.

Steven Kreisberg, director of collective bargaining for the American Federation of State, County and Municipal Employees, was even more derisive. "Right. I have great chemo coverage, so I think I'm going to go get cancer," he said. "This all starts with the economists -- they just apply traditional economic theory that if you give something preferable treatment in the tax code you'll get more of it. But health care is not a traditional good or service. It's a vital service."

The economists are undeterred. Labor unions, they say, push for generous benefits because those benefits are not taxed, as higher wages would be. If benefits were taxed, employees would give more thought to less costly plans and be more aware of their health-care spending.

"The next time you got a W-2 there would be a line listing additional income tax" paid on benefits, said Mark B. McClellan, who was a senior health-care official in George W. Bush's administration. "People would pay attention to that."

It is hard to test the effect of the tax-free status for benefits, given that the exemption applies to all employers. The Congressional Budget Office estimates that doing away with the tax exclusion -- beyond just limiting it, as is more likely to happen -- would result in people selecting plans with premiums 15 to 20 percent cheaper. But the CBO notes that "the reduction in overall spending on health care would be smaller than the reduction in premiums because some costs would be shifted from covered spending to out-of-pocket spending."

Economists also point to a Rand Corp. study in the 1970s that found that people reduced their outpatient care, and their inpatient care to a slightly lesser extent, when their co-payments and deductibles rose, as they would in less costly coverage plans. Jonathan Gruber, an economist at the Massachusetts Institute of Technology, said it is "irrefutable" that taxing plans would cause a drop in spending as employers offered cheaper benefits and employees used less care, though it is less clear whether it would continue to bend the curve over the long run.

It is true, he added, that most cost-cutting will have to be done by providers. But people who aren't aware of the cost of their care are more likely to object to efficiencies. "It's hard to [make reforms] in a world where people aren't paying the true cost of their care," he said.

That is the thinking behind the proposal of Sens. Ron Wyden (D-Ore.) and Robert F. Bennett (R-Utah) to replace employer-provided plans with a tax deduction and subsidies people would use to purchase an individual plan. The idea is that health-care consumers would become cost-conscious and force insurers to lower prices and providers to deliver care in more cost-effective ways.

Skeptics say such an approach overstates people's ability to make informed health-care decisions. They note that about half the care that people in the Rand study decided to forgo because of out-of-pocket costs was deemed necessary by their doctors. Many of the chronically ill chose not to purchase needed medications, which resulted in more hospitalizations. Such counterproductive decisions would tend to fall on lower-income patients who cannot afford out-of-pocket costs.

"What you're really talking about is a buyer who is sick and sometimes old and often scared, who is very much inclined to buy whatever the seller tells him to buy," Mahar said. "That's why consumer-directed health care doesn't work."

And the skeptics note that spending has soared even as deductibles and co-pays have increased, undermining the argument that higher out-of-pocket costs would bend the curve. As their premiums have shot up, many employees still select the more expensive option. And spending increases have been higher this decade, when income taxes were lower, than they were in the 1990s. Under the economists' theory, spending should be strongest when the disparity between income taxes and tax-free benefits is greatest.

"The idea that [the tax disparities] rule the world and are game changers is really hard to see," said Josh Bivens, an economist with the left-leaning Economic Policy Institute.

Urban Institute economist Stephen Zuckerman falls in between.

"The primary reason for putting a cap on the tax exclusion is that is a potential source of funding for health reform," he said. "But how large an impact that's going to have on spending is an educated guess."

7/30/2009 2Q Financials

CP reins in costs, lowers operating ratio in midst of rough economy

This morning, Canadian Pacific became the sixth Class I to report double-digit drops in second-quarter revenue and expenses.

CP’s total revenue of $1 billion fell 21 percent compared with second-quarter 2008’s total as total carloads tumbled from 745,000 in the year-ago period to 564,200. The results include the Dakota, Minnesota & Eastern Railroad’s financials, which now are consolidated with CP’s. Grain revenue increased from $211 million to $252 million, but coal, sulphur/fertilizers, forest products, industrial/consumer products, automotive and intermodal revenue fell substantially.

CP also announced that second-quarter net income rose 2 percent to $145 million and diluted earnings per share declined 7 percent to 86 cents. However, excluding a foreign exchange gain and loss on long-term debt and other items, income declined 33 percent to $92 million and diluted earnings per share decreased 39 percent to 54 cents compared with second-quarter 2008.

"The recession continues to have a significant impact on our business, and although freight volumes appear to have stabilized, we have not yet seen a sustained recovery in traffic," said CP President and Chief Executive Officer Fred Green in a prepared statement.

Despite the economic challenges, CP improved its operating ratio 1.2 points to 77.9 and cut operating expenses 23 percent to $737 million compared with second-quarter 2008 figures. Fuel costs plummeted from $240 million to $109 million, and compensation/benefits, materials and purchased services costs dropped more than 10 percent.

"In this economic climate, we continue to manage what is in our control, and I am pleased with our cost-management efforts," said Green.

CP also announced that it now expects the 2009 capital program to range between $800 million and $820 million vs. a previous outlook of $720 million to $740 million in part because of operating lease buy-outs.

7/30/2009 2Q Financials

KCS: Expenses way down, but operating ratio way up

The recession did a number on Kansas City Southern's second-quarter earnings — as in a very low number. Today, the Class I reported earnings of seven cents per share compared with 56 cents per share in second-quarter 2008. Analysts had expected earnings per share of 8 cents, according to Reuters Estimates.

Quarterly operating income fell from $104.6 million in the year-ago period to $43.4 million and revenue tumbled from $486.2 million to $341.3 million. Analysts had expected revenue of $357.9 million, according to Reuters Estimates.

Revenue was impacted by a 19 percent decline in traffic volume and 72 percent reduction in fuel surcharge revenue. Each of five commodity groups posted less revenue compared with second-quarter 2008 figures, with intermodal/automotive revenue plunging 47 percent and industrial/consumer product revenue falling 40.5 percent.

In addition, KCS' operating ratio rose 8.8 points to 87.3 compared with second-quarter 2008's ratio. The Class I's first-quarter operating ratio was 86.

The lone bright spot in the second quarter: operating expenses, which declined 22 percent year over year to $297.9 million. Casualties and insurance costs fell 59 percent to $7.7 million, fuel costs plunged 56 percent to $40.2 million, compensation/benefits costs declined 18 percent to $79.1 million, purchased services costs dropped 14 percent to $46 million and equipment costs decreased 11 percent to $41.2 million.

"Efficient rail operations and continued stringent expense controls partially mitigated the effects of the prolonged global recession on KCS' second quarter," said Chairman and Chief Executive Officer Mike Haverty in a prepared statement.

JULY 31, 2009

Odds of a Vote Dim for Card-Check Bill

By KRIS MAHER

Chances that Congress will vote on a union-organizing bill this year are dimming as lawmakers make health care and appropriations the top priorities.

Some Democratic senators have been trying for months to find a way around the bill's most contentious provision, the "card check" rule that would let workers to unionize by simply signing up rather than running a secret-ballot vote.

While attempts at a compromise have made headway, less progress has been made on the bill's other divisive element: imposing a government-appointed arbitrator to set contract terms -- including wages and benefits -- if companies and newly formed unions can't agree within 120 days of bargaining. The legislation, known as Employee Free Choice Act, also would increase penalties on employers that violate labor laws during organizing periods.

Further complicating the bill's chances this year are the serious illnesses of Sens. Edward Kennedy and Robert Byrd -- both strong labor supporters -- and doubts about whether the two would physically be able to attend a floor vote. Democrats would need both of them to marshal the 60 votes required to thwart a likely Republican-led filibuster.

"They don't have the votes without those two guys coming to the floor at this point," said a person familiar with Democratic leaders' thinking.

Peter Francia, a labor and politics expert at East Carolina University in Greenville, N.C., said, "Without 60 votes, EFCA will not move forward and is likely to face delays into 2010."

The delay would be a blow to organized labor. Unions had hoped the Obama administration and the Democrat-controlled Congress would act on the bill within the president's first 100 days, paving the way for accelerated unionization campaigns to fight eroding membership.

An aide to Senate Majority Leader Harry Reid, a Nevada Democrat, declined to comment on the bill's timing. "We can never rule anything in or out, but we're focusing on health-care and appropriations bills," he said.

A spokeswoman for Democratic Sen. Tom Harkin of Iowa, who has been leading compromise negotiations, also declined to comment on the talks' status. "Our focus is on moving the negotiations forward," she said.

One compromise would drop the card-check measure but shorten the duration of unionization elections, giving employers less time to run counter-campaigns. On the arbitration front, concessions include limiting the circumstances when arbitration could be ordered or what terms could be imposed by an arbitrator.

Business groups are still bracing for the remote possibility that Democrats will reach a compromise and try to quickly push it through the Senate, giving opponents little time to mount an opposition.

"Our grass-roots [membership] is ready to move at a moment's notice," said labor-policy specialist Randel Johnson of the U.S. Chamber of Commerce.

The National Right to Work Committee, which opposes the bill, is launching ads this week in Virginia advising voters to tell the state's two Democratic senators, Mark Warner and Jim Webb, to vote against it or any compromise version.

Members of the Service Employees International Union are expected to deliver petitions signed by 18,000 members to Congress, arguing that card-check should be part of a final bill. SEIU president Andy Stern said having a majority of workers sign cards is "the fairest way for workers to negotiate for better job security and wages, given the intensity of employer harassment and intimidation."

Why Young Workers Need Employee Free Choice

Posted By Seth Michaels On July 30, 2009 @ 3:45 pm In Legislation & Politics | No Comments

In a great new [1] Point of View guest column for the AFL-CIO, Martin Bennett, a history instructor at Santa Rosa Junior College and a member of the North Bay Labor Council executive board, looks at the state of young workers in America and says that the [2] Employee Free Choice Act is necessary to ensure a secure economic future for the rising generation. (Also, watch for the results of our national survey on young workers—their economic well-being, work life, aspirations and concerns—prior to Labor Day.)

Bennett notes that young workers are particularly vulnerable to the economic crisis:

- Median annual earnings for young men (25-34) with a high school education declined by 29 percent between 1975 and 2005, and decreased by 10 percent for young women who are high school graduates. The drop of earnings was even steeper for young African American and Latino workers with only a high school education.
- Median earnings for young men with a bachelor's degree decreased 2 percent between 1975 and 2005, while the earnings for college-educated women increased slightly by 10 percent.
- One in three young workers between the ages of 18 and 34 do not have health insurance—the highest rate by far for all age groups.

Why is this, Bennett asks? It has a lot to do with the fact that young workers are increasingly deprived of the freedom to bargain for a better life. Bennett notes that too few young workers have the chance to join a union even though many would like to, and when they do, they get a better chance at eonomic success:

In 1955, 37 percent of private-sector workers were union members, but in 2007, only 12 percent of all workers belonged to a union. Fewer than 5 percent of young workers are union members today.

Polling data suggests young workers strongly support unions. Young workers are disproportionately clustered in nonunion, low-wage service-sector industries such as hotels, restaurants, retail and security services. The benefits of union membership for young workers are substantial.

A Center for Economic and Policy Research [3] report indicates that young workers (between 18-29) who are union members earn 12.4 percent more—or about $1.75 per hour—compared with non-union workers, and that 68 percent of young union workers receive health benefits, compared with 38 percent for non-union workers.

Carloadings continue "slight" improvement

July 31, 2009

The Association of American Railroads on Thursday reported continued "slight" improvement in U.S. rail carloadings for the week ended July 25, though traffic remained down from the same period last year.

Railroads originated 273,943 carloads in the latest week, down 17.4% from 2008. Intermodal loads added up to 193,332 trailers or containers, down 17.9%. Total volume for the week ending July 25 was estimated at 29.3 billion ton-miles, down 16.3%.

U.S. carriers reported cumulative volume for this year's first 29 weeks of 7,610,311 carloads, down 19.1% from 2008; 5,376,118 trailers or containers, down 17.2 %; and total volume of 809.7 billion ton-miles, down 18.1%.

Canadian railroads reported 61,503 carloads for the latest week, down 18.4% from last year, and 41,902 trailers or containers, down 17.1%. For the year to date, Canadian roads reported volume of 1,728,034 carloads, down 23.8% from 2008, and 1,163,185 trailers or containers, down 16.2%.

Mexican railroads originated 11,541 carloads, down 13.8% from the same week last year, and 5,779 trailers or containers, down 15.0%. Cumulative volume for the first 29 weeks of 2009 was 329,211 carloads, down 14.7%, and 139,425 trailers or containers, down 21.8%.

Total North American rail carload volume for the first 29 weeks of 2009 on 14 reporting railroads was down 19.8% from last year, and intermodal traffic was down 17.1%.